

The Senate

Education, Employment
and Workplace Relations
Legislation Committee

Budget estimates 2011–12

June 2011

© Commonwealth of Australia 2011
ISBN 978-1-74229-480-3

This document was produced by the Senate Education, Employment and Workplace Relations Secretariat and printed by the Senate Printing Unit, Parliament House, Canberra.

Senate Standing Committee on Education, Employment & Workplace Relations

LEGISLATION COMMITTEE

Membership of the Committee

Senator Gavin Marshall, Chair	Victoria, ALP
Senator Chris Back, Deputy Chair	Western Australia, LP
Senator Michaelia Cash	Western Australia, LP
Senator Catryna Bilyk	Tasmania, ALP
Senator Sarah Hanson-Young	South Australia, AG
Senator Dana Wortley	South Australia, ALP

Participating Members

Senators Abetz, Adams, Barnett, Bernardi, Birmingham, Bishop, Boswell, Boyce, Brandis, B. Brown, C. Brown, Bushby, Cameron, Colbeck, Coonan, Cormann, Crossin, Eggleston, Faulkner, Ferguson, Fierravanti-Wells, Fielding, Fifield, Fisher, Forshaw, Furner, Heffernan, Humphries, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Macdonald, Mason, McEwen, McGauran, Milne, Minchin, Moore, Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Stephens, Sterle, Troeth, Trood, Williams & Xenophon.

Secretariat

Mr Tim Watling, Secretary
Ms Bonnie Allan, Principal Research Officer
Ms Natasha Rusjakovski, Senior Research Officer
Mr Jarrod Baker, Research Officer
Mr Dylan Harrington, Administrative Officer
Ms Danielle Oldfield, Administrative Officer

PO Box 6100
Parliament House
Canberra ACT 2600
Ph: 02 6277 3521
Fax: 02 6277 5706
E-mail: eewr.sen@aph.gov.au
Internet: http://www.aph.gov.au/senate/committee/eet_ctte/index.htm

Table of Contents

Table of Contents	v
Membership of the Committee	iii
Chapter 1	1
Overview.....	1
Chapter 2	3
Education, Employment and Workplace Relations portfolio	3
Fair Work Australia.....	4
Fair Work Ombudsman	4
Australian Building and Construction Commission.....	6
Comcare.....	7
Safe Work Australia	8
Outcome 5: <i>Safer, fairer and more productive workplaces</i>	9
Outcome 4: <i>Enhanced employability and acquisition of labour market skills</i>	9
Outcome 3: <i>Growth in skills, qualifications and productivity</i>	13
National Vocational Education and Training Regulator	17
Outcome 1: <i>Early childhood education</i>	17
Australian Curriculum, Assessment and Reporting Authority.....	17
Outcome 2: <i>Schools and youth</i>	18
Appendix 1	21
Committee oversight of departments and agencies.....	21
Appendix 2.....	23
Index to Hansard transcripts	23

Chapter 1

Overview

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

1.2 On 10 May 2011¹ the Senate referred the following documents to the committee for examination and report in relation to the Education, Employment and Workplace Relations portfolio:

- Particulars of proposed additional expenditure in respect of the year ending on 30 June 2012;
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2012; and
- Particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2012.

1.3 Standing committees are required to report to the Senate on 21 June 2011. This report of the Education, Employment and Workplace Relations Legislation Committee is provided to the Senate in fulfilment of that requirement.

Portfolio coverage

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

1.5 The National Vocational Education and Training Regulator (operating as the Australian Skills Quality Authority), due to commence operations from 1 July 2011, was called before the Senate for the first time.

Hearings

1.6 The committee conducted four days of hearings, examining Employment and Workplace Relations outcomes and agencies on 30 and 31 May 2011 and Education outcomes and agencies on 1 and 2 June 2011. In total the committee met for 35 hours and 28 minutes, excluding breaks.

1.7 The following outcomes and agencies appeared before the committee:

- Outcomes 1 — 5
- Fair Work Australia
- Fair Work Ombudsman

1 *Journals of the Senate No. 28*, 10 May 2011, p. 878.

- Australian Building and Construction Commission
- Comcare
- Safe Work Australia
- National Vocational Education and Training Regulator
- Australian Curriculum Assessment and Reporting Authority
- Skills Australia
- Australian Learning and Teaching Council

1.8 The Australian Institute for Teaching and School Leadership was released from the hearings without examination.

Public interest immunity claims

1.9 On 13 May 2009, the Senate passed an order relating to public interest immunity claims.² The order sets out the processes to be followed if a witness declines to answer a question. The full text of this order has previously been provided to departments and agencies and was incorporated in the Chair's opening statement on the first day of the budget estimates hearing.

1.10 The issue of public interest immunity was not raised during the hearings.

Questions on notice

1.11 The committee has drawn the attention of the department and its agencies to the agreed deadline of Friday 22 July 2011 for the receipt of answers to questions taken on notice from this round, in accordance with Standing Order 26.

1.12 For this round, approximately 541 written questions on notice were received from Senators Abetz, Birmingham, Bushby, Cameron, Fisher, Mason, Nash, Ronaldson, Scullion and Siewert.

