

The Senate

Employment, Workplace Relations
and Education Legislation Committee

Budget estimates 2004-05

June 2004

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Members:	Senator George Campbell (Deputy Chair)	(ALP) NSW
	Senator Guy Barnett	(LP) Tas
	Senator Kim Carr	(ALP) VIC
	Senator David Johnston	(LP) WA
	Senator Natasha Stott Despoja	(AD) SA

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Employment, Workplace Relations and Education Legislation Committee

Report to the Senate

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

Introduction

1.2 On 11 May 2004 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 for the service of the year ending on 30 June 2005; and
- particulars of certain proposed expenditure in respect of the year ending on 30 June 2005.

1.3 The committee heard evidence from Senator the Hon. Eric Abetz as the Minister representing the Minister for Employment and Workplace Relations, the department and related agencies on the proposed estimates for the Employment and Workplace Relations portfolio. The following agencies appeared before the committee: the Office of the Employment Advocate, Comcare and National Health and Safety Commission.

1.4 The committee also heard evidence from Senator the Hon. Amanda Vanstone, as the Minister representing the Minister for Education, Science and Training, and from officers of the department and its agencies on the proposed additional estimates for the Education, Science and Training portfolio. These included the Australian Research Council; Australian National Training Authority; Australian Institute of Marine Science; Australian National Science and Training Organisation; Commonwealth Scientific and Industrial Research Organisation; and Questacon.

1.5 The committee took into account the Portfolio Budget Estimates Statements 2004-2005 provided by the departments and also their annual reports for 2002-2003. Review of the proposed budget estimates expenditure for these portfolios was carried out over four days, 31 May, 1, 2 and 3 June 2004.

1.6 Senators present at the hearing held on Monday, 31 May 2004 were Senator Tierney (Chair), and Senators Barnett, G. Campbell, Carr, Webber and Wong.

1.7 Senators present at the hearing held on Tuesday, 1 June 2004 were Senator Tierney (Chair), and Senators Barnett, G. Campbell, Carr, Ferris, Harradine, Johnston, Marshall and Wong.

1.8 Senators present at the hearing held on Wednesday, 2 June 2004 were Senator Tierney (Chair), and Senators Carr, Crossin, Marshall and Johnston.

1.9 Senators present at the hearing held on Thursday, 3 June 2004 were Senator Tierney (Chair) and Senators Carr, Crossin, Johnston and Marshall.

1.10 Written questions on notice were received from Senators Allison, Carr, Collins, Crossin, Nettle, Stott Despoja and Webber.

1.11 The committee tables for the information of the Senate copies of transcripts of evidence of committee proceedings of Monday, 31 May 2004, Tuesday, 1 June 2004, Wednesday, 2 June 2004 and Thursday, 3 June 2004. An appendix to the report lists the contents of the Hansard transcripts and the transcripts are available on the internet at: <http://www.aph.gov.au/hansard/senate/committee/s-ewre.htm>.

Questions on notice and additional information

1.12 Standing Order 26 requires the committee to fix a date for the submission of any written answers or additional information. The committee has agreed that written answers and additional information should be submitted by Friday, 23 July 2004.

1.13 The answers to questions taken on notice at the committee's hearings and tabled documents taken at the hearings of the Budget Estimates 2004-05 will be tabled in the Senate under separate cover in numbered volumes entitled Additional Information. Lengthy documents provided as part of answers and not included in the additional information volumes, will be tabled separately and available on request from the secretariat.

Matters raised at hearings

The following is an indicative, but not exhaustive, list of issues that received consideration during the estimates' hearings.

Employment and Workplace Relations portfolio

1.14 The committee heard evidence from the Employment and Workplace Relations portfolio on Monday, 31 May and Tuesday, 1 June 2004. This section of the report follows the order of proceedings recorded in the Budget Estimates transcripts.

Office of the Employment Advocate

1.15 Questioning from the last round of hearings was continued on the proportion of AWAs containing provisions of paid maternity leave and family leave. The OEA responded that they had commissioned ACIRRIT to sample Australian 500 workplace agreements (AWAs) to survey what provisions are available within AWAs. The committee was informed that the results had been received from the sampling. The committee requested that these results be supplied in answers to questions on notice.¹

1.16 Questioning continued on the additional budget expenditure for the financial year 2003-04 and the increase in the OEA budget allocation for the 2004-05 financial year. The OEA informed the committee that this increase of funding was necessary to employ and accommodate 15 permanent staff to assist in processing the large influx of AWAs being lodged.²

1.17 Other issues discussed included the information on the freedom of association survey, the large number of community partners listed in the program, what funding they received from the OEA, and what OEA staff are covered by AWAs.³

Department of Employment and Workplace Relations

Cross-portfolio

1.18 The letters of offer to the graduates with the department was again raised by the committee in regard to choice between AWAs and certified agreements. Opposition senators were concerned that the department was steering new employees in the direction of AWAs. The department informed the committee that graduates were able to access information on certified agreements via the Internet and other information supplied to the graduates included reference to certified agreements.⁴

1 EWRE Hansard, 31 May 2004, p. 3

2 *ibid.*, pp. 3-5

3 *ibid.*, pp. 3, 5-7

4 *ibid.*, pp. 7-9

1.19 The committee then engaged the department in a discussion on the LK agreement which is currently being negotiated directly with the staff. The current LJ certified agreement will expire on 31 December 2004.⁵

