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SENATE

EDUCATION AND EMPLOYMENT LEGISLATION COMMITTEE

Thursday, 24 October 2019

Members in attendance: Senators Chandler, Davey, Farrell, Faruqi, Hanson, McGrath, O'Neil, O'Sullivan, Paterson, Pratt, Scarr, Marielle Smith, Stoker.
EDUCATION PORTFOLIO

In Attendance

Senator Birmingham, Minister for Trade, Tourism and Investment
Senator Duniam, Assistant Minister for Forestry and Fisheries, Assistant Minister for Regional Tourism

Department of Education
Dr Michele Bruniges AM, Secretary
Mr Marcus Markovic, Deputy Secretary, Corporate Strategy
Ms Jackie Wilson, Deputy Secretary, Early Childhood and Child Care
Ms Alex Gordon, Deputy Secretary, Schools and Youth
Mr David Learmonth, Deputy Secretary, Higher Education, Research and International

Corporate
Mr Craig Boyd, Group Manager, Finance, Technology and Business Services
Mr Mike Ford, Branch Manager, Budget, Planning and Performance
Ms Gaby Medley-Brown, Group Manager, People, Parliamentary and Communication
Ms Susan Charles, Branch Manager, Communication Branch
Ms Belinda Casson, Branch Manager, People Culture and Capability
Mr Simon Gotzinger, Chief Lawyer and Branch Manager, Tertiary, Litigation and Legislation Legal
Ms Genevieve Davin, Senior Executive Lawyer and Branch Manager, Schools, Child Care and Corporate Legal

Early Childhood and Child Care
Ms Kelly Pearce, Group Manager, Early Learning Policy and Network
Ms Rhyan Bloor, Branch Manager, Preschool and Inclusion Support
Ms Anne Twymon, Acting Branch Manager, Early Childhood Policy and Quality
Dr James Hart, Group Manager, Payment Integrity
Ms Kay Millican, Acting Branch Manager, Modelling, Data and Finance
Ms Laura Angus, Branch Manager, Financial Outcomes and Finance
Mr Danny Mucci, Acting Branch Manager, Child Care Integrity
Ms Kylie Crane, Group Manager, Payment Policy and Engagement
Ms Belinda Catelli, Branch Manager, Payment Policy
Mr Ben Vincent, Branch Manager, Approvals and Relationships

Schools and Youth
Mr David Pattie, Group Manager, Improving Student Outcomes
Ms Margaret Leggett, Branch Manager, Curriculum and Student Learning
Ms Lyndal Groom, Branch Manager, Student Participation
Ms Kim Ulrick, Branch Manager, Teaching and School Leadership
CHAIR (Senator McGrath): I declare open this meeting of the Education and Employment Legislation Committee on Thursday 24 October 2019. The Senate has referred to the committee the particulars of proposed expenditure for 2019-20 and certain other
documents for the Education portfolio. The committee may also examine the annual reports of
departments and agencies appearing before it.

The committee has decided that answers to questions on notice will be required to be
returned by close of business on Friday 13 December 2019. The committee has resolved that
written questions on notice should be received from senators by close of business on Friday 1
November 2019.

Under standing order 26, the committee must take all evidence in public session. This
includes answers to questions on notice. I remind all witnesses that in giving evidence to the
committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten
or disadvantage a witness on account of evidence given to a committee, and such action may
be treated by the Senate as a contempt. It is also a contempt to give false or misleading
evidence to a committee.

The Senate, by resolution in 1999, endorsed the following test of relevance of questions at
estimates hearings: any questions going to the operations or financial positions of the
departments and agencies which are seeking funds in the estimates are relevant questions for
the purposes of estimates hearings. I remind officers that the Senate has resolved there are no
areas in connection with the expenditure of public funds where any person has a discretion to
withhold details or explanations from the parliament or its committees unless the parliament
has expressly provided otherwise.

The Senate has resolved that an officer of a department of the Commonwealth shall not be
asked to give opinions on matters of policy, and should be given reasonable opportunity to
refer questions asked of the officer to superior officers or to a minister. This resolution
prohibits only questions asking for opinions on matters of policy and does not preclude
questions asking for explanations of policies, or factual questions about when and how
policies were adopted. I particularly draw the attention of witnesses to an order of the Senate
of 13 May 2009, which I will incorporate into Hansard, specifying the process by which a
claim of public interest immunity should be raised.

*The extract read as follows—*

**Public interest immunity claims**

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate
committees without properly raising claims of public interest immunity as required by past resolutions
of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and
officers with guidance as to the proper process for raising public interest immunity claims and to
consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests
information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may
not be in the public interest to disclose the information or document to the committee, the officer shall
state to the committee the ground on which the officer believes that it may not be in the public interest

EDUCATION AND EMPLOYMENT LEGISLATION COMMITTEE
to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer’s statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(13 May 2009 J.1941)

(Extract, Senate Standing Orders)

Witnesses are specifically reminded that a statement that information or a document is confidential or consists of advice to government is not a statement that meets the requirement of the 2009 order. Instead, witnesses are required to provide some specific indication of the harm to the public interest that could result from a disclosure of information or the document.

I remind officers that opening statements should be brief, and officers may seek to incorporate longer opening statements into the committee Hansard.

Department of Education

[09:03]

CHAIR: The committee will commence with the Department of Education, cross-portfolio. I welcome the minister, Senator the Hon. Simon Birmingham, and officers of the Department of Education. Minister Birmingham, do you wish to make an opening statement?
Senator Birmingham: Good morning, Chair—nice to be with you, and no, thank you.

CHAIR: Welcome, Dr Bruniges. Do you wish to make an opening statement?

Dr Bruniges: No thank you, Chair.

CHAIR: Thank you very much. I will hand over to Senator Pratt.

Senator PRATT: Good morning everyone. Thank you for being here for estimates. I'm going to begin by asking for an update on how the department is responding to the changes in the AAO of 29 May this year—specifically, the transfer of vocational education, training and apprenticeships to the employment portfolio?

Dr Bruniges: Thank you, Senator. I might ask Mr Markovic to run through what we've done. We have actually completed the machinery-of-government change in respect of vocational education and training, but I will hand over to him for details.

Mr Markovic: As you are aware, the AAOs that were announced in late May formalised the move of the skills, vocational and training function from the Department of Education and Training, at the time, to the Department of Employment. We successfully managed the transition of staff from one department to another by 30 June and, as a result, 476 staff moved, along with departmental and administered funding, to support the continued operation of that function. I would also note that we had a small machinery-of-government change with the Adult Migrant English Program, AMEP, from our department to the Department of Home Affairs.