Note on Hansard page referencing

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

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

Chapter 2

Education, Employment and Workplace Relations portfolio

2.1 This chapter summarises areas of interest and concern raised during the committee's consideration of budget estimates for the 2011-12 financial year. This section of the report follows the order of proceedings and is an indicative, but not exhaustive, list of issues examined.

2.2 The committee heard evidence on 30 and 31 May from Senator the Hon. Chris Evans, as the Minister for Education, Employment and Workplace Relations, along with officers from areas of the department and agencies responsible for employment and workplace relations, including:

- Comcare
- Safe Work Australia
- Fair Work Ombudsman
- Fair Work Australia
- Australian Building and Construction Commission

2.3 On 1 and 2 June the committee heard evidence from Minister Evans, Parliamentary Secretary for School Education and Workplace Relations Senator the Hon. Jacinta Collins and officers from areas of the department and agencies responsible for administering education policy, including:

- Australian Curriculum, Assessment and Reporting Authority
- Australian Learning and Teaching Council
- Skills Australia
- National Vocational Education and Training Regulator

2.4 Senators present over the course of hearings were Senator Marshall (Chair), Senator Back (Deputy Chair), Senators Abetz, Bernardi, Bilyk, Boyce, Bushby, Cameron, Cash, Collins, Crossin, Evans, Fielding, Fifield, Fisher, Hanson-Young, Humphries, Hutchins, Mason, Nash, Parry, Ronaldson, Ryan, Scullion, Siewert, Sterle and Wortley.

Fair Work Australia

2.5 The committee examined the performance benchmarks of Fair Work Australia (FWA) including the average time required to settle claims. The committee explored the circumstances in which an application fee could be refunded.³ Senators explored the delineation of roles between the Australian Electoral Commission and FWA in conducting industrial ballots.⁴

2.6 Senators also sought details on the nature of adverse action claims lodged with FWA and any possible relationship these may have with unfair dismissal requirements, and discussed some statistics surrounding unfair dismissal claims.⁵

2.7 Other matters explored included the process for an official to gain a right of entry permit to a workplace for the purpose of conducting safety inspections; the training they must undertake; independent verification of evidence provided to FWA; and the penalties for making false declarations on application forms.⁶

Fair Work Ombudsman

Community awareness and responsiveness

2.8 Officials from the Fair Work Ombudsman (FWO) were asked what activities they are undertaking to promote awareness of the rights and responsibilities of employers and employees under the current workplace relations legislation. Witnesses advised that the FWO is active in local communities, engaging with interested parties through a variety of media and shopfronts.

2.9 In response to questions regarding recent natural disasters, representatives informed the committee that telephone callers from Queensland were given priority during the month of January, and that a new publication, *Employment entitlements during natural disasters or emergencies*, was released. Officers noted that this publication was not specific to recent flood and cyclone events in Queensland, and would be of use in any future natural disaster or emergency. Furthermore, the committee was informed that the FWO is currently investigating upgrading the technology used for caller identification to improve prioritisation of affected persons in future events.⁷

³ *Proof Estimates Hansard*, 30 May 2011, pp. 17-8

⁴ *Proof Estimates Hansard*, 30 May 2011, pp. 18-9.

⁵ *Proof Estimates Hansard*, 30 May 2011, pp. 19-20, 22-3. The possibility of a relationship between adverse action claims and unfair dismissal claims was also raised with the Fair Work Ombudsman.

⁶ *Proof Estimates Hansard*, 30 May 2011, pp. 31-2.

⁷ *Proof Estimates Hansard*, 30 May 2011, pp. 44-5.

Auditing and compliance activities

2.10 FWO discussed their auditing methodology, outcomes, objectives and follow-up activities used to monitor industry compliance with legislation. The Committee was assured that these audits result in improved industry wide outcomes as findings from an audited sample are distributed to interested participants nationally.⁸ The committee heard that the FWO is providing a sophisticated range of tools for employers and employees to manage their relations, protect their rights and meet their obligations.⁹

Sham contracting

2.11 The FWO was also asked about investigations of 'sham contracting', the practice of retaining the services of an independent contractor when the relationship should be one of ongoing employment. The FWO informed the committee that:

[We] do take a look at sham contracting arrangements from time to time. We have a set of work which is going on at the moment in a number of industries to test the extent of sham contracting in about 90 to 100 different entities in the cleaning, call centre and hair and beauty industries.¹⁰

2.12 When asked about the potential overlap in operations between the Australian Building and Construction Commission (ABCC) and the FWO, the committee learnt that there is a Memorandum of Understanding (MOU), signed in March 2011, between the FWO and the ABCC which 'sets out a framework for [the FWO] to refer wages and conditions matters explicitly to the ABCC.'¹¹ The MOU ensures that all work which falls under the *Building and Construction Industry Improvement Act 2005* (BCII Act) is referred to the ABCC. Not all building companies fall within the BCII Act as some are below the necessary scale thresholds; therefore the FWO retains some interest in potential sham contracting in the building industry.

Annual leave loading

2.13 The committee explored at length the question of when annual leave loading is payable when an employee is terminated. The National Employment Standards include annual leave loading on unused leave at the time of dismissal. Officials clarified for the committee what would happen in an hypothetical situation in which an agreement specifically stipulates that no annual leave loading is payable on unused annual leave:

[W]here an enterprise agreement had been certified by Fair Work Australia and it included a clause which was inconsistent with the [National Employment Standards (NES)], we would argue that the NES survives and

⁸ *Proof Estimates Hansard*, 30 May 2011, pp. 46-7.