1.20 Further questioning followed on general issues within the department including: lost or stolen laptops; retreat and training, executive leadership programs for management staff levels; and the department's advertising campaign for the next 12 months.⁶

Outcome 1: An effectively functioning labour market

Output 1.1: Labour market policy and analysis

Output 1.2: Labour market program management and delivery

1.21 DEWR was asked about the Minister for Employment Services media release dated 21 May 2004, 'Three out of Four Jobless Teens Dip Out under Labor Jobs Plan' and their involvement in its drafting. Officers explained their involvement had been in supplying figures in their normal briefing on regional labour market to both ministers. They had supplied statistics regarding youth unemployment based on 15 to 19 year-old age group consistent with the ABS data. The committee expressed concern about the statistics being incorrect as the data supplied involved a different age range to proposed Labor Link-Up program which deals in the age group 15 to 18 year-olds. The committee was also informed that the department had not carried out an analysis on the details of the Link-Up program.⁷

Job Network

1.22 A press release of 30 April from Minister for Employment Services was discussed in connection with the new model of Job Network 3. This concerned the department's definitions in measuring performance in job placement, and long-term employment.⁸

1.23 Questioning continued with issues relating to 385,000 job seekers who had been assisted since 1 July 2003 and whether they were still employed at 13 weeks and 26 weeks. Officers explained that for the 13 week period they were still conducting surveys, but historical evidence indicated that 65 to 70 per cent are employed or studying three months later. Further monitoring is conducted for the 26 week outcome and that post program monitoring surveys are conducted 12 months after people have left the program. Additional results would be available under the new employment

5 *ibid.*, pp. 9-15

6 *ibid.*, pp. 15-19

7 *ibid.*, pp. 19-24

8 *ibid.*, p. 24

services contract 3 (ESC3) due to wider number of organisation being able to access the network to register their employment opportunities.⁹

1.24 A table was provided to the committee regarding the Job Network performance figures up to April 2004 under the three Job Network key indicators of vacancies, placements and long-term job outcomes. The committee requested additional information from the department regarding the breakdown of figures for states and territories and the number of casual, seasonal and temporary job outcomes for each program in the Job Network.¹⁰

1.25 Following on from the previous hearing the committee was updated on how the job seeker accounts, including job seeker incentives and employer incentives, were used to assist job seekers in obtaining employment, and how the department is monitoring its use. The committee was told that the Job Network members customise the account to deal with the individual circumstance of the job seeker. These could range from dental care to assist in presentation at interviews; petrol vouchers; return train fares; purchase of specialised equipment; workplace modifications for disabled job seekers, chef's knives, a camera for a photographer, interview clothing, work boots and shoes, driving certificates, personal development and grooming courses, through to the purchase of a security dog to help a job seeker gain employment.¹¹

1.26 There was also a discussion on the use of the job seeker account for wage subsidies, with DEWR explaining that at present it was seven per cent, or 5,000 job seekers who had availed themselves of this subsidy.¹²

1.27 Senator Campbell asked a series of questions about mature age job seekers and whether Job Network providers were encouraged to focus on this group and to what extent skills shortages had helped increase mature age employment. Officers replied that state offices had been working with Job Network members to promote mature age employment and have produced a brochure, a poster, a postcard and other low-cost materials and have coordinated and manage local events to promote this during the month. As to the skills shortages and mature age employment, DEWR could not provide any data analysis, but explained that the industry strategies taskforce work had identified labour supply and skill shortages, which created opportunities for mature age workers. Industry concerns and the lack of skilled labour in IT and the hospitality industry have resulted in the development of IT Skills Hub. It was planned to place more mature age people into occupations where there were skills shortages.¹³

9 *ibid.*, pp. 25-26, 30-31

10 *ibid.*, pp. 26-28

11 *ibid.*, pp. 30-36

12 *ibid.* p. 33

13 *ibid.*, pp. 54-57

1.28 The Work for the Dole program was raised in relation to an article in the *Herald Sun* on 27 May stating that the average cost was for a job seeker was \$2,100. DEWR confirmed that amount was correct. They further explained that the Work for the Dole participants have a mutual obligation under the Social Security Act which they need to achieve and persons incur mutual obligations on a recurring basis depending on the duration of their unemployment and could mean undertaking the program more than once. The department further explained in response to questions from Senator Campbell, how the Work for the Dole program was administered and monitored, including the development of risk based contract management plans for committee work coordinators.¹⁴

1.29 The committee then questioned the department on issues including: the Transition to Work program; the Employment Innovation Fund; the correction to the PBS tabled at the hearing; and put questions on notice for the department to provide a range of statistics for each of the labour market assistance programs.¹⁵

1.30 With the recent announcement of the closure of the Mitsubishi Lonsdale plant in South Australia, Senator Campbell requested information from the department on how the Government's \$10 million labour adjustment package was being handled. DEWR officials explained that full details of the package had not been released but that the majority of the assistance would be delivered through Job Network Services. A lengthy discussion followed regarding what services and assistance would be available to those seeking employment and what these workers could expect in the next 17 months. The department confirmed that the Lonsdale employees would have immediate access to services to assist them to secure employment when the plant ceases to operate.¹⁶

1.31 DEWR was also questioned regarding Indigenous employment issues and how Job Network 3 was affecting Indigenous communities. DEWR informed the committee that Indigenous employment centres had been introduced across Australia in line with the *Australians Working Together* changes and were operating in 33 locations. The department has an industry special interest group which is encouraging better work practices to be implemented. A key area that the department is working to advance is the relation between Job Network services, Indigenous employment centres and the Indigenous employment program.¹⁷