Senator PRATT: I was going to ask about that later too

Mr Markovic: That was also in those orders, and there was a much smaller number of staff that moved with that transition. We ended up moving 17 staff.

Senator PRATT: It's interesting that this machinery-of-government change has been made while, in the education and training sector, there's much more talk about moving between formal education and training, whether it's TAFE and school, whereas the government has separated you out. Can I ask how you're going with any interdepartmental agreements or coordinating committees?

Dr Bruniges: I think it'd be fair to say, even before the machinery-of-government changes, we had a very close working relationship with Employment at the time, and Family and Small Business. That continues right from secretary level to interdepartmental committees, as we work through, that are actually separate from the machinery-of-government changes. So, for example, in the past, we've had routine meetings of executives of both departments where we discussed issues that we're working closely together on. And, in terms of the machinery-of-government change, there was a very close collaborative cooperation as we went through that process. We were able to achieve that process in a very timely manner, which was important, to provide staff certainty.

Senator PRATT: My question specifically went to: what are the arrangements now in terms of coordination between the two? Do you have any formal coordinating bodies that do that?

Dr Bruniges: Yes. There are a number, so I might ask Mr Learmonth. There's one, in particular, in terms of higher education, that we're working on so we might go there first.

Senator PRATT: Thank you.
Mr Learmonth: We continue to maintain a close working relationship with Employment. We work closely with a number of departments in particular, whether it be Industry, Home Affairs or others. The nature of the relationship and how we deal with it structurally depends on the issue. So there's a spectrum of things where there is a mutual interest, and they'll be consulted—we consult each other.

Senator PRATT: Sorry, can just I return to my question: do you have a regular title for a group that meets, or are these ongoing ad hoc relationships? Clearly you've got officers that know other officers—

Mr Learmonth: There's a spectrum.

Senator PRATT: What I'm keen to know is: what is the institutional interlink between the two departments?

Mr Learmonth: It's a spectrum, and it depends on the issue. As the secretary said, there are regular engagements between secretaries and the senior executive on issues of mutual interest. There are policy issues where we are structurally well embedded. So, for example, the Australian Qualifications Framework Review is something which, by definition, cuts across both domains. Both ministers are involved, and the states and territories are involved. We are very strongly intertwined in terms of embedding people from the skills in our organisation and we're in constant consultation. Essentially, we behave as though they were still in the department, for want of a better example. So, for something where there is a clear and engaged bit of policy, we've got a structural solution. Other things are more ad hoc. It depends what it is. But all of that comes under the guidance of the two secretaries and the executives who meet regularly.

Dr Bruniges: I might add: there is a shared service arrangement that's always existed between the two departments as well. We have a memorandum of understanding that has existed, I think, since 2016.

Senator PRATT: What does that MOU cover?

Mr Markovic: The MOU the secretary referred to describes the provision of IT infrastructure services, and there's a governance arrangement that sits around that where we meet on a quarterly basis to review the performance and delivery of that service.

Senator PRATT: So the key coordinating bodies will be through the secretaries and then the other government bodies that are reviewing things and the like? So you don't have any ongoing interdepartmental agreement that deals with the policy questions or coordinating committees?

Mr Learmonth: The policy landscape varies in the degree of intertwinenment, and it changes over time. It's not really amenable to some sort of agreement. What we have is something that is agile, responds appropriately to the challenges ahead and is governed by the secretaries, including through regular meetings with the executive. As I say, with something that is particularly engaging of both sides—like the AQF review—we are very structurally intertwined with each other. For things which are more passing, it's more about consultation. There's a spectrum, and our engagement is fit for purpose.

Senator PRATT: Are there any ongoing Department of Education resources in the minister for employment's office—for example, a DLO? Have any interim advisers been provided, and over what time period?
Dr Bruniges: Not from the Department of Education—either DLO or interim advisers.

Senator PRATT: I would like the total cost of these MoG changes. Could you provide a breakdown of the costs of staff changes, redundancies, physical relocation, lease changes and other related costs. I appreciate you might have to take some of that on notice, but do you have any overall information you can give me today?

Dr Bruniges: On cost, we normally absorb that within teams, working together with the head of corporate. It's not an additional cost. In terms of the transfer, staff followed function, so there wasn't anything that happened—

Senator PRATT: You didn't run a redundancy program—

Dr Bruniges: No, we didn't run a redundancy—

Senator PRATT: Who, if anyone, has relocated?

Mr Markovic: There were no redundancies as a result of this—

Senator PRATT: Has anyone relocated? Have there been any lease changes?

Mr Markovic: The people who moved to Home Affairs have physically moved to join their Home Affairs colleagues. The people who are going to Employment are still physically in the Department of Education premises. Arrangements are being put in place for those people to move in early to mid-2020.

Senator PRATT: What are the projected costs for that move?

Mr Markovic: I can't tell you. That would be a question for Employment in terms of managing that transfer. They'll leave our building and move into premises that are leased by the department of employment.

Senator PRATT: If you can take on notice how many staff have shifted between departments—

Mr Markovic: I can answer that question for you now. It's 476. Seventeen moved to the Department of Home Affairs.

Senator PRATT: It doesn't sound like there's been a reduction in the total number of staff working on the area across departments. Can you confirm that for me?

Mr Markovic: I can confirm what we transitioned to Employment. A question of what Employment have done in terms of their own configuration would be a matter for Employment—

Senator PRATT: How many remain there—

Mr Markovic: What I'm advising you of is the number of people that left the Department of Education and Training as it was at that time.

Senator PRATT: I will put on notice how many they've kept.

Mr Markovic: It would be a matter for Employment to respond.

Senator PRATT: In the context of the Adult Migrant English Program change that you highlighted, am I right in understanding that the AMEP is substantially provided by TAFEs, Navitas and a few other community providers?
Dr Bruniges: The policy responsibility now sits with the department that they've been transferred to, but there would have been a tender process that would have awarded contracts to various providers across the country.

Senator PRATT: Have you had any concerns that this work has gone to Home Affairs?

Dr Bruniges: The administrative orders are the administrative orders.

Senator PRATT: You can't raise your concerns, if you do have them?

Senator Birmingham: No, no—

Dr Bruniges: No, that isn't what I said.

Senator PRATT: I'm not going to put words in your mouth; I'll just move on.

Senator Birmingham: Senator Pratt, in this regard, Home Affairs is responsible for resettlement services, and there has been long engagement, in terms of the interaction of the AMEP with resettlement services.

