

The Senate

Employment, Workplace Relations
and Education Legislation Committee

Additional estimates 2005-06

March 2006

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Members of the Committee

Chair:	Senator Judith Troeth	(LP) Vic
Members:	Senator Gavin Marshall (Deputy Chair)	(ALP) Vic
	Senator Guy Barnett*	(LP) Tas
	Senator George Campbell	(ALP) NSW
	Senator David Johnston	(LP) WA
	Senator Natasha Stott Despoja	(AD) SA

Substitute Members:

Senator Andrew Murray (AD) WA	for Senator Stott Despoja for workplace relations matters
Senator Allison (AD) Vic	for Senator Stott Despoja for matters relating to schools and training
*Senator Ian Macdonald	For Senator Barnett for 15, 16 and 17 February 2006

Secretariat:

Mr John Carter, Secretary
Ms Ruth Clark, Research Officer

SG.52

Parliament House

CANBERRA ACT 2600

Phone (02) 6277 3520

Fax (02) 6277 5706

E-mail eet.sen@aph.gov.au

Website: www.aph.gov.au/senate_employment

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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 8 February 2006¹ 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 additional expenditure in respect of the year ending on 30 June 2006 [Appropriation Bill (No.3) 2005-2006],
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2006 [Appropriation Bill (No.4) 2005-2006],
- Statement of savings expected in annual appropriations made by Act No. 72 of 2005 (*Appropriation Act (No. 1) 2005-2006*) and Act 73 of 2005 (*Appropriation Act (No. 2) 2005-2006*),
- Final Budget Outcome 2004-05, and
- Advance to the Finance Minister as a Final Charge for the year ended on 30 June 2005.

1.3 Legislation committees are required to report to the Senate on 28 March 2006.

1.4 The committee 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 were the Australian Research Council (ARC), Australian Nuclear Science and Training Organisation (ANSTO), and the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

1.5 The committee also 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 additional estimates for the Employment and Workplace Relations portfolio. The following agencies appeared before the committee: the Office of the Employment Advocate(OEA), Indigenous

1 Senator Ellison, *Senate Hansard*, p. 87

Business Australia (IBA), Equal Opportunity for Women in the Workplace Agency (EOWA), Comcare; Safety, Rehabilitation and Compensation Commission; and Seafarers' Safety, Rehabilitation and Compensation Authority, and Australian Building and Construction Commission (ABCC).

1.6 The committee took into account the Additional Estimates Portfolio Statements 2005-2006 provided by the departments and also their annual reports for 2004-2005. Review of the proposed budget estimates expenditure for these portfolios was carried out over two days, 15 and 16 February 2006.

1.7 Senators present at the hearing held on Wednesday, 15 February 2006 were Senator Troeth (Chair), and Senators Carr, Crossin, Eggleston, Forshaw, Ian Macdonald, Joyce, Patterson, Robert Ray, Siewert, Stephens, Webber and Wong.

1.8 Senators present at the hearing held on Thursday, 16 February 2006 were Senator Troeth (Chair), and Senators Crossin, Eggleston, Chris Evans, Johnston, Ian Macdonald, McEwen, Marshall, Patterson, Siewert, Stephens, Webber and Wong.

1.9 Written questions on notice were received from Senators Bartlett, Carr, Conroy, Chris Evans, Marshall, Siewert, Stephens, Stott Despoja, Webber and Wong.

1.10 The committee tables for the information of the Senate documents presented to the committee during the hearings and copies of transcripts of evidence of committee proceedings of Wednesday 16 February 2005 and Thursday 17 February 2005.

1.11 An appendix to the report lists the contents of the Hansard transcripts. These transcripts are available on either the committee's homepage under estimates or at the Hansard internet site: <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 31 March 2006.

1.13 Documents taken at the hearings of the Additional estimates 2005-06 will be tabled with this report. The answers to questions taken on notice at the committee's hearings will be tabled in the Senate under separate cover. Volumes entitled Additional Information will be published at a later date. Lengthy documents provided as part of answers and not included in the additional information volumes are available on request from the secretariat.