1.32 Senator Webber asked officers if the department would be absorbing some of ATSI's responsibilities. As the final administrative arrangements order has not been finalised in the relation to any services from ATSI being transferred to DEWR, the officers were unable to comment. They did explain to the committee that the function

14 *ibid.*, pp. 37-38, 57-58

15 *ibid.*, pp. 38-42, 53-55

16 *ibid.*, pp. 42-47

17 *ibid.*, p. 48

of Community Development Employment Projects (CDEP) program, along with other programs, would be transferred to DEWR after 1 July 2004 and they were working on making the transition as smooth as possible for both the staff and the administration of the programs.¹⁸

1.33 Questions were asked about the transfer of CDEP program to DEWR. Senator Wong asked if the Adelaide CDEP program office would be relocated to Canberra. The Secretary of DEWR, Dr Boxall replied that until 1 July 2004 questioning about the Adelaide CDEP office should be addressed to ATSIIS. Senator Wong also questioned whether the ATSIIS staff would be offered AWAs as part of their transfer package. DEWR expects to offer ex-ATSIIS staff AWAs.¹⁹

1.34 Further information was sought by the committee on Indigenous employment issues, including: the Aboriginal employment strategy in Moree, which the department and the Government has modelled for Tamworth and Dubbo; the National Indigenous Cadet Program; the Structured Training and Employment Project (STEP) and complaints from the Northern Territory about the substantial turnaround time required to sign off these contracts. A number of questions were taken on notice in regard of the STEP program.²⁰

Outcome 2: Higher productivity, higher pay workplaces

Output 2.1: Workplace relations policy and analysis

1.35 Senator Cook asked questions about the department's role in the industrial relations provisions of the Australia-US free trade agreement (FTA). Mr Hoy explained that the department was involved in the negotiations of the labour chapter of the US-Australia FTA, as part of the negotiating team lead by the Department of Foreign Affairs and Trade. Mr Hoy confirmed that they had obtained ministerial approval to include the labour chapter in the FTA, which had been a requirement of the US Trade Promotion Authority Act. The department had faced two major difficulties in their negotiations: first, the Government had held reservations about the labour chapter's inclusion, as it had been a policy position of previous governments not to include such a chapter in these agreements; and second, the definitions that the United States wanted to use in the chapter were based on their US Trade Promotion Act rather than on ILO standards.²¹

18 *ibid.*, p. 48

19 *ibid.*, pp. 48-49, 59-60

20 *ibid.*, pp. 49-51

21 *ibid.*, pp. 61-66

1.36 The department was asked a series of questions regarding the Australian Workplace Industrial Relations Survey and how the department used the survey results.²²

1.37 Further questioning was conducted in relation to the International Labour Organisation delegation; the collection of data for certified agreements; and funding costs of intervention by the government in national wage cases, including external legal services and the what advocacy was supplied by the department. Senator Wong placed a number of questions on notice regarding the expenses of certain courts cases: AMWU and the CEPU against the Age, BGC Contracting Pty Ltd against the CFMEU.²³

Output 2.2: Workplace relations implementation

1.38 Senator Wong followed up questioning with the department on issues raised at the last estimates on the industry code of conduct and the application of the code to the Tullamarine Australia Post site. The department responded that there had been no further advice from Australia Post and they had therefore not finalised the matter.²⁴

1.39 Senator Wong then raised the issue of the Australian Electoral Commission's proposed LJ certified agreement and the concern that the AEC staff had not had a pay increase since July 2002. She asked whether the department had provided advice to the Commission. A lengthy exchange followed, with officers informing Senator Wong that they had been working with the Commission on this matter. The committee was told that lengthy discussions had resolved the problem of how the AEC could meet the government's policy in regard to AEC's ability to achieve productivity improvements.²⁵ Dr Boxall stated that:

... all agencies have to operate with the requirements of the government's policy parameters for agreement. It is the job of this department to certify whether they are consistent with those parameters or not. Most agencies, including the AEC, often discuss this with us beforehand, which is just sensible practice. ...²⁶

1.40 The committee further questioned the department on the right of entry of union officials and the department's supporting guidelines titled 'Policy parameters for agreement making in the APS' December 2003. A lengthy exchange followed and issues raised were: the government's position on employees meetings with union officials, and the times at which they can take place under the Workplace Relations Act; DEWR's protocol for departmental officers dealing with union officials and a

22 *ibid.*, pp. 66-67

23 *ibid.*, pp. 66-72

24 *ibid.*, pp. 73-74

25 *ibid.*, pp. 74-79

26 *ibid.*, p. 75

document titled *Protocol for Union*. DEWR responded that it was an internal document to assist senior officers negotiate DEWR's proposed certified agreement and not been provided to other agencies. The department was questioned as to whether it had advised other departments regarding right of entry of union officials. Dr Boxall replied that at the APS roundtable there had been a discussion paper on the issue, and that a written submission was prepared for the ComNet meeting on the right of entry.²⁷

1.41 Other matters discussed included: the threshold of employee entitlements of claims less than \$10,000 and over \$10,000; increased inquiries into the Workplace Relations Amendment (Improved Protection for Victorian Workers) Act 2003; and the closure of the Geelong office of the Office of Workplace Services.²⁸