Senator PRATT: I know. You can put resettlement services in an ongoing and increasing silo in Home Affairs if you want to, but that shouldn't be the primary objective of delivering education in our country. But, anyway, that's a political statement. Does the department continue to work with the Department of Home Affairs to improve the delivery of this important service?

Dr Bruniges: Of course we would work closely with the Department of Home Affairs in the education context. Indeed, just like the Department of Employment, there will be occasions in the near future where we will sit down and have a meeting with the executive of Home Affairs regarding the linkages between the two departments.

Senator PRATT: How much has the department spent on advertising and advertising agencies in 2018-19?

Ms Charles: For advertising agencies specifically, in this financial year we have spent—

Senator PRATT: No, for last financial year, 2018-19.

Ms Charles: That information is also in our annual report. We spent $1,416,360.

Senator PRATT: Do you have a breakdown of that over the financial year—for example, comparing the first half of the financial year to the second?

Ms Charles: We only used one agency. That was cost related to BMF advertising, and that was in relation to the Quality Schools campaign.

Senator PRATT: So in other words that $1.4 million would have all been between January and June 2019?

Ms Charles: That is correct.

Senator PRATT: So just the one campaign was executed in 2018-19. Is that right?

Ms Charles: That's correct.

Senator PRATT: Have there been any so far in 2019-20?

Ms Charles: There have not been any campaigns, no.

Senator PRATT: Could you take on notice, please, a breakdown of that $1.4 million in terms of advertising on social media, print media, television and any other advertising expenditure—unless you've got that with you now?
Ms Charles: That $1.4 million was related to the advertising agency, not the media placement.

Senator PRATT: So what's the overall media placement?

Ms Charles: Again, for media advertising organisations, which is Universal McCann, the master media agency—it's in the annual report. It doesn't total it, but I can add that amount up. It covered a number of activities, including the Quality Schools campaign.

Senator PRATT: Can you break down for me the elements of the Quality Schools campaign in terms of social media, print media, television and other expenditure?

Ms Charles: I am just checking whether I have that information for you.

Mr Markovic: While we're looking for it, the page reference in the annual report, if that's helpful, is page 54. We itemise this expenditure in the annual report, if that's helpful to you.

Ms Charles: I do have the media breakdown, if would like it?

Senator PRATT: Yes.

Ms Charles: These are all GST-exclusive costs. On television we spent $1.85 million; on press, which was Indigenous and CALD, we spent $44,895; on radio, $843,181; out of home, which is digital billboards and things like that, $1.2 million; and digital, which is social media, $1.44 million.

Senator PRATT: And the total cost—

Ms Charles: The total cost of the media buy was $5.6 million.

Senator PRATT: Was that specifically for the Quality Schools campaign, or was that the overall spend?

Ms Charles: That was the overall spend—sorry, that was the total media buy.

Senator PRATT: For Quality Schools or for all your advertising in that financial year?

Ms Charles: No, just for phase 3 of the Quality Schools campaign.

Senator PRATT: What about the first two phases of that campaign?

Ms Charles: They were done in previous years. On phase 1 of the campaign the media buy was, GST exclusive, $658,107. On phase 2, it was $6,676,241.

Senator PRATT: Can I ask what the media buy is for this financial year so far?

Ms Charles: There is no media buy for this financial year.

Senator O'SULLIVAN: Could we get an annual breakdown since, say, 2012, not just on those figures?

Ms Charles: On all our advertising—

Senator O'SULLIVAN: Particularly the advertising spend?

Ms Charles: On advertising campaigns?

Senator O'SULLIVAN: Yes, and the media buy as well, I think.

Ms Charles: Yes. I can take that on notice.

Senator O'SULLIVAN: In adjusted terms, adjusted for inflation, if that's possible. I know the ANAO provided a total government aggregated spend, but I don't know if that can be broken down at all and adjusted based on inflation.
Ms Charles: Yes, I can have a look at that. I'll take that on notice.

Senator PRATT: I might come back to advertising. While I contemplate that, how many temporary engagements, contractors and consultants are currently working in the department?

Mr Markovic: At the moment, I can report for you the number of contractors. At the end of August we had 202 contractors employed.

Senator PRATT: How many consultancies?

Mr Markovic: How many consultancies did we have?

Senator PRATT: Yes, consultant—

Mr Markovic: I can't tell you the number of people that were working on consultancies. Consultancies, by their nature—we engage for a particular service, so we don't count the number of people working on it. We only count—

Senator PRATT: Sorry, I should have said—contractors and consultants are the same thing but also, yes, consultancies.

Mr Markovic: I just want to check I've answered your question correctly.

Senator PRATT: You did.

Mr Markovic: I'm telling you 202 contractors. We, on top of that, have a number of consultancy engagements. I can't tell you the number of people that we would have for those at any point in time.

Senator PRATT: No, that's fine. I can have the number of people who are contractors or individual consultants, and the number and value of any consultancies.

Mr Markovic: In terms of consultancies, perhaps the best way to describe that is the number of consultancies that we've had between the period 1 July 2019 to 31 August 2019. The department has issued eight consultancies.

Senator PRATT: Do you know the value of those?

Mr Markovic: The total value of those consultancies is $2,918,833.

Senator PRATT: If you could take on notice what they are for, that would be terrific.

Mr Markovic: That information's also available on AusTender. We publish all of these on there.

Senator PRATT: Great. That's fine. I'll find it there. Thank you very much, Mr Markovic, for drawing that to my attention. So 202 temporary staff—what's the value of that contracting, individual contracting—

Mr Markovic: I would need to take that on notice. I don't have, on hand, the total value of the number of contractors that we have at the moment.

Senator PRATT: Is that high level of temporary staff and the expenditure attached to it something you're comfortable with? Surely you'd prefer to have those staff in house?

Mr Markovic: We've spoken previously to this committee that we use contractors for short-term and temporary needs. We do have a couple of activities, at the moment, that aren't ongoing. There are a couple of large IT projects where we've sought to supplement our existing IT workforce with some contractors who will come in, and those projects will end.
Senator PRATT: My understanding would be that most of your department staff are very adaptable and smart people, and they're the kinds of people that could deliver these contracts and consultancies anyway. I understand it, in terms of the peaks and troughs—

Mr Markovic: Capacity.

Senator PRATT: if you've got big dips in demand. But if you've got a reasonably high level of demand for consultants—sorry, contractors—all year round, why wouldn't you put 100 of those on staff and develop your in-house expertise?