Matters raised at hearings

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

Education, Science and Training portfolio

1.15 The committee heard evidence from the Education, Science and Training portfolio on Wednesday 15 February 2006. This section of the report follows the order of proceedings recorded in the Additional Estimates transcript.

Procedural Matters

1.16 One procedural matter arose during the hearing regarding questioning and its relevance at estimates hearings. This concerned the matter of whether questions which were not specifically linked to appropriations in the additional estimates or annual reports by the minister, could be asked. In the event, the committee followed the convention adhered to in its previous estimates hearings, at least since the Senate adopted the Procedure Committee's Second Report of 1999. This practice accords also with the Chair's opening statement to witnesses at the commencement of hearings. Advice from the Clerk of the Senate was sought and read into the transcript.

Australian Research Council (ARC)

1.17 The ARC was questioned on matters relating to the quality and scrutiny committee. ARC outlined the functions of this committee to Senators, explaining how the committee was established and the makeup of the membership of the board. There were questions on the scrutiny function of the committee relating to grant applications.²

1.18 Other questioning was directed towards the new draft ARC Act and the abolition of the ARC board, which resulted in the resignation of board members and how the ARC was progressing with their replacements.³

1.19 Senator Stephens asked questions regarding the Research Quality Framework and the process of the advisory group in providing recommendations to the Minister for approval.⁴

Australian Nuclear Science and Technology Organisation (ANSTO)

1.20 The committee requested an update on the progress of the new nuclear Open Pool Australian Light-water reactor (OPAL). The committee was informed that as a

2 Education, Science and Training portfolio, *Committee Hansard*, Wednesday, 15 February 2006, pp. 4-8

3 *ibid.*, pp. 8-9

4 *ibid.*, pp. 10-12

precaution ANSTO had applied to ARPANSA for an extension to the High flux Australian reactor (HIFAR) licence for the storage of nuclear waste if the new reactor was not operational in time. Officers assured the committee that no major problems were evident.

1.21 Further questioning related to the storage of nuclear waste and the capacity to store low-level and intermediate level waste, including explanations given on super-compaction technology to reduce the volume of low-level waste.⁵

Commonwealth Scientific and Industrial Research Organisation (CSIRO)

1.22 Dr Garrett, the CEO of CSIRO, was questioned about the refurbishment of Westridge House, formerly Forestry House. The committee was interested in his occupation of the house and the rental arrangement through his remuneration package. Questions were taken on notice, including the review process for rent.⁶

1.23 Senator Stephens asked about CSIRO research priorities and the science investment process. CSIRO summarised the method of its strategy for the overall investment of over \$600 million, reviewing its portfolio in line with overseas trends, CSIRO strengths and weaknesses, looking into other technical and economical processes, and the relevance of R&D research.⁷

1.24 CSIRO was questioned about its consultative process with key organisations in the wool and livestock industries. Officers advised that consultation was through its appropriate sector advisory committees and with no specific consultation directed at individual organisations. CSIRO is reviewing this area of its consultation process. Further questioning continued regarding the reduction of five percent in the livestock industry overall funding and ten percent in the textile area.⁸

1.25 Explanations of CSIRO strategic investment program informed the committee that following 125 proposals, the planning and budgeting phase will be implemented inline with budget planning for 2006-07 financial year. CSIRO is redistributing funding, with an increase planned for its flagships programs in areas such as preventative health, a water resources observation network concept and information and communications technology. This redistribution of funding was not intended to produce savings and details will be available in the CSIRO's operational plan.⁹

1.26 There were questions on the following: the future of the major laboratories in the manufacturing and industry technology division, the Clayton consolidation program and new developments in Western Australia and Queensland; revenues

5 *ibid.*, pp. 12-14

6 *ibid.*, pp. 14-16

7 *ibid.*, pp. 16-17

8 *ibid.*, pp. 18-19

9 *ibid.*, pp. 19-22

received from the sale of properties; funding of sustainable agriculture and plant industries; Water for a Healthy Country flagship; the CSIRO customer value survey and staffing issues of redundancies and appointment of divisional heads.¹⁰