Building Industry Taskforce

1.42 In questioning which continued from the committee's hearing of 25 May into the building and construction industry inquiry, the head of the Taskforce was questioned at length about guidelines for investigators when questioning potential witnesses. This was in relation to an allegation that two Taskforce officers used covert recording of evidence while interviewing a site supervisor on the Tonkin Highway extension project.²⁹

1.43 Senator Cook raised the issue of the matters referred by the Attorney-General to relevant Commonwealth, state and territory ministers cited in the confidential volume of the Cole's royal commission and requested information regarding the status of these matters and these might be finalised.³⁰

1.44 Further issues discussed included: the Taskforce's complaints 1800 number and the process of how these complaints are processed within the department; matters handled by the Office of Workplace Services, including underpayment of entitlements; the website of the Building Industry Taskforce; various issues relating to the Taskforce's report entitled *Upholding the law – one year on: Findings of the Interim Building Industry Taskforce* dated 25 March 2004; withholding of the name of the union referred to in the Taskforce's report because of current investigations by the Australian Industrial Registrar and unsourced quotes; the delegation to spend public money; allegations of a bribed of an apprentice and whether the Taskforce had followed up on this allegation. In relation to this last matter, Mr Hadgkiss stated that the Taskforce had received no formal recommendation that this matter be investigated.³¹

27 *ibid.*, pp. 80-85

28 *ibid.*, pp. 89-94

29 *ibid.*, pp. 95-102

30 *ibid.*, pp. 102-104

31 *ibid.*, pp. 104-136, EWRE Hansard, Tuesday, 1 June 2004, pp. 3-51

Outcome 2

1.45 Senator Wong further questioned the department in relation to the booklet called *Key contacts for your toolbox*, the cost of the publication and how it was distributed. Officers explained that they had purchased mailing list from List Bank and had aimed the mail out at small and medium sized businesses in the building and construction industry.³²

General Employment Entitlements and Redundancy Scheme (GEERS)

1.46 In relation to the GEERS program, Senator Wong raised issues in relation to Senator Sherry's question on notice in February 2002, regarding which employers' payments have been made and the state in which they have been made, and why the two questions asked by Senator Wong had not been answered in the same fashion. The Secretary replied that the minister had advised that one of the questions would 'involve a substantial and unreasonable diversion of resources'. The other question could be answered in the same manner as Senator Sherry's. Senator Wong placed a number of questions on notice, including how the department would calculate the additional payment should the caps be removed. Another issued raised by Senator Wong was the claim in relation to Drews Furniture Pty Ltd, and the denied payment of approximately 30 employees of the company. In reply, officers explained that the matter had been referred to Australian Securities Investments Commission (ASIC) and the department had been advised that it can now be reconsidered.³³

Comcare

1.47 Comcare was questioned on issues relating to the report of the Productivity Commission's inquiry into national workers compensation occupational health and safety frameworks. Officers replied that the minister was considering its response.³⁴

1.48 Senator Wong questioned Comcare on the likely Australia Post industrial action and the suggestion that Australia Post may use replacement foreign labour, and what occupational health and safety implications there were from of importing workers. The CEO had no information on this but, after representation from the CEPU on OH&S concerns, that Australia Post advised Comcare it had used management and office staff to do some of the mail work during industrial action.³⁵

National Occupational, Health and Safety Commission

1.49 NOHSC was also asked questions on the likely release of the Productivity Commission's report on the abolition of the Commission. The CEO had no information arising from discussion with the minister, but advised the committee of meetings that were proceeding.³⁶

32 *ibid.*, pp. 51-52

33 *ibid.*, pp. 52-58

34 *ibid.*, p. 59

35 *ibid.*, pp. 59-60

36 *ibid.*, pp. 62-63

Education, Science and Training portfolio

1.50 The committee heard evidence from the Education, Science and Training portfolio on Tuesday, 1 June 2004, Wednesday, 2 June 2004 and Thursday, 3 June 2004. This section of the report follows the order of proceedings recorded in the Budget Estimates transcripts.

Department of Education, Science and Training

Correcting the record: fraudulent petition

1.51 In accordance with normal parliamentary procedures, Senator Carr placed on record a correction to evidence from a matter that was discussion in the February Additional estimates hearings regarding an issue concerning the Australian Institute of Commerce and Language International Grammar School in Sydney. Senator Carr stated:

I said that purported communication by letter said that the correspondent spoke to an officer in the education department in Mort Street in Braddon. In those tabled documents there are a number of letters. What purported to be a petition was tabled. The petition made complaints about quality issues and teaching standards of the particular school. There were claims that the department interviewed Mr Damian Nowicki about his complaints.