Dr Bruniges: I think it would be fair to say the level of expertise that Mr Markovic was talking to goes to specialised skills. There's no doubt that it's really important for us to build internal capability, in some of those areas, and we have a very strong professional learning program and capability program underway. But if we need to have specialist skills for a very short period of time, that's probably the way we would undertake the work that we needed to do.

Senator PRATT: Does the department have strategies in place to retain experienced staff and build capability? That is relevant to the answer you just gave.

Dr Bruniges: We have a whole range of professional learning for staff, and we have had that in place for a number of years now. Maybe someone from HR can outline some of the range of programs, but it is really important to us that we build capability internally within the department and that we do support our existing staff with additional professional learning opportunities. Some of those areas that I have been personally involved in are around the use of data and expertise—the use of new software visualisation products that are coming onto the market—so that our teams in each of the cluster areas are familiar with new software. As the employer of staff, I take that responsibility very seriously. Perhaps Ms Medley-Brown might like to speak to some of the other programs we've got in place.

Ms Medley-Brown: Senator, one key piece of our learning and development is a policy and program skills framework, which was a consulted piece of work that we developed in conjunction with staff that looks at international best practice around the skill needs of individuals who are delivering policy and program. We came up with a criterion of 'skills'. Within each of those skills, we then developed various learning packages for people to increase their skills. We had that at three levels—beginning, intermediate and advanced. Within that framework, the learning and development offerings are a range of programs. Some are delivered face to face, some are delivered online and some are delivered as a part of mentoring programs. In addition to that, through various processes—and, as the secretary referred to, working with data in a policy area is very key—we have regular and ongoing skills development in terms of our staff's ability to handle and use data.

Senator PRATT: You've got 200 contractors. If there are particular areas that you are reaching out to contractors for over time, I assume that is where you look to try and build your capability internally.

Mr Markovic: Yes. I can give you a really practical example. We use a number of contractors in the IT space, as others do as well. We are moving from a lot of on premise software development to cloud based development. We are absolutely skilling our own permanent staff up to undertake those roles but, at the moment, we need to supplement that with people who have skills and experience to be able to coach and mentor our own staff. So
we are going to need to build those and support them into the future. In terms of our overall contractor load, that represents a really significant portion of both the contractors we have and the reason why we have got them in our premises.

**Dr Bruniges:** We have increased our graduate intake substantially over the last couple of years. They bring a wonderful set of resource in terms of IT as well as many other skills that we use across the department. I think the last intake was—

**Ms Medley-Brown:** Approximately 40.

**Dr Bruniges:** We had approximately 40 grads coming in this year.

**Senator PRATT:** How many grads will you have next year?

**Mr Markovic:** It's a similar number.

**Senator PRATT:** So it's not affected by the machinery-of-government changes, or would they have come into place—

**Dr Bruniges:** No. We will continue to have a very strong commitment, because of the capability build within the Australian Public Service and within Education, to recruit and have a large number of graduates each year.

**Senator PRATT:** In addition to tracking that capability, do you also record the costs attached to entering into and monitoring this number of consultancies and individual contractors?

**Dr Bruniges:** The monitoring happens through contracts. But I think you are getting to the actual cost of monitoring the capability build.

**Senator PRATT:** No. What I'm interested in is, when you've got somebody on the books in house, the cost of managing that contract as well as the cost of the contract itself relative to having that expertise in-house.

**Dr Bruniges:** We'll have a look and see what we've got.

**Mr Markovic:** We certainly track the cost of the contract—and I'll take it on notice to get those costs to you. We don't separately identify or record within our existing finance system the cost of managing the contractors; that tends to be integrated. In many cases, the teams are blended. So they will have a manager and they will have some permanent APS staff working alongside contractors. There is no practical way to isolate those costs.

**Senator PRATT:** No. But you have to compare the skill level and therefore the salary base of the APS staff with what you are paying the contractor. Clearly you'll have a view that, if they have good expertise, they've got to be sitting at a pay level higher or similar to the in-house staff.

**Mr Markovic:** We have already taken on notice the cost of contractors.

**Senator PRATT:** Okay. So you will take on notice the costs associated with monitoring those contracts, if you can.

**Dr Bruniges:** We'll see if we can do that for you.

**Senator PRATT:** Thank you. I've got a lot of administrative questions that I will put on notice. My last bracket of questions relates to some of the work that the department might have done in preparing program reports for the federal electorates. Has the department produced a program reports since the election?
Dr Bruniges: Not that I'm aware of.

Senator PRATT: They've existed in the past. I've got the one here for our Prime Minister and the electorate of Cook. Are you familiar with what I am talking about? It is about participation in child care, child care reform on families, number of children in preschool, government funding—

Dr Bruniges: They are key statistics. Yes, I am aware of the format of them.

Senator PRATT: So you haven't done one since the election?

Dr Bruniges: Not that I am aware of.

Senator PRATT: I would like to ask the department to provide information for each electorate presented in the program reports. This includes: total administered portfolio expenses for the electorate; the number of child care, school and higher education providers; participation in relevant child care, education and higher education services in the electorate; the characteristics of services and participants; government funding for each relevant service in the electorate historical, present and future; the estimated impact of government programs on residents of the electorate; NAPLAN results by school campus within the electorate; and any other relevant data that the department has for programs in each electorate. I can give you this as a sample if you like.

Dr Bruniges: That would be great. Sometimes the data is not available. It depends on when the statistics are collected. That's why we don't automatically do a monthly update sometimes.

Senator PRATT: That's fine, but you've clearly been able to do it to this level in the past.

Senator Birmingham: That's potentially a very substantial piece of work that you've just requested. The department has obviously taken it on notice. I'm sure that, insofar as the information is readily available and can be reproduced, they will respond to your question on notice.

Senator PRATT: The government is clearly able to ask for that information for itself. This parliament has as much right to request that information as the government does.

Senator Birmingham: I'm not trying to be unreasonable. My response there is purely to say that you've asked for analysis in that question, not just data. In that sense, the department will respond as best they can. But if it is a substantial additional work project for the department, that is not what questions from estimates are intended for. If it is information they already have, then of course that is information they can easily provide.

Senator PRATT: Estimates is indeed for comparing outcomes across the country. If I want to be able to compare results, if members of this parliament want to be able to compare results across different communities, we need to be able to have access to this data and it is a legitimate role for the estimates process.

CHAIR: We will now move to outcome 1. Senator Smith.

Senator MARIELLE SMITH: Have all the states and territories signed preschool funding agreements for 2020?

Ms Wilson: As at 9 October, there were two states outstanding—South Australia and Tasmania were yet to sign the 2020 arrangements.
Senator MARIELLE SMITH: How many preschool funding agreements have been signed since September 2013?