1.27 Senator Wong asked questions relating to the operating deficit reported in the CSIRO Annual Report. A discussion followed with CSIRO explaining its management of the deficit of \$14.7 million agreed to by DOFA. Questions followed regarding CSIRO's total budget of \$925.3 million, its projections for external revenue earnings and how this was being monitored in regard to the budgeted total of \$191.4 million.¹¹

1.28 Questioning continued on a topic raised in previous hearings regarding CSIRO's media communications policy and whether staff were refused permission to speak to or provide information to publications. The questioning centred around a former CSIRO climate director, Dr Graeme Pearman, and his involvement in co-authoring a document on climate changes published by the Australian Climate Group, while employed by CSIRO.¹²

1.29 The committee followed a line of questioning regarding CSIRO's involvement with the Wentworth Group which was formed to investigate natural resource management in Australia, and the reported 'warning' from Minister McGauran, that CSIRO remember the fine line between providing scientific advice on policy options and not becoming a policy advocate.¹³

1.30 Final questioning was on natural resource management and the ground based infra-red detector, G-bIRD.¹⁴

Department of Education, Science and Training

Issues relating to the Science Group

1.31 Senator Crossin inquired into the progress of the national radioactive waste dump facilities to be built in the Northern Territory. Questions followed on the selection process of tenders received, the expertise necessary to build the waste dump, nomination of land sites, to what plans the department had in updating its website, costs involved in the process, and transport of the waste.¹⁵

1.32 The department was also questioned on the OPAL research reactor construction licence, and the CEO of ARPANSA comments regarding the safety of

10 *ibid.*, pp. 23-31

11 *ibid.*, pp. 31-35

12 *ibid.*, pp. 31-47, 57-58

13 *ibid.*, pp. 48-55

14 *ibid.*, pp. 56-61

15 *ibid.*, pp. 61-65

the nuclear facility with respect to wildlife and to what studies had been done on all possible effects on the environment.¹⁶

1.33 A discussion followed as to the progress and costs involved in finding a replacement for the Chief Scientist, Dr Batterham, who would be resigning at the end of this contract.¹⁷

Cross portfolio

1.34 Senator Wong questioned the department as to the status of answers outstanding to questions taken on notice from supplementary Budget estimates which were due on 15 December 2005. The Secretary informed the committee that 386 questions with 841 parts had been taken on notice, and that 30 remained unanswered. Ms Paul stated that the department works hard to meet the committee's requirements and parts of the questions required complicated answers and did not want to offer too many excuses as to the late answers.¹⁸

1.35 Other cross portfolio matters raised were: staffing issues and the increase of staff numbers due to the Investing in Our Schools program; a privacy statement on DEST's website guaranteeing that material published on the site has the permission of the person involved; possible additional costs to the department with the appointment of the new minister; and the tracking of reviews, surveys and studies conducted externally by consultants and internally by DEST.¹⁹

Issues relating to the Innovation and Research System Group

1.36 Senator Crossin directed questions to DEST about the research quality framework and the involvement of the new minister.²⁰

Issue relating to the Higher Education Group

1.37 DEST was asked about the recent COAG agreement on medical places, including increases in the cap for full fee paying medical students by 10 per cent and whether the department had been asked to provide advice. Officers confirmed this and explained the cap was raised by 10 per cent to 25 per cent for full paying medical students and also the 35 per cent cap was still applicable for other full paying students. Questioning continued on the decision to raise the FEE_HELP loans cap to \$80,000,

16 *ibid.*, pp. 65-68

17 *ibid.*, pp. 68-70

18 *ibid.*, p. 70

19 *ibid.*, pp. 71-73

20 *ibid.*, pp. 73-75

modelling on the effect of debt on student due to the increase; and the DEST website, *Going to Uni* and the advice it provides to students.²¹