I have subsequently been advised that the document purporting to be a petition form the students was fraudulent. I have received advice from the provider directly, in the form of a dossier of information and statements from the students who apparently signed the petition. It seems that the petition actually signed by the students complained about a single matter only: the adequacy of access to the Internet as facilitated by the college. It would appear that Mr Nowicki or some other person unknown to me substituted the first part of the petition, where the single complaint was mentioned in detail, with a series of other additional statements and complaints. Thus the petition appears to complain about various matters that the signatories did not in fact wish to complain about. In other words, the document would appear to be fraudulent. I am persuaded by the comprehensive and entirely credible explanation provided by the provider in this instance. Obviously, I wish to correct the record accordingly. I indicate those matters to the department. For your files, the documents were all tabled on 20 February.³⁷

Cross Portfolio

1.52 Senator Carr inquired as to why the committee had received so many answers to questions on notice after 2 April deadline. The Secretary of the department apologised for not meeting the deadline, but informed the committee that they had 328 questions asked, a total of 1,122 parts, which was record for questions on notice. The

37 *ibid.*, p. 67

Secretary, Dr Harmer added that the February to May period is the busiest period in the departmental cycle, with the budget and policy advising function which leads up to the budget.³⁸

1.53 The department was questioned on the cancellation of the first launch of the Backing Australia's Ability 2 and the resulting costs of having to reorganise the launch.³⁹

1.54 Further questioning continued on exemptions from the formal consultancy guidelines and whether applications for exemptions increased over the last year. The department responded that they had actually been reduced as a result of risk based approach to structuring the business rules that the department have in place for procurement.⁴⁰

1.55 Senator Carr raised issues regarding specific contracts let in relation to question E993-04. There were contracts let to former DEST employees.⁴¹

1.56 The department was questioned about its spending on advertising in the 2004-05 financial year. The main advertising campaign planned for the second half of the year will target students to inform them of the changes to higher education starting from 1 January 2005 involving \$4 million, and the completion of the advertising campaign of the apprenticeships scheme.⁴²

1.57 The Secretary, Dr Harmer was questioned on whether he had made any changes in the management arrangements for executive retreats and training. Dr Harmer replied that current practice would continue.⁴³

Issues relating to the Schools Group

Outcome 1 - Individuals achieve high quality foundation skills and learning outcomes from schools and other providers

Output 1.1: Funding for schools

Output 1.2: Assistance for individuals, including those with special needs

Output 1.4: Assistance for transition through and from school

Outcome 2

Output 1.1: Funding for schools

Output 1.2: Assistance for individuals, including those with special needs

38 *ibid.*, pp. 67-69

39 *ibid.*, p. 69

40 *ibid.*, pp. 72-73

41 *ibid.*, pp. 73-79

42 *ibid.*, pp. 79-80

43 *ibid.*, p. 81

Output 1.3: Assistance for quality teaching and learning

1.58 Officers of the Schools Group were asked question in relation to the Enrolment Benchmark Adjustment (EBA), and whether this would be phased out. The officers explained that it was not being phased out and that it was presented in Backing Australia's Ability (BAA) and the extension of the Fostering scientific, mathematical and technological skills and innovation in government schools program. The Government will work with those states affected by the application of the EBA on targeted funding on scientific, mathematical and technological skills applications until 2007-8. The committee was told that an additional seven years of funding has been provided for science, mathematics and technology teaching.⁴⁴

1.59 A discussion followed regarding the methods of indexation was used in adjusting the schools programs.⁴⁵

1.60 DEST's discussion paper on school funding for 2005-08 *Learning together: achievement through choice and opportunity* was discussed. Senator Carr questioned the aspect of one of the priorities identified in 'providing choice in education for all families' as to its nature of that choice and the evidence that supports it. The department advised the committee the report had been provided to the government and non-government sectors around Australia and to MCEETYA and AESOC to assist with the consultation process. It was part of providing choice for all families by reporting to parents and having transparency in providing information about school performance to parents to help them choose what school to send their children to.⁴⁶

1.61 Questions followed on the national initiative of the literacy tuition vouchers of \$700 targeted at children who fail the reading benchmark at year 3 level and how this program will be administered and monitored. Senator Carr also asked questions about the Aboriginal Tutorial Assistance Scheme and its relationship to the new program.⁴⁷

1.62 Other issues discussed were the values education initiative and continued work on drug education. A series of questions on notice were taken on condition and exemptions for the use of Commonwealth grants in regard to compliance with antidiscrimination legislation and in regard to non-profits schools, including Reddam House Holdings Pty Ltd and the Sunshine Coast Grammar School.⁴⁸

44 *ibid.*, pp. 81-83

45 *ibid.*, pp. 83-84

46 *ibid.*, pp. 85-86

47 *ibid.*, pp. 86-91, EWRE Hansard, Wednesday, 2 June 2004, pp. 132-133

48 *ibid.*, pp. 92-100

Issues relevant to Indigenous and Transitions Group

Outcome 1 - Individuals achieve high quality foundation skills and learning outcomes from schools and other providers.

Output 1.2: Assistance for individuals, including those with special needs

Output 1.4: Assistance for transition through and from school

Outcome 2 - Individuals achieve relevant skills and learning outcomes from post school education and training for work and life

Output 2.5: Assistance for post school students including those with special needs

1.63 At the start of proceedings for the Indigenous and Transitions Group Senator Crossin acknowledged the death of the Chairman of Batchelor College, Mr Djerrkura and paid tribute to his work and his leadership of the college.⁴⁹

1.64 Senator Crossin questioned the department on the announcement of the Indigenous Education Direct Assistance (IEDA) funding and the breakdown of the total amount of \$641.6 million, including \$513 million Supplementary Recurrent Assistance (SRA) component. The department explained that the SRA component, which is appropriated under the act to the end of 2004, has an 18 month provision in relation to IESIP, so the funding can be spent until the end of June 2005. There is no new money available under the act for 2005. Senator Crossin questioned officers further on how the department monitors the funds allocated each year to the states and territories and what is done with funds that are not spent.⁵⁰