Dr Bruniges: We may have to take that on notice.

Ms Pearce: We could probably answer it, but it is a little complex. There was one for 2013-14, but that was signed prior to September 2013. Then there was the 2015 agreement, which was executed in November 2014. Then there was the 2016-17 agreement, which was executed in February 2016. Then there is the 2018-2020 agreement, which is the current one, and the last extension on that would have been executed in August 2019.

Senator MARIELLE SMITH: So since 2013 we've had three signed—because the 2013-14 agreement was executed during that year but signed prior. So the 2020 funding agreement would be the fourth funding agreement signed since September 2013?

Ms Pearce: It's an extension of the fourth funding agreement.

Senator MARIELLE SMITH: What does that mean?

Ms Pearce: The 2018-2020 funding agreement represents an extension of the original one, which was 2017—

Senator MARIELLE SMITH: So its duration would be shorter than a full agreement?

Dr Bruniges: Not necessarily. If we go to the heart of the content—and please correct me if I'm wrong—the national partnership agreement wouldn't change in structure or content. When we say 'extension', it's really a rollover of the 2018-20 one into 2021. So it's not a new agreement.

Senator MARIELLE SMITH: So it's a single-year extension?

Ms Wilson: It was 2018-19 and now 2020. There was only one new clause added, which was the review clause, which the education council have agreed to, which enabled all governments to agree to a review of the national partnership.

Senator MARIELLE SMITH: Can the department please advise me on the status of the Nous Group review into the Universal Access National Partnership?

Ms Pearce: The contract with Nous was executed on 5 August, following Education Council agreeing to the terms of reference for the review. Nous's work is underway. They've been consulting since August. They're up to the stage of now looking at all of that consultation material, and an interim report to Education Council is due in December this year.

Senator MARIELLE SMITH: What's the purpose of the review?

Ms Pearce: I'll just turn to the terms of reference, which are on the public record:

The objectives of the review are to assess:

- the degree to which the agreed objectives, outcomes and outputs of the National Partnership on Universal Access to Early Childhood Education have been achieved since 2014—

and 2014 was the last time there was a review—

- the broader benefits that have been achieved for the community and economy as a result of the National Partnership;

- the efficiency, effectiveness and equity of current funding, measurement and performance arrangements; and

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future arrangements to maintain and improve the benefits already achieved and the benefit of pursuing any new objectives, outcomes or outputs.

Senator MARIELLE SMITH: When you say 'future arrangements', does that mean it's going to look at recommendations going forward?

Ms Pearce: Yes. Nous has been asked to provide findings, suggestions about what might happen in the future.

Senator MARIELLE SMITH: So it's looking for where the partnership has done well and where it's failed? It's an analysis of the performance of the national partnership?

Ms Pearce: That's right.

Ms Wilson: As Ms Pearce said, it hasn't been reviewed since 2014. A lot of states and territories have done more in the area of preschool, across four-year-olds and three-year-olds, and it's time to update what we know about preschool and what's happening going forward.

Senator MARIELLE SMITH: Why did you choose now to do the review? What drove the decision to review it?

Ms Wilson: Education Council agreed the review. The review is actually being managed by a working group of officials across all jurisdictions. It's been four years since the last review was done, and there's been a lot that has changed.

Senator MARIELLE SMITH: So the Education Council initiated it?

Ms Wilson: It's an Education Council sponsored review and it's reporting back to Education Council in December, as Ms Pearce indicated.

Senator MARIELLE SMITH: And they've done it because they want to understand, basically, whether the national partnership is working and they want to look at changes to the national partnership?

Ms Wilson: As I said, the world of preschool has changed a lot. Every state and territory administers preschool arrangements in a different way. Some states and territories, like Queensland and New South Wales, largely use long day care services for the delivery of preschool. Other states and territories, like WA and South Australia, do it through their school setting. Other states and territories do it through standalone preschools. There have been a lot of models operating for a long time. Part of this is to look at what's worked well, what hasn't and what the areas for improvement are.

Senator MARIELLE SMITH: You said that report will be completed in December?

Ms Wilson: Interim advice to council in December and a report in the first half of 2020.

Senator MARIELLE SMITH: Will that interim report be released publicly?

Dr Bruniges: That will be a matter for council.

Senator MARIELLE SMITH: So that's for them to decide? There's been no indication from council on whether they—

Dr Bruniges: They haven't seen it yet, so I think they'll have a discussion once they have the report.

Senator MARIELLE SMITH: I appreciate that. The final report is in the same boat, is it? It's a decision for—

Dr Bruniges: It would go to council.
Ms Pearce: That's right.

Senator MARIELLE SMITH: Do you have any understanding of how much Nous is being paid for the report, what the total cost is?

Dr Bruniges: We can give you that detail.

Ms Pearce: The full funding for this report is $812,450.

Senator MARIELLE SMITH: Do you have a breakdown of that figure any further or just the high-level number?

Ms Pearce: No. Basically if you look at the terms of reference for Nous, that's essentially what they've been asked to do. So it's not broken—well, I don't have that information.

Ms Wilson: Are you talking about broken down over time, in terms of payment?

Senator MARIELLE SMITH: Yes.

Ms Wilson: We could get you that detail on notice.

Senator MARIELLE SMITH: If there's any detail which unpacks that figure for me—I appreciate you don't have it now, but if you could take that on notice and get back to me—that would be great. Can the department also advise me of the current status of the $1.4 million the government announced in the April budget for the Smith Family to work on preschool attendance rates, please?

Ms Wilson: The Smith Family work commenced in July this year. They're due to deliver interim findings later in the year. Their stage 1 focuses on a research component looking at best practice in what jurisdictions are doing that is increasing and improving attendance. They're specifically doing more detailed work with Victoria, New South Wales, Tasmania and WA to look at where there is low preschool participation and what initiatives have actually demonstrated improvements in those areas. That's what they are focused on at the moment.

Senator MARIELLE SMITH: You said there's an interim report coming—on what date?

Ms Pearce: To the Education Council in December.

Senator MARIELLE SMITH: And when are you expecting the final report?

Ms Pearce: In the first half of 2020.

Senator MARIELLE SMITH: Is that report going to the states and territories? They'll receive that?

Ms Wilson: Again, the Smith Family project is managed by the officials and certainly it will go to the Education Council.

Senator MARIELLE SMITH: What about publicly? Is that again not a decision that's been made?

Dr Bruniges: It will be made by the council.

Senator MARIELLE SMITH: Again, there was no indication when it started that—

Dr Bruniges: Either way, no.