⁹ *Proof Estimates Hansard*, 30 May 2011, p. 49.

¹⁰ *Proof Estimates Hansard*, 30 May 2011, p. 50.

¹¹ *Proof Estimates Hansard*, 30 May 2011, p. 51.

that therefore annual leave loading on termination was payable, where it is otherwise payable on annual leave taking during employment.¹²

2.14 Although this position is based upon the uncontested advice from senior council, the Chair emphasised that the discussion was based around hypothetical scenarios.¹³

Australian Building and Construction Commission

2.15 The committee discussed a wide range of matters with the ABCC including staffing, office arrangements, recruitment, information provided to the public, and workloads.

Commissioner's powers to obtain information

2.16 Section 52 of the ABII Act provides the ABCC Commissioner power to require witnesses to give evidence relating to investigations being undertaken by the ABCC. The committee explored the use of this power and upcoming reviews into its use. The Commonwealth Ombudsman (Ombudsman) has been invited by the Commission to attend section 52 hearings to ensure transparency and due process are afforded to participants.¹⁴ The committee was informed that witnesses who are compelled to testify are eligible for compensation for travel and other expenses.¹⁵ While it was established the three-quarters of witnesses summoned under section 52 later appeared voluntarily, it was explained to the committee that section 52 was an important tool to facilitate the work of the ABCC and to provide protection to witnesses who may be adversely affected should they be seen to cooperate with the ABCC voluntarily.¹⁶

Sham contracting inquiry

2.17 The committee received an update into the on-going sham contracting inquiry being undertaken by the ABCC. Senators were informed that public inquiries have concluded and that information is now being collated for the report.¹⁷

¹² *Proof Estimates Hansard*, 30 May 2011, p. 57.

¹³ *Proof Estimates Hansard*, 30 May 2011, pp. 55-9.

¹⁴ *Proof Estimates Hansard*, 30 May 2011, p. 72.

¹⁵ *Proof Estimates Hansard*, 30 May 2011, p. 70.

¹⁶ *Proof Estimates Hansard*, 30 May 2011, p. 76, 81.

¹⁷ *Proof Estimates Hansard*, 30 May 2011, p. 79.

Comcare

Review of Comcare health and safety representative training course accreditation program survey

2.18 Senators discussed the review into Comcare's Health and Safety Representative Training Course Accreditation Program. Senators raised concerns about the concentration of survey respondents in Commonwealth agencies and the potential this might have to skew the results of the survey. The quantum of, and emphasis on, face-to-face training was also raised as potentially excluding training providers that use external training methods. In response to questions regarding the necessary duration of training for health and safety representatives (HSR), witnesses explained:

[I]n all the circumstances and taking account of a range of views from training providers, unions, employers, HSRs et cetera, did come to a view on this particular issue when they revised the guidelines in April 2010 that they would require five days face-to-face training.¹⁸

2.19 Senators were informed that the draft regulations call for five days of face-to-face training, but they are not prescriptive in the method of delivery and consultations are still ongoing in regards this matter.¹⁹

Immigration detention facilities

2.20 Witnesses were asked about media reports that indicated that Comcare had visited seven detention centres in the last fortnight. In response to questions on the findings of those visits, officials explained:

The investigations and site visits to these immigration detention facilities did find that generally the work places were compliant with federal work health and safety laws. There were four areas of concern that were shared with the department and also, through the department, with the detention facility managers and Serco. They related to risk assessment, staff training, critical incident control and also the issue of adequate preparation to manage the risk of racial vilification. There were some specific issues with regard to Villawood, in particular, at Blaxland, the high security centre. They were raised with DIAC and immediate remedial measures were put in place.²⁰

2.21 It was also revealed that an improvement notice, subsequently tabled, had been issued to the Villawood detention facility. It was reported that the improvement notice had been complied with in a timely manner.²¹

¹⁸ *Proof Estimates Hansard*, 30 May 2011, p. 90.

¹⁹ *Proof Estimates Hansard*, 30 May 2011, pp. 86-90, 97.

²⁰ *Proof Estimates Hansard*, 30 May 2011, p. 90.

²¹ *Proof Estimates Hansard*, 30 May 2011, pp. 90-1.

Service improvement

2.22 Comcare revealed that in the financial year to date, it has received around 3700 new claims and provided ongoing support for in excess of 10 000 claimants. In that time it has received 318 complaints.²² Comcare is putting in place measures to improve the capabilities of staff to deal with cases involving post-traumatic stress disorder. Officials undertook to consider providing applicants with a receipt for evidence received in order to minimise the possibility of evidence being misplaced.²³

Safe Work Australia

Occupation health and safety draft regulations

2.23 Safe Work Australia (SWA) was asked about the progress made to date in preparing the new national regulations relating to occupation health and safety. The committee was informed that SWA had conducted a four-month public consultation process and had received approximately 1350 submissions which were being considered. The committee discussed the potential impact of the draft regulations on the building and construction sector. It was emphasized by SWA that the draft regulations are still being refined to address concerns raised through the consultation process.²⁴