1.38 Senator Wong questioned DEST on the Higher Education Workplace Relations Requirements (HEWRR) legislation and the Higher Education Support Act. Topics covered the retention of 2.5 per cent of university grants which will be paid on condition that universities complied with the workplace relations requirements of the legislation; the estimated \$130 million relating the provision for doubtful debts under the HELP scheme; staffing and cost involved in the certification process, including DEWR staff and independent legal advice from Clayton Utz.²²

1.39 The passage of the Voluntary Student Unionism (VSU) legislation raised questions about the \$80 million transition funding to be provided through the workplace productivity program. Senator Crossin was interested to know if there were any requirements to collect fees for student unions in regard to Charles Darwin University which is holding \$700,000 of student union fees. DEST replied that there was no Commonwealth legislation that requires a university to collect fees and that there was no requirement to monitor this through the department. Under the new VSU legislation the collection of fees is prohibited in certain circumstances.²³

1.40 Questions followed relating to Central Queensland University reducing its student places for 2006 and the relocation of these places to other universities in Queensland.²⁴

Issues relating to the Vocational Training and Education Groups

1.41 DEST was asked about the new apprenticeships employer incentives and the changes in the tax status for collection of GST. The changes relate to Commonwealth new apprenticeships incentives program which no longer attracted GST as of 1 January 2006.²⁵

1.42 Following from previous estimates hearings, Senator Crossin asked the department questions regarding the Tools For Your Trade scheme. DEST confirmed that the administration of the scheme had been contracted to the Melbourne Apprenticeship Services Administrative Services (MAS Administrative Services). Officers explained that a new company was established, trading under 'Tools For Your Trade', to avoid a conflict of interest with other areas of MAS Administrative Services. Further issues covered were the DIMA's Migration Occupations in Demand List (MODL) relating to skill shortages, DEST methods of determining eligibility for

21 *ibid.*, pp. 75-80, 88-89

22 *ibid.*, pp. 80-85

23 *ibid.*, pp. 90-94

24 *ibid.*, pp. 95-97

25 *ibid.*, p. 100

the tool kit, the trade learning scholarship, and the issue of national skills shortages compared to regional skills shortages and what plans DEST had to address this.²⁶

1.43 A series of questions followed on the consultancy to establish the agreement for the Institute for Trade Skills Excellence and the development of the model to deliver the requirements of the Government.²⁷

Issues relating to the Schools Group

1.44 Senator Wong asked the department if it could update information on the funding maintained independent schools and Catholic systemic schools as supplied in E815_05. Further questions were asked about the SES general recurrent funding for the next quadrennium and the annual financial questionnaire to non-government schools and whether DEST produces a report of the findings.²⁸

1.45 DEST was asked a series of questions including: the tutorial voucher scheme, the completion of the pilot and its review, the Investing in Our Schools Program and the Capital Grants Program, and the change of consultant to complete the research project National Mapping of Gender Specific and Gender Related Curricula.²⁹

1.46 Senator Crossin was interested in the progress of the development and the administration of the Australian Technical Colleges. DEST informed the committee that the colleges would be independent from the state educational systems, but that government schools could participate in the college projects. Officers also explained that under criteria set by the Commonwealth, staff at the colleges would be offered an AWA and that the governance requirements needed each college to establish an independent board with industry representation. Discussion followed on the Victorian Australian Technical College in East Melbourne, the consortia involved in establishing the college and its staffing arrangements. The issue of student access to industry owned independent technical colleges, in line with specific skills shortages and the costs to students was also discussed.³⁰

Issues relating to the Indigenous and Transition Group

1.47 The main topic of questioning concerned the overpayment of the SRA program which Batchelor College entered into through an indigenous education agreement and the method suggested in repaying the funds.³¹

26 *ibid.*, pp. 100-104

27 *ibid.*, pp. 105-110

28 *ibid.*, pp. 113-118

29 *ibid.*, pp. 118-127

30 *ibid.*, pp. 118-136

31 *ibid.*, pp. 136-138

1.48 Other issues raised were the appointment of the administrator of the Indigenous Youth Leadership Program, the indigenous tutorial assistance and its performance reports, the Whole of School Intervention Strategy and the AEU survey.³²