Senator MARIELLE SMITH: Will this review consider the negative impact the lack of funding certainty for providers may be having on attendance rates?

Ms Wilson: I'm not sure that the Smith Family review will look at that. It's looking at best practice and areas of improving attendance. The point you made about funding is probably
going to be considered in the Nous review. I'm sure some of the jurisdictions have already raised funding certainty as part of that review.

Senator MARIELLE SMITH: Yes, but in terms of its actual impact on providers, specifically the Smith Family's not—

Ms Pearce: That's not what the Smith Family is doing. The Smith Family is looking at what strategies work to engage families and get children into preschool. These are families that have very complex situations. They're looking at, 'How can we bridge the gap?' There are a whole range of things that work in that space. We want to understand better what works in different settings with different groups of vulnerable and disadvantaged families and Aboriginal and Torres Strait Islander families. It won't go to that issue. Yes, a lot of preschool is being delivered virtually free in most states for these cohorts, so—

Senator PRATT: Sorry to interrupt, Ms Pearce and Senator Smith, but will it consider compulsory attendance as one of those strategies?

Ms Pearce: That's not a consideration for the Smith Family.

Senator PRATT: No, but in the context of the overall review?

Ms Wilson: Some states and territories have already raised with Nous not compulsory attendance, because that doesn't start until school, but a suitable measurement—

Senator PRATT: Preschool's compulsory in Western Australia.

Ms Wilson: No—

Senator PRATT: It's not quite compulsory, but it's fairly universal.

Ms Wilson: I think there's a broad acceptance in most states, like there is in ACT, but it's not compulsory like school. But I think your point about the right setting performance indicators to encourage people is something that Nous is looking at in its review.

Senator PRATT: So it could include compulsory attendance?

Ms Wilson: I don't think it's looking at compulsory attendance. I think it's looking at what would be suitable indicators to measure success of attendance and enrolment. But I don't think anyone's raised the notion of 'compulsory' in the review.

Senator PRATT: Would compulsory attendance, if that was an objective—

Dr Bruniges: I don't think that's the purpose of the review.

Senator PRATT: If you want to lift participation, clearly one of the policy levers that you've got is compulsory attendance. I'm just asking the question—

Senator Birmingham: The two pieces of work are complementary. Nous's work hones in on the fact that there's a lack of consistency in elements of the data and there are issues in terms of whether or not the funding agreements we've had over this period of time between the Commonwealth and the states are getting the best results from the states and territories in getting children to preschool, particularly those children who stand the most to gain from preschool participation. The Smith Family work is then honing in more directly, I guess, on those in disadvantaged cohorts, at-risk children and others where we know, from the data that is available, there are the lowest levels of participation and how we can—

Senator PRATT: My question was about whether it was on the table. I can assume that all the other strategies are in play if that's not the case.
Senator Birmingham: I guess, Senator Pratt, what those engaging with the reviews might advocate for is a matter for them.

Senator PRATT: Yes, okay.

Senator MARIELLE SMITH: I want to take you back to what you said before. You said some jurisdictions have already raised funding certainty as part of the Nous review. Can you let me know which states and territories have done that?

Ms Wilson: We can take that on board.

Ms Bloor: It's an independent review. Nous is intending to publish submissions to the review when they've done their analysis, except where submitters have asked otherwise. We have access to submissions by peak bodies which have published their submissions on their own websites.

Senator MARIELLE SMITH: Sorry, I thought your colleague just said they were aware that this had been raised in the Nous review.

Ms Bloor: We would expect that it would have been.

Ms Wilson: It has been raised, and they've told us at officials' meetings that they've raised it in submissions. What Ms Bloor is saying is that Nous has the submissions, not us. They're still not on the public record.

Senator MARIELLE SMITH: Are you aware of which states raised those concerns?

Ms Pearce: We wouldn't be able to give you a comprehensive answer.

Senator PRATT: Which states have historically raised those concerns? I know Western Australia—

Ms Wilson: Senator, we'd have to take that on notice.

Senator MARIELLE SMITH: I'm happy for you to take it on notice. I appreciate it may not be something you have to hand. This issue around funding and long-term funding is an issue which has been raised in the sector, and I understand the government has not been willing to provide long-term funding agreement or certainties. One of the reasons given by government has been perceived concerns around attendance rates. Can you tell me what particular attendance rates are of concern?

Ms Wilson: Yes, Senator. I think we've talked about this previously at Senate estimates. When you look at the 2019 data, for example, for dedicated preschools, as many as 28 per cent of children enrolled in a dedicated preschool are actually not attending regularly for the full 15 hours a week. So while children are enrolled, the enrolment isn't translating into attendance. This is even higher for vulnerable and disadvantaged children—34 per cent of them are not attending for 15 hours a week. For Indigenous children, it's as high as 41 per cent. So while we've improved significantly on the enrolment indicator, the thing we need to improve on is actually translating that enrolment into attendance. That's why we're doing both pieces of work—the review and the Smith Family project—to look at what strategies people are adopting to improve attendance.

Senator MARIELLE SMITH: Is there a particular state or territory you're concerned about?
Dr Bruniges: If I look at the dedicated preschools in 2018 based on attendance for 15 hours or more in the reference week, there are ranges across states and territories. For vulnerable and disadvantaged students, we're sitting at 66.3 per cent attendance Australia-wide. States and territories vary considerably between 29.1 per cent and up to about 75.7 per cent. So the bandwidth for just vulnerable and disadvantaged children's attendance is really quite large.

Senator MARIELLE SMITH: That 29.1 per cent—where's that? Which state or territory is that?

Dr Bruniges: It's in the Northern Territory, Senator.

Senator MARIELLE SMITH: What's the next state or territory in line after that? Where do the figures go?

Dr Bruniges: I think we've got WA—no, sorry, South Australia. This is just vulnerable and disadvantaged. We can give these to you on notice, Senator, or do you want me to go through the states? Then we have Indigenous, and then we have all children.

Senator MARIELLE SMITH: I'm happy for you to take it on notice. Can you just give me the South Australian figure? I'm just interested to see what the next—

Dr Bruniges: The South Australian figure is 49.2 per cent for vulnerable and disadvantaged. That's on attendance for 15 hours a week in the reference week.

Senator MARIELLE SMITH: So your main concern is around vulnerable students and Indigenous students?

Dr Bruniges: I think it's around all students, Senator.

Senator MARIELLE SMITH: But on attendance, the area of concern—

Dr Bruniges: I think we would all say that it's the students who are most likely to benefit from a good early start and readiness for schooling. There's no doubt vulnerable and disadvantaged students benefit from a run-up into schooling. For all children, those percentages are much higher.