National standardisation of occupation health and safety regime

2.24 Officials discussed the process of implementing a nationally consistent occupational health and safety regime. Senators heard that the model legislation, endorsed by the Council of Australian Governments (COAG), was being enacted and should be in place by 1 January 2012.²⁵

2.25 In response to questions regarding the potential implication of amendments moved in the New South Wales Parliament granting unions the right to prosecute in certain circumstances, an official informed the committee:

Under the intergovernmental agreement all of the Commonwealth, the states and the territories committed to enact the model legislation. That is a matter that is under auspices of COAG, so it will be a matter for COAG to consider, when all the bills are enacted, to what extent they have actually complied with the model legislation. Safe Work Australia has a role to monitor the implementation of it. We will be reviewing that. We will be raising it with the relevant ministerial council and ultimately to COAG.²⁶

²² *Proof Estimates Hansard*, 30 May 2011, p. 94.

²³ *Proof Estimates Hansard*, 30 May 2011, p. 93.

²⁴ *Proof Estimates Hansard*, 30 May 2011, p. 99.

²⁵ *Proof Estimates Hansard*, 30 May 2011, pp. 100-4.

²⁶ *Proof Estimates Hansard*, 30 May 2011, p. 101.

Department of Education, Employment and Workplace Relations – Outcome 5: *Safer, fairer and more productive workplaces*

Safe Rates, Safe Roads

2.26 The Department of Education, Employment and Workplace Relations (department) was asked about any progress in the ongoing *Safe Rates, Safe Roads* (SRSR) investigation being undertaken as part of the government response to the National Transport Commission report *Safe Payments Addressing the Underlying Causes of Unsafe Practices in the Road Transport Industry*. The SRSR inquiry is exploring options for a national approach to pay, conditions and safety measures across the road freight industry. The committee heard that the department is currently undertaking economic analysis of various options.²⁷

Fair Work Act

2.27 Senators discussed the implementation of the *Fair Work Act 2009* (FWA 2009) and its impact on different sectors of the economy. Senator Evans informed the committee that the government is willing to engage with concerns but encouraged everyone to try and make the legislation work. The department has begun preparations to undertake a two year, post implementation review of the FWA 2009 from 1 January 2012.²⁸

Department of Education, Employment and Workplace Relations – Outcome 4: *Enhanced employability and acquisition of labour market skills*

Enterprise migration agreements

2.28 The committee commenced Tuesday's hearings with a discussion on Enterprise Migration Agreements (EMA) that facilitate the importation of labour for large resources sector projects valued in excess of \$2 billion and employing more than 1500 people. EMA emerged as a recommendation from the National Resource Sector Employment Taskforce and are designed to meet peak demand for labour in the resources sector.²⁹ Minister Evans explained the government's position:

[EMA] were adopted as part of that cabinet budget decision-making approach in response to the skills shortages that are likely to emerge as we see the huge growth in mining and construction, or mining and other resource projects. They were designed to try to deal with the larger projects, which will have very large labour needs for construction stages, but it is within the suite of measures that DIAC has in terms of 457 visas, labour agreements, and now this bigger project category.³⁰

²⁷ *Proof Estimates Hansard*, 30 May 2011, p. 108.

²⁸ *Proof Estimates Hansard*, 30 May 2011, pp. 115-6.

²⁹ *Proof Estimates Hansard*, 31 May 2011, pp. 5-10.

³⁰ *Proof Estimates Hansard*, 31 May 2011, p. 5.

Job Services Australia

2.29 Job Services Australia (JSA) assists unemployed individuals gain the skills and experience required to ensure sustainable employment. The committee heard that new contracts for JSA providers were due to commence on 1 July 2012; contract extensions will be offered to all JSA providers that receive a star rating of three or higher on a five star scale. The committee discussed the operation and methodology of the star rating scale with departmental officials, and witnesses indicated that the department expected to be in a position to offer contracts to successful providers by March 2012 to provide certainty to jobseekers and employees of JSA providers.³¹

2.30 It was reported to the committee that the government is achieving better outcomes for job seekers through the use of a broad suite of measures and incentivising JSA providers to offer a variety of options. As explained by the department:

[JSA providers] are supposed to customise the work experience for the job seeker...The idea of the Employment Pathway Fund is that it is flexible and they are supposed to customise it for the job seeker's needs. They may do education and training; they may do national Green Jobs Corp; they may do a whole range of other activities: part-time work, volunteer work. There are many activities they can do.³²

2.31 Senators asked about the fiscal impact on JSA providers caused by increasing the work activity requirements of the very long-term unemployed from six to eleven months as announced in the 2011–12 Budget. The department informed the committee that an addition \$1000 per eligible participant will be credited to the Employment Pathway Fund for a provider to work with those people over 11 months rather than the six months currently required. The committee was assured that the extension did not represent a significant new burden on JSA providers as it was a matter of scaling rather than providing a new service.³³

2.32 JSA providers have created 2879 unpaid work experience activities nationally since the beginning of JSA to 31 March 2011. Senators expressed concern for the potential for work experience to displace paid labour. The committee was assured that the guidelines in place ensure that businesses are unable to displace paid labour with unpaid.³⁴

Job capacity assessments

2.33 In 2010–11 there were around 465 000 job capacity assessments (JCAs) undertaken. JCAs provide a comprehensive work capacity assessment, combining

³¹ *Proof Estimates Hansard*, 31 May 2011, p. 10-15.