Issues relating to the International Education Group

1.49 Senator Wong started questioning by referring to the suspension of 14 private colleges from CRICOS and asked for an update of any further cancellations. This was taken on notice to provide the information.³³

1.50 The Melbourne Institute of Tourism and Hospitality was the subject of questions about its investigation by DEST following claims made by students regarding the standard of teaching and equipment shortages. DEST explained the process of the investigation. The committee sought information about other investigations carried out by DEST.³⁴

1.51 Again the issue with the Bridge Business College and the tuition assurance scheme was raised. DEST responded that it had conducted a compliance monitoring visit in regard to breaches around attendance and reporting requirements. In relation to the granting of the ministerial exemption, the college still had not provided all necessary material as requested by the department.³⁵

32 *ibid.*, pp. 139-141

33 *ibid.*, p. 141

34 *ibid.*, pp. 141-142

35 *ibid.*, pp. 142-143

Employment and Workplace Relations portfolio

1.52 The committee heard evidence from the Employment and Workplace Relations portfolio on Thursday 16 February 2006. This section of the report follows the order of proceedings recorded in the Additional Estimates transcript.

Department of Employment and Workplace Relations

Outcomes 1 and 3 - Indigenous programs

Output 1.2, Labour market program management and delivery

1.53 Senator Crossin ask for information about the COAG trail site in Shepparton. DEWR answered it was no longer responsible for the trail and had handed over the responsibility to the Office of Indigenous Policy Coordination.³⁶

1.54 The Ladders to Success program was discussed in connection with the success of the program in Shepparton and Mildura and that more programs are being negotiated. Further questioning followed on whether the different roles of Job Network, Community Development Employment Projects (CDEP) and the Ladders program might be causing some confusion in the placement of workers in long term positions for indigenous people. DEWR emphasised the cooperation between Job Network, CDEP and the Ladders to Success. It was explained that Job Network providers were improving the placement of indigenous people in long-term employment, encouraged by the incentive of high outcome payments and better star ratings.³⁷

1.55 Senator Crossin then questioned DEWR on the statistics produced by the ABS survey's figures of indigenous labour participation showing a fall in employment, and the figures provided by DEWR from its Job Network placements showing an increase.³⁸

1.56 Other topics discussed included:

- surveys of frontline staff conducted by Jobs Australia and the Brotherhood of St Laurence;
- the Aboriginal Employment Strategy (AES) in Moree and funding arrangements under the budget measures;
- the indigenous economic development strategy – encouraging economic independence, by getting people into jobs, homeownership, reforms of CDEP, and local job and strategies; and

36 Employment and Workplace Relations portfolio, *Committee Hansard*, Thursday, 16 February 2006, pp. 3-4

37 *ibid.*, pp. 4-5

38 *ibid.*, pp. 5-7

- Office of Indigenous Policy Coordination and Indigenous coordination centres enabling a mix of programs to assist indigenous people to find employment.³⁹

Output 3.2, Labour market strategies

1.57 Community Development Employment Projects (CDEP) program was discussed in relation to jobs created under the program being converted into full wage paying jobs under an award. DEWR explained that this is the objection of the CDEP program, and negotiations are continuing with the state and territory governments to put strategies in place to encourage the creation of jobs under the local jobs for local people strategy.⁴⁰

1.58 Senator Crossin questioned the department on the WA truancy trial in Halls Creek. DEWR responded that this trial was run by Centrelink in 2005 and reviewed by the department. DEWR told the committee that another trial commenced in Halls Creek at the beginning of the school year. This was in conjunction with DEST, Centrelink and the WA Government to assist indigenous families to place their children in school on a regular basis.⁴¹

Outcome 1 – Efficient and effective labour market assistance, and Outcome 3 – Increased workforce participation