1.65 The department informed the committee that they have circulated a discussion paper outlining the details of the Government's Indigenous specific funding for the 2005-08 quadrennium which they tabled for the committee's information.⁵¹

1.66 Senator Crossin also questioned how the department defines 'remoteness' for the next quadrennium IESIP funding. The department responded that the definition had not changed but they are now applying the definition from the 1996 census date to the 2001 census date, which had indicated changed demographics. This would probably affect approximately 300 providers who will no longer be regarded as remote. Further questioning followed on which areas might be affected by this change; what rationale the department might use in attracting more Indigenous students to attend school; the base calculation for the IESIP funding and the rate of indexation for IESIP funding.⁵²

49 *ibid.*, pp. 100

50 *ibid.*, pp. 100-104

51 *ibid.*, pp. 103

52 *ibid.*, pp. 104-109

1.67 The department was asked about \$128 million for continuing and new strategic projects. Officers explained that these included National Indigenous English Literacy and Numeracy Strategy (NIELNS); Dare to Lead initiative engaging school principals as champions of Indigenous education in their school communities; the What Works professional development package; a continuation of the English as a Second Language Indigenous Language Speaking Students program; support for Croc festivals and the new flagship approach on scaffolding.⁵³

1.68 Issues were raised in relation to the process and the review of the Indigenous Education Direct Assistance (IEDA), including questions on state-based trials; and why discussion paper no. 3 was sent to a sample of 400 Aboriginal Student Support and Parent Awareness Program (ASSPA) committees out of 3,800.⁵⁴

1.69 Senator Crossin asked the department about attempts made to communicate changes to isolated communities where English is a second, or even a third language. Officers replied that the minister has written to all ASSPA chairs and to approximately 6,000 principals of schools with IESIP eligible students outlining changes. Further questioning followed on how the department is supporting the ASSPA committees; the parent-school partnership, if they will perform a different role and function to the ASSPA role, and how the funding will be allocated. Senator Crossin raised concerns regarding the new parent-school partnerships in relation to them making application in obtaining grants.⁵⁵

1.70 In relation to the Intensive Tutorial Assistance Scheme (ITAS) which is targeted to intervene for those Indigenous children who are not meeting the year 3, year 5 and year 7 literacy and numeracy benchmarks, Senator Crossin raised the concern of older Indigenous student who are not catered for by the ITAS. The department replied that the Commonwealth had also announced a scaffolding program in partnership with the NT Department of Employment, Education and Training to accelerate the literacy and writing skills.⁵⁶

1.71 Final questioning was in regard to the Career and Transition (CATS) and the Partnerships and outreach education model (PEOMS) pilots, which resulted from the *Footprints to the future* report in 2001 and their reviews, and the Jobs Pathway Program.⁵⁷

53 *ibid.*, pp. 109-110

54 *ibid.*, pp. 111-114

55 *ibid.*, pp. 115-118

56 *ibid.*, pp.121-130

57 *ibid.*, pp. 130-136

Australian Institute of Marine Science (AIMS)

1.72 Questioning continued from the last hearing on the joint project between AIMS and James Cook University. AIMS advised about the formal agreement, will be signed shortly; the route for the fibre optic link, and the new board Senator Carr questioned AIMS on the funding for the venture and how that would be monitored and raised.⁵⁸

1.73 The committee was advised that Dr Ian Poiner, formerly of the CSIRO, had been appointed AIMS' director.⁵⁹

1.74 Senator Carr questioned AIMS on their involvement in Cooperative Research Centres (CRCs), mainly the Reef CRC which is due to end in two years, and AIMS' role in its funding negotiations. AIMS informed the committee that they are confident that work will be able to continue in another form after this CRC ends.⁶⁰

Australian Nuclear Science and Technology Organisation (ANSTO)

1.75 The committee welcomed the new CEO Dr Ian Smith to the estimates hearing.

1.76 Senator Carr raised the issue of the recent routine maintenance at the HIFAR reactor and the move to change the reactor's operating levels from four-person to three-person shifts. Dr Cameron explained that a submission had been provided to the regulator, the Australian Radiation Protection and Nuclear Safety Agency (ARPNSA) informing them of the change in shift numbers. ARPNSA had responded that ANSTO had needed to obtain prior approval before the change was made for the regulator to review it. ANSTO now had reverted back to four-person shifts.⁶¹

1.77 Questioning then turned to the new reactor and the transitional arrangement for the transfer of operators to the replacement reactor. Dr Cameron explained the new training plan and the staffing position of the reactor. ANSTO is working towards gaining a licence to operate in November 2005 with an overlap period of six months with the existing one. ANSTO also informed the committee of manufacturing problems.⁶²

1.78 Following on from the last hearing and the question of obtaining fuel for the old reactor HIFAR, ANSTO confirmed that had now sourced and purchased enough fuel for the life of the reactor, up until October 2006, which allows for an overlap with the commissioning of the new reactor. The overlap time is required for the new

58 EWRE Hansard, Wednesday, 2 June 2004, pp. 3-10

59 *ibid.*, p. 11

60 *ibid.*, pp. 11-16

61 *ibid.*, pp.18-19

62 *ibid.*, pp. 19-21

reactor to begin the hot commissioning tests to demonstrate the performance of the replacement reactor, that it can produce radiopharmaceuticals, as does the present reactor.⁶³

1.79 Senator Carr questioned the sourcing of isotopes from overseas. ANSTO explained problems associated with imports and restriction on their use.⁶⁴