³² *Proof Estimates Hansard*, 31 May 2011, p. 30.

³³ *Proof Estimates Hansard*, 31 May 2011, pp. 32-5.

³⁴ *Proof Estimates Hansard*, 31 May 2011, pp. 35-7.

referral to employment and related support services with assessment of work capacity for income support purposes. Officials elaborated on the processing times and performance in relation to JCAs, and were able to report that 80 per cent of non-remote JCAs were completed within 10 business days of referral. Currently 60 per cent of JCAs are undertaken by Centrelink. The committee heard that the Department of Human Services has been undergoing a significant training program in May and June 2011 in preparation for taking on all JCAs.³⁵

Building Australia's future workforce

2.34 The committee discussed Building Australia's Future Workforce (BAFW), a \$94.6 million initiative designed to assist the very long-term unemployed to find employment through wage subsidies. Senator Evans explained that:

This is a high disadvantaged group. International experience is that wage subsidy has been one of the most successful ways of giving them an opportunity they otherwise would not get. We will be looking to work with employers of good heart who are prepared to give someone a chance and we are going to help subsidise the fact that they may not be as competitive in the job market that employer in the first place. It is a very targeted program so there is not the potential waste in the program. These are really disadvantaged jobseekers.³⁶

2.35 The committee was assured that there would be measure in place to ensure that sustainable outcomes were achieved and jobseekers would be appropriately matched with employers.³⁷

Productive aging package

2.36 The productive aging package is designed to keep mature workers engaged in the workforce and share their knowledge and experience with the community; especially young people.

2.37 The committee explored the \$500 000 Golden Gurus program that emerged from the 2020 Summit and offered providers grants of up to \$10 000 to link up older citizens with small businesses in the community. The department reported that the program will be reviewed in 2012 to assess the effectiveness of the program at establishing mature-age people as mentors.³⁸

2.38 Experience Plus provides a mechanism for mature age workers with skills but not formal qualifications to have their skills assessed and formally recognised. The committee explored the decision to extend the eligibility of the Experience Plus program to those aged 50 plus, whereas it had previously been restricted to those over

³⁵ *Proof Estimates Hansard*, 31 May 2011, pp. 24-26.

³⁶ *Proof Estimates Hansard*, 31 May 2011, p. 56.

³⁷ *Proof Estimates Hansard*, 31 May 2011, pp. 55-6.

³⁸ *Proof Estimates Hansard*, 31 May 2011, p. 56.

55 years of age. The number of eligible industries has also increased to all industries in priority employment areas. Approximately 129 people had signed up in the first 12 months of the program.³⁹

Disability employment services

2.39 The department was asked if the government's budget measures would have an impact on the number of people accessing Disability Employment Services (DES), an employment assistance service for jobseekers with a disability. The department informed the committee that there was strong demand for the now uncapped DES. Discussing specific measures to support people with disabilities into work, and the number impacted, a witness summarised:

There is a wage subsidy being provided: \$3000 for an employer who takes on people with disability in a job for 15 hours a week for 26 weeks...We are estimating 1000 jobseekers will be assisted through that program, as well as the \$2,000 supported wage system employer payment for those who employ someone under the supported wage system for 15 hours a week for 26 weeks. So the total of those two wage subsidy measures is, we think, 1,000 jobseekers with disability...That is commencing 1 July 2012 and over the forward estimates.⁴⁰

2.40 The \$3000 wage subsidy will commence on a pilot basis as an incentive to get DSP recipients into employment.⁴¹

School enrolment and attendance measure

2.41 Senators sought details about the School Enrolment and Attendance Measure (SEAM), a trial program that suspends income support to parents in cases where students are either not enrolled in school or have poor attendance records. The trial is set to be evaluated sometime after 30 June 2012. The department reported that in the Northern Territory income support payments to six parents had been suspended for failure to enrol their child in school, and payments to 37 parents had been suspended under the attendance component of SEAM. The attendance component of SEAM activates when a child's attendance falls below a certain threshold. Four hundred and ninety parents have been issued with an attendance notice because of concerns regarding their children's attendance record; of those 169 children demonstrated improved attendance. The other 321 children were either within the 28-day compliance period, awaiting a determination on their case by Centrelink, or their parents were subject to income support suspensions. In Queensland 79 parents have had their income support suspended as a result of the enrolment component of SEAM,

³⁹ *Proof Estimates Hansard*, 31 May 2011, pp. 59-60.

⁴⁰ *Proof Estimates Hansard*, 31 May 2011, p. 62.