1.59 Senator Wong's questioning started with a clarification of the classification of job seekers using the Job Seeker Classification Instrument (JSCI) prior to July 2003. There were also questions on what led to changes for the Employment Services Contract 3 which introduced the active participation model (APM) in July 2003. A discussion followed on the classification of job seeker's level of disadvantage and how this was dealt with by the Job Network member and Centrelink. There were also questions as to the level of fees payable to Job Network members in regard to highly disadvantaged and lesser disadvantaged job seekers.⁴²

1.60 Further questioning was about the employment services and the way Job Network services were delivered in the new contract. One of the major changes was the job seeker being allocated to a single provider to allow them to work together to provide employment. Other matters discussed were:

- DEWR's guidelines and user guides for the new contract;
- what feedback did the department receive about Job Network members concerned about misclassifications by Centrelink;

39 *ibid.*, pp. 7-13

40 *ibid.*, pp. 12-15

41 *ibid.*, pp. 15-16

42 *ibid.*, pp. 17-19

- Centrelink meeting its key performance indicators (KPI) prior to July 2003;
- what legal advice and advice from DoFA on the APM model did the department seek in relation to the new contract and the tender process; and
- the monitoring and controls within the department to track whether Job Network providers adhere to the contract conditions; enable the department to track trends and changes over the period of the contract; including sanctions and adjustment of star rates that the department can levy on a provider's non compliance with the contract.⁴³

1.61 This questioning lead to the issue of the monitoring of routine management visits and whether there were disputes or issues regarding payments for contracts, and any occurrence of over or under payments. DEWR answered that if this did occur it was referred to its investigations branch and if necessary referred to the DPP. Lengthy questioning continued on the number of investigations currently in progress, what action the department was taking in recovering monies which had been overpaid, as reported in the press during the week of estimates, and how much had been recovered to-date.⁴⁴

1.62 Senator Wong sought the Clerk's advice on a claim made by the department of possible prejudice to legal proceedings should they have answered questions in relation to an amount of money repaid to the Commonwealth by Job Network providers who had exceeded allowable benefits. There was a difference of opinion within the committee on the validity of the department's claim of possible prejudice, but the committee voted to accept the department's position.⁴⁵

1.63 Final issues raised by the committee included:

- Wage subsidies and the uses of the job seeker account, and how the departments monitors Job Network providers on its spending on the subsidies;
- The Australian JobSearch website and job vacancies;
- The updating of the quarterly reports on labour market assistance outcomes; and
- Family carers as opposed to foster carers and the impact of the legislation as to the exemption of foster carers.⁴⁶

43 *ibid.*, pp. 19-26, 38-40, 63-69

44 *ibid.*, pp. 26-31, 35-38, 61-66

45 *ibid.*, p. 62

46 *ibid.*, pp. 73-77

Indigenous Business Australia (IBA)

1.64 Senator Johnston requested an update on the Presspower insolvency issue which IBA inherited from ATSIC, including the amount of the debt written off from the beginning of the insolvency to the date of termination, and the cost to the Commonwealth. IBA responded that it had undertaken an analysis of the insolvency and considered it too costly to pursue the recovery of assets and monies from borrowers. Taking legal advice into consideration, IBA decided to terminate the investigation and wrote off the debt. Officers stated that IBA was prepared to provide the Western Australian public prosecutions office with any information that might lead to a conviction for any fraudulent action.⁴⁷

1.65 A lengthy discussion followed on the Business Development Program, regarding enterprise hubs projects, focusing on the contract with Hillsong Emerge in Redfern and Mount Druitt. Matters raised were:

- the provision of capital loans to indigenous business people and the range of services to assist people to establish a business of their own;
- the funding arrangements of the project with Hillsong;
- what evaluation has been done on the program;
- the CDEP and Indigenous Business Development Program involvement;
- other funding received by the hubs from NSW Premier's Department, Ford Australia and BHP; and
- the Hillsong Shine publicity material and the evaluation of the Shine program.⁴⁸

1.66 Senator Evans asked for further information on the Microenterprise Development which was initially contracted between ATSIC and Opportunity International Australia and Hillsong. These organisations ran pilots to develop methodologies and training packages, using some of the learnings from overseas specifically for indigenous clients in Australia. These pilots have now been completed and evaluations completed by IBA.⁴⁹