Australian Research Council (ARC)

1.80 Questions started with the process of appointing a new CEO of the Council. Senator Carr asked about the make up of the selection committee to advise the minister of an appointment. The department provided the membership list of the committee at the hearing.⁶⁵

1.81 Questions followed on the report by CEDA entitled *Innovating Australia*; staffing issues and the level of officers in ARC; and how ARC manages its consultancies.⁶⁶

1.82 Senator Harradine questioned the ARC on its funding of the establishment of the National Stem Cell Centre; its research into stem cells; the extension of the program; research funding from the Commonwealth and commercial organisations; and the commercial-in-confidence grounds of supplying the Stem Cell Business Plan.⁶⁷

1.83 Senator Carr also questioned the ARC on its funding for the Centre of Excellence in Biotechnology and Development and the National Stem Cell centre. ARC responded that its proposal was for the extension of the National Competitive Grants Program (NCGP) and the funding forms part of this. ARC and the Department of Industry, Tourism and Resources jointly administer the Stem Cell Centre. Further questions regarding the NCGP included the transfer of funds to the Science Engineering and Technology Unit for Counter-Terrorism and what method of indexation is applied to the grant.⁶⁸

Commonwealth Scientific and Industrial Research Organisation (CSIRO)

1.84 Senator Carr questioned CSIRO on the issue of the letting of contracts for consultancies. Questions were asked regarding the business development and commercialisation unit stocktake of CSIRO's involvement with the CRC program and how this consultancy was let to the Phoenix Group Pacific Pty Ltd; Poynton Partners

63 *ibid.*, pp. 22-23

64 *ibid.*, pp. 23-24

65 *ibid.*, pp. 27-29

66 *ibid.*, pp. 30-33

67 *ibid.*, pp. 33-40

68 *ibid.*, pp. 41-43

and Alistair Robertson, the consultants hired to help prepare CSIRO's submission to the Government's collaboration review; and Professor Robertson's involvement in running Food Science Australia. Further questions were asked regarding the consultancies which Donna Staunton had been involved with until her appointment as executive director of communications. The committee is concerned about the selective tendering process, and the Secretary of DEST has agreed to end this practice.⁶⁹

1.85 An issue arose concerning CSIRO not revealing to the committee the detailed information of their senior executives' remuneration packages.⁷⁰

1.86 CSIRO was asked about their organisational strategy document, the communication strategy document, their strategic goals and the restructuring of the current members of the communications team at Limestone Avenue. Further questioning involved the offering of redundancies to the executive management council (EMC) and the Australian Animal Health Laboratories in Geelong; the restructuring of the Belmont research laboratories aligned with changing organisational priorities.⁷¹

1.87 Additional topics of discussion included the cessation of the Australian Maritime College's (AMC) involvement in the light metals flagship due to significant project cost overruns and a probable \$70 million loss to CSIRO and \$70 million loss to DITR and what CSIRO is doing in attracting new levels of investment in relation to magnesium aspect of the light metal flagship; the maintenance and repairs to the Southern Surveyor; the wealth promotion flagship; and CSIRO's contribution to the CRC program.⁷²

Questacon

Outcome 3 - 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

Output 3.4: National Leadership in engaging people in science and technology

1.88 Professor Durant was questioned on the additional funding received to pursue the Smart Moves program aimed at secondary school students, and is about leading-edge technology.⁷³

69 *ibid.*, pp. 48-58

70 *ibid.*, pp. 58-59

71 *ibid.*, pp. 71-78

72 *ibid.*, pp. 79-84

73 *ibid.*, pp. 84-85

1.89 As at the previous estimates hearing Questacon was questioned on the cost of running the science circus and the programs involved in visiting primary schools and community events.⁷⁴

Issues relevant to Science Group

Outcome 3

Output 3.2: Assistance for science collaboration and innovation

1.90 The main topic of questioning involved the Cooperative Research Centre programs, the method of indexation of the programs, the CRC evaluation study conducted by Howard Partners and the decision fund or reject applications.⁷⁵

1.91 Senator Wong raised issues with the department in relation to national radioactive waste management, including finding a suitable site to store long-lived and intermediate waste.⁷⁶

1.92 Senator Carr questioned the department regarding the Allen Consulting Group report *The study of international science and technology policies and programs* dated August 2003 and questioned officers regarding Australia's level of international collaboration in the science and technological areas.⁷⁷

Australian National Training Authority (ANTA)

Issues relevant to Vocational Education and Training (VET) Group

Outcome 2

Output 2.1: Funding for vocational education systems and training

Output 2.2: New Apprenticeships

Output 2.3: Assistance for skills and career development

1.93 In relation to questions on notice from the last hearing, Senator Marshall asked for further advice on a number of issues including: the total expenditure for the employer incentives and personal benefits paid out during 2002-2003; reports of around 10,000 'rorts' in the new apprenticeship incentives program, and in the areas of employer incentives and the living away from home expenses for the Certificate III Information Technology (Software Applications) qualification, especially in Victoria. A number of questions were placed on notice.⁷⁸

74 *ibid.*, pp. 85-87

75 *ibid.*, pp. 107-110, 114-124

76 *ibid.*, pp. 95-112

77 *ibid.*, pp. 124-126

78 EWRE Hansard, Thursday, 3 June 2004, pp. 2-4

1.94 Senator Johnston continued his questioning from the previous hearings regarding Commonwealth funding of a training facility at Welshpool, of approximately \$1m in 1998-99. ANTA advised it had approved funding of \$996,000 on 6 July 1998 to enable the CFMEU to purchase equipment as part the construction skills training centre.⁷⁹