⁴¹ *Proof Estimates Hansard*, 31 May 2011, p. 78.

and three parents have had their income support suspended as a result of the attendance component.⁴²

Income support for teenage parents

2.42 Senators inquired into how the proposed changes to income support for teenage parents would be administered to ensure the program met its stated outcomes. Officers informed the committee that the new policy aimed for more than simply ensuring that young parents finished school. The program had the potential to help teenage parents access services in the community, and complete educational qualifications other than Year 12.⁴³ As the witness explained:

[T]he trial will very carefully explain to the parent everything that they are entitled to in order to complete their education...it is quite complicated for a teen parent to understand how they can finish their education once they have had a child, and that is the major focus of the trial.⁴⁴

Department of Education, Employment and Workplace Relations – Outcome 3: *Growth in skills, qualifications and productivity*

Skills Australia

2.43 Senators engaged in an expansive discussion on the work that Skills Australia undertakes in predicting future skills shortages and recommending policy to government. The committee heard that Skills Australia undertakes significant modelling work – one manifestation of which is the revisions to the skilled occupations in demand list maintained by the Department of Immigration and Citizenship – in an effort to identify areas where government action may be required. Officials explained:

What we are doing is taking a medium- longer term view of the economy and, in terms of our scenario modelling, we looked at what the total size of the workforce might be, what the qualification levels should be achieving and from that we have extrapolated those to certain industries.⁴⁵

2.44 Skills Australia identified the aged-care and resources sectors as potential areas of future skill shortages.⁴⁶

2.45 Officials emphasised the importance of the Vocational Education and Training (VET) sector for Australia's future prosperity. They indicated the importance of ensuring nationally consistent education standards across institutions and the importance to industry of quality assurance in educational achievements. To

⁴² *Proof Estimates Hansard*, 31 May 2011, pp. 68-69.

⁴³ *Proof Estimates Hansard*, 31 May 2011, pp. 88-90.

⁴⁴ *Proof Estimates Hansard*, 31 May 2011, p. 90.

⁴⁵ *Proof Estimates Hansard*, 1 June 2011, pp. 6-9.

⁴⁶ *Proof Estimates Hansard*, 1 June 2011, pp. 5-9.

this end Skills Australia supported the national VET regulator and recommended that registered education providers should be validated externally on an annual basis.⁴⁷

Australian Learning and Teaching Council

2.46 Senators heard evidence of the administrative work underway to liquidate the Australian Learning and Teaching Council (ALTC) which will be succeeded by the Tertiary Education Quality and Standards Agency. The department explained that all grants currently awarded and administered would be transferred to the department where they would continue as before. In response to difficulties in interpreting the Portfolio Budget Statement, the department suggested it would in future list ALTC funding separately in future portfolio budget statements to improve transparency.⁴⁸

Vocational education and training

2.47 The committee discussed the growth in student numbers in the Vocational Education and Training (VET) sector and some of the reasons for that growth. The committee discussed some of the reasons why students choose different institutions, and the differences between those institutions in terms of quality and variety. One official summarised the policy of government in terms of harmonisation:

The other point is not to harmonise—that is, the government is keen—and we have been keen for a long time—to try to promote what is called competency based training, not time based training. Rather than everyone having to take four years to get an apprenticeship, if you are that good and you could do it in two, and you are just as competent as someone else who did it in four, then you ought to be able to finish in two.⁴⁹

2.48 The committee was assured that VET training in schools and TAFE were taught by accredited instructors and was of a high quality. The department reported that it was looking at ways to ensure that there was transparency around the terminology of VET. Senators asked about completion rates of qualification and retention rates for apprentices; the department discussed the complexities of these areas and highlighted the recently announced \$100 million apprenticeship mentoring program as a way of improving retention rates among apprentices.⁵⁰

VET – National support

2.49 The committee learnt that the department has been working closely with Industry Skills Councils in formulating the Enterprise Based Productivity Places Program which will initially focus on providing trained workers in the aged care and construction industries; both of which are experiencing annual growth rates in excess

⁴⁷ *Proof Estimates Hansard*, 1 June 2011, pp. 9-11.

⁴⁸ *Proof Estimates Hansard*, 1 June 2011, pp. 12-22.

⁴⁹ *Proof Estimates Hansard*, 1 June 2011, p. 27.

⁵⁰ *Proof Estimates Hansard*, 1 June 2011, pp. 23-33.

of 4 per cent. In explanation of the government choice to focus on these two sectors, officials explained:

Both also have challenges with parts of their workforce in need of basic foundational skills. There is very strong demand and employers who are going to be—with strong industry skills councils in both industries—keen to take the lead in developing their own workforce.⁵¹

2.50 Senators also discussed the functioning and performance of Australian Apprenticeship Centres with the department. The committee was informed that there are currently 441 000 Australian Apprentices undertaking training through 25 organisations providing approximately 350 outlets where people can access assistance.⁵²

2.51 The committee heard that the \$100 million allocated in the budget for accelerated apprenticeships will fund approximately 25 centres that will recognise individuals' prior experience and learning under a competency based learning model. It is hoped that this program will be able to deliver the skilled workers industry needs by recognising the abilities of existing workers through formal qualifications without diminishing worker quality.⁵³

Higher education

2.52 Senators undertook a searching review of fiscal and infrastructure implications caused by an expected increase in tertiary enrolments by 2025, planned capital expenditure, changes in university enrolment and the implications for revised indexation methods. Witnesses stressed the difficulty in forecasting over such long timeframes due to changing learning patterns, demographic changes and other factors. Senators agreed that this is an area of significant national importance.⁵⁴

2.53 The committee discussed the recent growth of low socio-economic status students (low-SES), the department reported that those students currently account for 16.2 per cent of university students.⁵⁵ Witnesses described for the committee the methodology used to calculate the number of low-SES students and prospective changes to the methodology to ensure accuracy.⁵⁶

2.54 Senators asked about the policy design and administration of the Student Learning Entitlement (SLE). For the benefit of the committee departmental officials explained the operation of the SLE:

⁵¹ *Proof Estimates Hansard*, 1 June 2011, p. 41.