1.67 The committee also asked about the assistance IBA had given to indigenous businesses in the last financial year in relation to business loans, support given to people in their business, mentoring and pre-business schemes, and what businesses they had supported.⁵⁰

47 *ibid.*, pp. 41-42

48 *ibid.*, pp. 42-52

49 *ibid.*, pp. 52-58

50 *ibid.*, pp. 58-60

1.68 Final questioning revolved around IBA investments, holdings and assets base worth of \$100 million, details of which are reported in its annual report.⁵¹

Equal Opportunity for Women in the Workplace Agency (EOWA)

1.69 Senator McEwen followed up on answers from the previous estimates hearing on EOWA's role and its relationship with DEWR and other government departments. This was in regard to an answer stating that EOWA's role was not offer advice on policy matters to government, and as such did not advise government on workplace relations. The Director informed the committee that its role was to regulate business and educate business on equal opportunity for women in the workplace, conducting surveys and research, which feeds back into DEWR, the Office for Women in the Family and Community Service Department.⁵²

1.70 A discussion followed on how EOWA developed its survey. The issue regarding employers' provision of paid maternity level was raised in connection to the survey results.⁵³

1.71 Other matters raised were: what information EOWA provided to business regarding best practice in organisations; whether businesses were providing employees with the option to return to work part time; and the requirements for organisations to report to EOWA under the act.⁵⁴

Comcare: Safety, Rehabilitation and Compensation Commission (SRCC); and Seafarers' Safety, Rehabilitation and Compensation Authority (SSRCA)

1.72 Questioning commenced on the applications before DEWR of corporations seeking a declaration to be eligible to be granted a self insurance licence under Section 100 of the Safety, Rehabilitation and Compensation Act of 1988 (SRC Act). The committee was told the SRCC is aware of the declaration process performed by DEWR before the corporation can choose to apply for a licence through the commission, and that there are three applicants currently in process from Linfox Australia Pty Ltd, Linfox Armourguard Pty Ltd and K & S Freighter Pty Ltd. Further explanations followed on the process of granting the licence.⁵⁵

1.73 Senator Marshall asked about the new COMCARE guide which is used to assess the degree of permanent impairment and whether the new guide was in pursuit of cost savings. Comcare responded that the new guide had been developed because of improved medical information enabling doctors to make accurate assessments of impairment. There had been criticism about the outdated nature of the previous guide.

51 *ibid.*, pp. 59-61

52 *ibid.*, pp. 77-78

53 *ibid.*, pp. 78-79

54 *ibid.*, pp. 79-80

55 *ibid.* pp. 81-83

The new guide did not cover Defence personnel who had received injuries before the Military Rehabilitation and Compensation Act commenced in 2004. Further discussion followed on impairment scales and changes in people's existing entitlements under the new guide.⁵⁶

Australian Building and Construction Commission (ABCC)

1.74 Questions asked about the powers of the ABCC inspectors and their role, a covered the following matters:

- the powers of the inspectors were set out in the act, but had no specific powers to question family members;
- the servicing of summonses;
- what action could be taken if witnesses felt the inspectors had misrepresented issues towards them or their families, and the rights of witnesses;
- the recording of interviews by inspectors;
- official identification of inspectors;
- how many inspectors currently employed and projected staffing numbers and locations;
- the status of ABCC guidelines in relation to the exercise of Compliance Powers in the Building and Construction Industry under the Building and Construction industry Improvement Act and its availability; and
- what restricts can be imposed on legal representation which could involve conflict of interest, confidentiality and integrity of investigations being compromised.⁵⁷

1.75 Further discussions covered what legal advice and representation the ABCC obtains and the cost involved. The ABCC advised that it refers to the DEWR panel of legal firms for external legal advice.⁵⁸

Office of the Employment Advocate

1.76 The OEA was questioned about its response to answers to questions asked at previous estimates hearings, on such matters as:

- further information on the work-life balance provisions;

56 *ibid.*, pp. 85-87

57 *ibid.*, pp. 87-98

58 *ibid.*, pp. 99-100

- whether breaches occur if signed AWAs are not lodged; what happens to unsigned AWAs lodged with the OEA or AWAs lodged with a fraudulent signature without knowledge of the employee;
- the alleged misconduct of Shamrock Holdings, and what happens to these cases. OEA officers responded that it has the capacity to investigate cases under the Workplace Relations Act and if it is need, these cases then can be referred to DEWR's fraud investigation team.⁵⁹
- the budget involved in promoting workplace agreements, establishment of a new IT system to manage the lodgement t of AWAs;
- OEA workplace relations advisers and the pilot program of placing advisers with industry associations;
- the system of monitoring complaints regarding OEA's own processes and the conduct of OEA officers.⁶⁰

1.77 The final questioning related to staffing issues, with the committee requesting that information supplied previously be updated.⁶¹

Department of Employment and Workplace Relations (continued):

Cross-portfolio

1.78 In response to questioning about the budget in relation to the Work Choices legislation, the committee was informed that the budget was \$458.9 million over a four year period. The budget details were explained in detail with reference to the additional estimates statements for the department. Part of the funding included an equity injection of \$35 million for one year. This is to cover costs involved in the fit-out for accommodation on new leases for the Fair Pay Commission, the expanded Office of Workplace Services and additional staff for the call centres and capital fund for IT infrastructure development. Another area of interest to the committee was the \$7.3 million spent on information and education for the Work Choice legislation.⁶²

1.79 In regard to answers received previously, Senator Wong requested further information on staffing issues, including the exit survey questionnaire, the proportion of DEWR staff currently employed under an AWA, the internal DEWR AWAs template and handbook. A discussion followed about how staff can negotiate their AWAs or remain on the collective agreement and the guideline that is available on the negotiation of AWAs.⁶³

59 *ibid.*, pp. 100-104

60 *ibid.*, pp. 105-107

61 *ibid.*, pp. 108-109

62 *ibid.*, pp. 109-113

63 *ibid.*, pp. 114-116

1.80 In response to Senator Wong asking for further information relating to the panel of legal service providers and their costs involved in the negotiated monthly rate in relation to all secondees, DEWR stated that due to commercial-in-confidence factors involved with disclosing this information, the question would be taken on notice. Senator Wong reminded the officers of the Senate procedures and privileges resolutions in relation to the commercial-in-confidence claim.⁶⁴

Outcome 2 – Higher productivity, higher pay workplaces

1.81 DEWR was asked a series of questions directed at the costs of advice and education on unlawful termination for employees. Opposition senators were interested in finding out how the department would deal with this issue due to the introduction of the Work Choice legislation. DEWR responded that over a four year period, the estimated number of cases that might request legal assistance of might be 5,155, broken into 675 in 2005-06, 1,555 in 2006-07, 1,493 in 2007-08 and 1,433 in 2008-09.⁶⁵

1.82 The committee asked further questions in relation to the Work Choice legislation, including:

- the issue of public holidays;
- the progress of the regulations and the scheduled date these will be proclaimed;
- the requirements for a bargaining agent, which will be the same as presently in place;
- the comparisons between current workplace legislation existing in Australia with the Work Choice legislation;
- the effectiveness of the advertising campaign and any evaluation conducted; and
- the recruitment of staff for the Office of Workplace Services and their conditions of service.⁶⁶

1.83 Final questioning was on the award review task force. Questions were asked about its funding, the two discussion papers published, and the progress of the task force in reporting to the Government. DEWR responded that the task force developing a request for tender for a consultancy to analyse the extent of reliance on awards.⁶⁷

64 *ibid.*, p. 117

65 *ibid.*, p. 118

66 *ibid.*, pp. 119-127

67 *ibid.*, pp. 129-132

Acknowledgements

1.84 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 Judith Troeth

Chair

Employment, Workplace Relations and Education Legislation Committee

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