Senator MARIELLE SMITH: In terms of performance data for the states and territories when it comes to attendance, you've given me some detail here. Has the data for 2018 been finalised? Is that what these figures relate to?

Dr Bruniges: Yes. They're for 2018.

Senator Birmingham: But it's not those figures. That's the reason for some of the reviews that are underway at present. I would say that one of the reasons is that, historically, in the agreements between the Commonwealth and the states and territories, the states and territories have been benchmarked on the enrolment criteria, not the attendance criteria. So, yes, enrolment is consistently very high and, indeed, attendance has grown significantly over a period of particularly the last decade or so.

CHAIR: What's the difference between enrolment and attendance?

Senator Birmingham: Signing a piece of paper versus turning up—

Ms Wilson: For 15 hours a week.

CHAIR: Attendance is turning up for 15 hours a week?
Dr Bruniges: Yes. That's in dedicated preschools. We will have some students accessing preschool education in other settings, but the figures I gave you are just dedicated preschools.

Senator MARIELLE SMITH: Do you have any information you can give me around attendance across the board and your concerns, or just in terms of dedicated preschools?

Ms Wilson: The best data we have is on dedicated preschools because dedicated preschools have exact times in and times out of their facilities. Long day care just reported on sessions of care until earlier this year. A child's session could be from 9.00 in the morning until 5.00 in the evening. But, until earlier this year, we weren't collecting actual attendance data. The dedicated preschools are the best source of actual attendance.

Senator MARIELLE SMITH: When concerns around attendance are given as the reason to delay the funding certainty, you must have a pretty solid body of evidence?

Ms Wilson: We have a lot of data on different attendance patterns from analysing publicly available data.

Ms Pearce: That's a statistically valid and representative sample. That's probably half or more than half of children enrolled and attending preschools. So, in that sense, having the other data would be great. It would make it more accurate for us and we'd also be able to analyse: is there a difference between settings in terms of attendance? But you've also got to remember: when thinking about this data, we're talking about very different states with different systems and also different challenges. If you think about the Northern Territory, there's the remoteness and a whole range of other things. Their challenges are quite different to, say, Victoria. So, in that sense, it's quite a valid set of data because there's a lot of it. We, of course, would like to know more, and that's where hopefully next time around we'll be able to think about what the actual attendance looks like in long day care.

Senator MARIELLE SMITH: I guess you can see my concern, though, if attendance issues are being used as a reason to delay funding certainty. I'm trying to get a sense of what the evidence base is to support that delay, if attendance is the reason.

Dr Bruniges: There hasn't been any delay in funding certainty. States and territories have signed up, but, as I think we mentioned before, it's up to states and territories. If your question goes to the longitudinal, long-term commitment for this, the Nous review that will come back to the Education Council will address some of that. I think Ms Wilson's outlined that some jurisdictions have raised that, and we're likely to see that in Nous. Having someone enrolled and not attending does not help the learning or learning readiness.

Senator MARIELLE SMITH: Of course not.

Dr Bruniges: So, on the enrolment statistic, while it is a valid statistic on enrolment, attendance actually helps us understand the relationship and the presence of the children in those centres. Attendance is a really critical way of knowing what access to learning those children have. Our emphasis is on attendance here. We've got a range of data around attendance. We have said that we would like to have better attendance data, particularly with long day care settings across different settings, which we're working towards, to ensure that children are getting access to the learning readiness—all children but particularly those who are vulnerable and have disadvantage.

Senator MARIELLE SMITH: I appreciate all of that. Can you perhaps take on notice for me to provide all the attendance data that you have?
Ms Wilson: Yes.

Senator MARIELLE SMITH: I'd like the data across the different states and territories, across the different cohorts, the standalone preschools—everything you have. That will help us understand and get a picture of the evidence base.

Ms Wilson: Sure. Some of it is ABS data that we use, but we are more than happy to take it on notice.

Senator MARIELLE SMITH: If you could do that—map it out for me—I'd really appreciate that, thank you. This is probably more a question for Dr Bruniges: does the department have any concerns around primary school attendance rates in any state or territory among particular groups? Do you monitor primary school attendance?

Dr Bruniges: We don't. That's usually a jurisdictional matter, the enrolment data and attendance data in states and territories. Some of them report it through their annual reports and jurisdictions, and, indeed, some of the attendance data that we look at would go to My School.

Senator MARIELLE SMITH: Why do you look at attendance data for preschool, then, and not for primary school?

Dr Bruniges: That's a good question, Senator. I think the main thing is that you'll find that in most jurisdictions around the country the education acts are jurisdiction-specific and will have different clauses in them relating to compulsory attendance, and so that's state and territory based rather than federal based law. They're state and territory education acts.

Senator MARIELLE SMITH: Right, so you leave it to them.

Dr Bruniges: Not always. We're often having conversations in bilateral agreements with states and territories. Attendance is incredibly important, and it may well be an indicator as we do different agreements with states and territories. And we also have, I'm fairly sure—but I don't have the My School website in front of me—at the national level, the school profiles that sit behind that indicate attendance on that, school by school

Senator Birmingham: Senator, the government does support, but through the Indigenous affairs portfolio, the Indigenous attendance strategy. So in that particular, and especially for remote Indigenous schools, there's been support applied across a number of jurisdictions to help drive attendance. But that is funded and operated out of Indigenous affairs, not Education.

Senator MARIELLE SMITH: But they would monitor attendance for that group?

Senator Birmingham: Yes.

Dr Bruniges: So there would be reporting through funding agreements with states and territories on the Indigenous attendance strategy that would require, In remote communities, some of that data to come in to the NIAA.

Senator MARIELLE SMITH: Are there any other groups that you have information on primary school attendance for? Or just remote Indigenous schools?

Dr Bruniges: No, we wouldn't. As I said, there are the ones that I'm thinking of—and I'm happy to take on notice and just confirm what data goes up on My School and what sits behind it. I think that's the only source, school by school, across the nation. And, normally, in
state and territory or system reports, there's often a reference to different kinds of groups on attendance.

**Senator MARIELLE SMITH:** How long are the funding agreements the department has in place with the states and territories to fund public schools? I'm interested in that. And how long is the funding agreement that the department has in place with the non-government and independent schools sector? If someone could answer those two questions. But I have got one more question for you first, Dr Bruniges, and then we will come back to early childhood after that.