1.95 Among other matters relating to this issue, Senator Johnston questioned ANTA as to what benchmarks are in place to assess value for money. ANTA replied that the national training quality framework ensures that competencies are being provided by training centres to meet the national standards and that state training authorities audit the performance of its providers. Senator Johnston placed a number of questions on notice.⁸⁰

1.96 Senator Carr followed with a series of questions regarding the issues of employer organisation sponsored skills centres in Western Australia.⁸¹

1.97 Questions followed regarding indexation methods used for the funding of vocational education. Senator Carr commented that the budget papers for this section were not clear.⁸²

1.98 Senator Carr asked about the new ANTA agreement. ANTA advised that negotiations would start again towards the end of 2004. If there is no resolution on the new agreement the present agreement will rollover to ensure payment of funds.⁸³

1.99 Questions were asked on the Sugar Industry Reform Program, the retraining of sugar workers and whether there had been any areas of skills shortage had been identified in North Queensland for mature age workers. ANTA responded that they will be able to offer sugar workers some vocational education and training assistance.⁸⁴

1.100 Further questioning continued on the values for life initiative; the reductions in targeting women in non-traditional occupations; the national skills shortages strategy announcement; the VET in Schools program and the amount of Commonwealth support to this program; the commissioning of \$3.2 million worth of research; the new program Direct Purchase of Places for Priority Groups; and the additional 7,500 new places for mature age people and people with disabilities.⁸⁵

79 *ibid.*, pp. 2-8

80 *ibid.*, pp. 9-12

81 *ibid.*, pp. 12-14

82 *ibid.*, pp. 14-15

83 *ibid.*, pp. 16-17

84 *ibid.*, pp. 18-19

85 *ibid.*, pp. 19-27

Issues relevant to Innovation and Research System Group

1.101 The department answered questions on Gross Expenditure on Research and Development (GERD) and Australia's international ranking on research and development. Other topics included the National Competitive Grants Program and Backing Australia's Abilities funding and indexation.⁸⁶

Issues relevant to Higher Education

Outcome 2

Output 2.4: Funding for Higher Education

Output 2.5: Assistance for post school students including those with special needs

Outcome 3

Output 3.1: Research Infrastructure

1.102 Senator Carr asked questions about:

- departmental draft advice to the minister in relation to the distribution of university places;
- deregulation of postgraduate study; the allocation of places for RTS;
- HECS debts on a national basis; Equivalent Full-Time Student Unit (EFTSU) and over enrolment figures;
- FEE-HELP; higher education superannuation; and
- the establishment and funding of the University of Western Sydney Medical School.⁸⁷

1.103 Questions were asked about:

- the \$10 million grant for the establishment of a chair in child protection at the University of South;
- the Australian Maritime College proposal for the development at Point Nepean;
- the New South Wales Auditor-General's report into NSW universities;
- new governance protocols introduced as part of the BAF package for universities to adopt risk management strategy;
- adequate financial controls for universities to adopt international standards in reporting in financial years and not calendar years;
- HECS advertising campaign for students contemplating enrolment; the Commonwealth Grants Scheme and the regional loading; and
- the scholarship announced as part of the higher education bill.⁸⁸

86 *ibid.*, pp. 27-38

87 *ibid.*, pp. 39-51

1.104 Senator Crossin raised the issue of additional funding of \$3 million for Indigenous higher education in the Northern Territory and the collaboration between the Batchelor College and Charles Darwin University.⁸⁹

1.105 A list of universities in deficit and was requestion, along with the amount. The department will supply a table showing this.⁹⁰

Issues relevant to Australian Education International Group

Outcome 2

Output 2.1: Funding for vocational education and training

Outcome 3

Output 3.3: Support for the Australian education and training export industry and international relationships

1.106 Questions were asked whether there had been a fall in demand for Australian educational services from China. DEST responded that there had been an increase, but there was less a demand from Indonesia, Hong Kong, Malaysia and Singapore. There is now an increase in demand from European countries, Korea and the United States.⁹¹

1.107 Senator Carr raised issues concerning New Zealand scholarships for international students; registration cancellation of the Australian International College of Business and Frankarens Pty Ltd trading as Sydney College of Technology; increased staffing in the AEI Group; offshore quality assurance; DEST relationship with DIMIA; and the dispute concerning the Australian Council for Private Education and Training which has raised concerns about the current system of accreditation of English language training providers and NEAS. Senator Carr also raised issues concerning the claim that Bridge Business College is poaching students from other providers; the Australian College of Physical Education change of ownership; the Harbridge UniCollege and its associations with Auston Institute of Management and Technology and claims that the college has a credit transfer arrangement with the University of Wollongong; and the Shafston International College's breach of the ESOS legislation in relation to student support services.⁹²

88 *ibid.*, pp. 52-57, 66-67

89 *ibid.*, pp. 62-66

90 *ibid.*, pp. 67-69

91 *ibid.*, pp. 69-71

92 *ibid.*, pp. 78-79

Acknowledgments

1.108 The committee is grateful for the assistance given to it by Senator the Hon. Amanda Vanstone, Senator the Hon. Eric Abetz and officers of the departments and agencies concerned.

Senator David Johnston
Acting Chair
June 2004

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