⁵² *Proof Estimates Hansard*, 1 June 2011, pp. 47-9.

⁵³ *Proof Estimates Hansard*, 1 June 2011, pp. 49-52.

⁵⁴ *Proof Estimates Hansard*, 1 June 2011, pp. 67-82.

⁵⁵ *Proof Estimates Hansard*, 1 June 2011, p. 93.

⁵⁶ *Proof Estimates Hansard*, 1 June 2011, pp. 91-5.

The ordinary SLE is your standard seven years. There is then additional SLE. There are three different formulae for providing additional SLE. The first one is where the course load of the original undergraduate course of study you are doing, other than an honours course or a graduate entry bachelor degree course, is greater than six EFTSL and, where that is the case, you get additional SLE that is equal to your course load, plus one EFTSL, minus your seven ordinary EFTSL and minus any additional SLE that you already have.

Then there is the calculation for the additional SLE where you are enrolled in an honours course, a graduate entry bachelor degree course or a postgraduate course. The formula for that one is essentially the length of your course minus any additional SLE. The last one for additional SLE is where a higher education provider restructures a course while you are in it and effectively you get additional SLE for the additional length of the course while you are in that.

These are the circumstances in which a person has lifelong SLE: the guidelines set up dates from which you initially get one year of EFTSL and then annually afterwards you get an additional quarter of an EFTSL. So if on 1 January 2005 the person was aged 20 years or greater, the person begins accruing lifelong SLE on 1 January 2012 and every January after, and if on 1 January 2005 you were less than 20 years of age, you begin accruing lifelong SLE on 1 January of the year in which you turn 27. They are the dates where you get your initial one year lifelong EFTSL for the Student Learning Entitlement, and you get a quarter of an EFTSL for every year after.⁵⁷

2.55 The committee discussed the administrative burden this placed on universities and the difficulty in monitoring each student's SLE in the absence of an integration information technology system.⁵⁸

2.56 The committee also discussed the Review of Student Income Support Reforms. The review will consider the impact of changes to student income support arrangements; with a particular focus on rural and regional students and their capacity to access higher education. Senators asked about the impacts of changes to student income support, especially as they relate to regional students. Witnesses provided statistics regarding the number of students accessing various student income support.⁵⁹ Minister Evans encapsulated the government's view on the new Youth Allowance policy settings:

We think we have a fairer system and one which is actually supporting the kids who most need the support; and not only that but, now the system has grown, the number who are eligible. So we have many more eligible, many more accessing youth allowance than before, many more kids being helped, families being supported, and more kids going to universities. So I would

⁵⁷ *Proof Estimates Hansard*, 1 June 2011, p. 97.

⁵⁸ *Proof Estimates Hansard*, 1 June 2011, pp. 97-9.

⁵⁹ *Proof Estimates Hansard*, 1 June 2011, pp. 111-120; 123-6.

have to say to you that is a pretty good result if you are trying to assess whether something is working or not.⁶⁰

National Vocational Education and Training Regulator (Australian Skills Quality Authority)

2.57 The committee engaged in a broad discussion on progress towards the establishment of a National Vocational Education and Training Regulator (Regulator) due to commence operations from 1 July 2011. Senators asked questions regarding cost recovery, legislative scrutiny, financial auditing practice, and potential policies. Departmental officials indicated that they would be able to provide answers in greater detail at the Supplementary Budget Estimates round, scheduled for 17-20 October 2011, as the Regulator would have commenced operations.⁶¹

Department of Education, Employment and Workplace Relations – Outcome 1: *Early childhood education*

2.58 The Department reported that one Indigenous Early Childhood Education Centre (IECEC) is complete, with interim services being provided from nine further locations, and three more to commence by the end of July 2011. The department informed senators of consultations undertaken with communities and state governments in relation to the establishment of the IECEC.⁶²

2.59 The committee discussed issues relating to staffing numbers and qualifications in the early childhood education sector. Specifically, government initiatives to accredit non-qualified experienced workers with formal qualifications were discussed.⁶³

Australian Curriculum, Assessment and Reporting Authority

2.60 The Australian Curriculum, Assessment and Reporting Authority (ACARA) reported to the committee that it was planning on including satisfaction surveys in future incarnations of its *MySchool* website. The committee proceeded to discuss some of the methodological uncertainties around these surveys and the comparative costs, benefits and utility of collecting such information.⁶⁴

2.61 ACARA reported to the committee on progress to date and key milestones in implementing the national curriculum. Witnesses reported that the new national curriculum has been fully implemented in government schools in the Australian

⁶⁰ *Proof Estimates Hansard*, 1 June 2011, p. 113.

⁶¹ *Proof Estimates Hansard*, 1 June 2011, pp. 56-63.

⁶² *Proof Estimates Hansard*, 1 June 2011, pp. 107-8.

⁶³ *Proof Estimates Hansard*, 1 June 2011, pp. 109-11.

⁶⁴ *Proof Estimates Hansard*, 2 June 2011, pp. 5-7.

Capital Territory and is being piloted in 60 Victorian schools. These are steps on the road towards full nation-wide implementation by 2013.⁶⁵

Department of Education, Employment and Workplace Relations – Outcome 2: *Schools and youth*

Building the education revolution

2.62 The committee discussed programs within Building the Education Revolution (BER) including: Primary Schools for the 21st Century; Science and Language Centres; and National School Pride. Officials provided senators with an update regarding the number of projects completed and outstanding. The department tabled a document detailing expenditure to date under the BER.⁶⁶

Indigenous boarding facilities

2.63 The government has undertaken to construct three Indigenous boarding facilities to be located at Wadeye, East Arnhem and the Warlpiri Triangle. Officials reported that below-ground construction at Wadeye is complete and the builder is on-site preparing for the commencement of above-ground construction. Garrthalala has been chosen to host the East Arnhem facility and an architect and project manager have been recruited. Infrastructure hurdles were discussed at length and the importance of ensuring access during the wet season was raised.⁶⁷

Rewards for school improvement

2.64 Officials were questioned regarding the operations and design of the Reward for School Improvement program that will reward primary and secondary schools that can demonstrate improved student performance across a number of measures including: attendance; literacy and numeracy performance; and post school destination information. Witnesses provided senators with information regarding the collection and utility of the National Assessment Program – Literacy and Numeracy (NAPLAN) and how it may be used to measure changes in students' academic performance. Officials also about potential methodologies for the collection and comparison of student attendance data.⁶⁸

National school chaplaincy program

2.65 Senators discussed the National School Chaplaincy Program (NSCP) at some length. Officials discussed the criteria for entry into the program and the necessary qualifications for individuals and service providers to be eligible to work in schools. Witnesses reported that service providers are responsible for undertaking eligibility

⁶⁵ *Proof Estimates Hansard*, 2 June 2011, pp. 7-9.

⁶⁶ *Proof Estimates Hansard*, 2 June 2011, pp. 11-23.

⁶⁷ *Proof Estimates Hansard*, 2 June 2011, pp. 28-33.

⁶⁸ *Proof Estimates Hansard*, 2 June 2011, pp. 39-43.

assessments of individual chaplains, and that schools are primarily responsible for monitoring the quality of services and compliance with program guidelines.

2.66 Senators explored how a school engaged an individual under the NSCP; especially how a school would engage a secular person under the NSCP. The policy regarding the appointment of secular chaplains was explained to the committee:

On the change of government, a decision was made to allow schools, in those cases where they were not able to source a chaplain who had some religious affiliation, to choose a secular one.⁶⁹

Senators discussed how this policy would be applied and what evidence a school must produce validating their claims of being unable to find a religiously affiliated chaplain.

2.67 Senators discussed the process for raising complaints regarding the behaviour of chaplains and the way in which the department dealt with any complaints received. Compliance monitoring was discussed and senators learnt that departmental officials visit around 10 per cent of schools each year to speak to key figures, such as school principals, and monitor the implementation of the program.⁷⁰

Digital education revolution

2.68 Senators received an update from the department on progress implementing the Digital Education Revolution (DER). The DER aims to make sustainable and meaningful change to teaching and learning in Australian schools through the effective integration of information and communication technology (ICT). Witnesses provided information regarding the distribution and use of lap-top computers to senior high school students; the provision of high speed internet services to schools nationally; and programs to improve the ICT capacity of teaching professionals to ensure they are equipped to utilise the technologies provided.⁷¹

Senator Gavin Marshall

Chair

⁶⁹ *Proof Estimates Hansard*, 2 June 2011, p. 50.

⁷⁰ *Proof Estimates Hansard*, 2 June 2011, pp. 47-60.

⁷¹ *Proof Estimates Hansard*, 2 June 2011, pp. 64-76.

Appendix 1

Committee oversight of departments and agencies

Education, Employment and Workplace Relations portfolio

- Department of Education, Employment and Workplace Relations;
- Australian Curriculum, Assessment and Reporting Authority;
- Australian Institute for Teaching and School Leadership Ltd;
- Australian Learning and Teaching Council;
- ComCare;
- Fair Work Australia;
- The Fair Work Ombudsman;
- National Vocational Education and Training Regulator;
- Office of the Australian Building and Construction Commissioner; and
- Safe Work Australia.

Appendix 2
Index to Hansard transcripts
Education, Employment and Workplace Relations portfolio

<i>Monday, 30 May 2011</i>	<i>Page no</i>
Cross Portfolio	5
Fair Work Australia	15
Fair Work Ombudsman	38
Australian Building and Construction Commission	61
Comcare	86
Safe Work Australia	98
Outcome 5- Safer and more productive workplaces	106
 <i>Tuesday, 31 May 2011</i>	
Outcome 4– Enhanced employability and acquisition of labour market skills	5
 <i>Wednesday, 1 June 2011</i>	
Skills Australia	5
Australian Learning and Teaching Council	12
Outcome 3- Growth in skills, qualifications and productivity	22
National Vocational Education and Training Regulator	56
Outcome 1- Early childhood education	105
 <i>Thursday, 2 June 2011</i>	
Australian Curriculum Assessment and Reporting Authority	5
Outcome 2- Schools and youth	9