**Ms Gordon:** The funding for both government and non-government schools is actually set out under the Australian Education Act. So we don't have funding agreements per se with states and territories. It's entitlement based under the act. Under the act, though, states and territories are required to enter into a reform agreement as a condition of that funding. So the funding itself is an entitlement under the act, and then states and territories enter into a national reform agreement that essentially sets out the reforms that, collectively, governments will progress in order to support the improvement of educational outcomes. As part of the bilateral agreements that sit under that, states and territories also set out their funding commitments for state government funding to both government and non-government schools. Those agreements, both the national agreement and the bilateral agreements underneath it, are for 2019 to 2023.

**Senator MARIELLE SMITH:** So for four years?

**Ms Gordon:** Yes, 2019 to—

**Senator MARIELLE SMITH:** Senator Birmingham is doing the maths. It's day 4 of estimates!

**Ms Gordon:** It's to the end of 2023 that those agreements are in place, and they're reform agreements, not funding agreements per se.

**Senator MARIELLE SMITH:** That's all I have for you, Ms Gordon, for the moment. There's one question I want to come back to. With regard to the performance data we were referring to before, for the states and territories, I want to know whether the states and territories failed to meet any of their KPIs and whether any reward funding was being withheld from the states and territories as a result.

**Ms Wilson:** While my colleagues get that information together—

**Senator Birmingham:** That has happened.

**Ms Wilson:** That has happened. Maybe we can start from the most current year, Ms Bloor.

**Ms Bloor:** The final 2018 universal access national partnership performance results: for the proportion of children enrolled in the year before full-time school, New South Wales failed to meet the 95 per cent performance indicator for vulnerable and disadvantaged students, and Queensland failed to meet the performance indicator for Indigenous students and also for vulnerable and disadvantaged. For performance indicator 3, which is the proportion of enrolled children in the year before full-time school who were enrolled for 600 hours per year, New South Wales failed to meet the target for all children, for Indigenous, and for vulnerable and disadvantaged; Queensland for vulnerable and disadvantaged; and the
ACT for Indigenous. I think, though, that I might have to take the ACT figure on notice, because there has been an examination of that figure and it may be questionable.

**Ms Wilson:** We should probably clarify that, for the payments, funding allocations to states and territories are two steps: 30 per cent for signing an implementation plan and 70 per cent based on performance. The figures Ms Bloor was giving you related to the performance based on the data coming in.

**Senator MARIELLE SMITH:** All right. Do we have a figure on how much reward funding in total was withheld from New South Wales, Queensland and the ACT?

**Ms Bloor:** Yes: $5,751,259 was withheld from New South Wales, $3,075,300 from Queensland and, with the ACT, $105,000.

**Senator MARIELLE SMITH:** No other states or territories had any funding impacted?

**Ms Bloor:** No.

**Senator O'SULLIVAN:** Can you confirm a couple of things for me. Thank you very much for your attendance. Could you remind the committee who has the ultimate responsibility for providing preschool services in each state.

**Ms Wilson:** States and territories are primarily responsible for funding preschools.

**Senator O'SULLIVAN:** What are the enrolment rates for preschool? You may have mentioned it before.

**Dr Bruniges:** We had a discussion about attendance. I'll just see if we have enrolment rates by states and territories.

**Ms Bloor:** Under the performance measures in the national partnership, all states and territories have enrolment rates of a hundred per cent.

**Senator O'SULLIVAN:** Do states receive funding based on enrolments only? Their funding is tied to enrolments, not attendance; is that correct?

**Ms Wilson:** That's right. It's enrolments in the year before school and then it's enrolments for the full 600 hours—not just 10 or 12 hours a week but 15 hours a week. All the performance measures for funding are based on enrolment at the moment, and that's one of the things the review needs to look at because the effectiveness of preschool is about people attending, not just putting your name on a list so that you're enrolled.

**Senator O'SULLIVAN:** Yes.

**Ms Pearce:** To come back to earlier evidence from Ms Wilson, 30 per cent is paid upfront, and that's not contingent on performance. Then 70 per cent is paid incrementally depending on the performance.

**Senator O'SULLIVAN:** Is there a reluctance for states to share attendance data?

**Ms Wilson:** We have discussed this before at estimates. Certainly some states and territories have worked very actively bilaterally with the team, and other states have been more reluctant. By having an independent review, which Nous is conducting, that enables Nous to be following up with jurisdictions about what data they have and what evidence they have to support their claims. We're hoping that will actually mean that there is more data provided so we can better consider where every jurisdiction is at in terms of performance.
Senator O’SULLIVAN: We know that school attendance is a critical indicator of longer term life outcomes. I think it was Professor Stephen Zubrick who found that a child's school attendance in preschool, in those early years, carried right through to year 12—that is, that attendance pattern gets formed very early. With regard to the vulnerable children, including Indigenous children, can I take you to additional childcare subsidy, which is available for child wellbeing. You may or may not have this with you. If you don't, you can take it on notice. How many children are supported through the additional childcare subsidy?

Ms Wilson: Based on the latest publicly available data, around 30,000 children were being supported in the March quarter 2019 across a range of different additional childcare subsidy types.

Senator O’SULLIVAN: Is that the latest figure that you have?

Ms Wilson: That was March 2019.

Senator O’SULLIVAN: Can I get a comparison with a figure from 12 months ago?

Ms Wilson: Sure, Senator. We might provide that to you on notice because we'll probably have some more recent data that we can make the comparison with for you.

Senator O’SULLIVAN: Yes, can get the most recent data and a comparison with the same period from the year before? Do you know how many Indigenous children are receiving childcare subsidy?

Ms Wilson: Again at the March quarter 2019, it was 51,290. We have a year-on-year figure for that one. In March 2018, it was 34,000, so there's been a significant increase in Indigenous children participation. There are a number of factors impacting that, but there have also been more of the former budget based funded services rolling into the childcare subsidy, so we have better data about Indigenous children attending. As part of that, there was a lot more work with those communities to enrol children in the subsidy, so it reflects the change in the program as well as an improvement in the numbers.

Senator O’SULLIVAN: That's very good to hear. Can you describe the process a family goes through to be approved to receive the additional childcare subsidy?

Ms Wilson: Sure. There are a range of different elements of additional childcare subsidies, but, in order to be eligible for the additional childcare subsidy, an individual must first apply for the childcare subsidy, which is the base payment for child care, and then basically there are additional criteria for different types. I'm not sure how much detail you want us to go to in relation to this, but I might throw to my colleagues Ms Crane and Ms Catelli to talk through this.

Senator O’SULLIVAN: Just at a high level. I just want to understand the process that the families go through.

Ms Crane: As Ms Wilson indicated, there are four different types of additional childcare subsidy. In terms of the child wellbeing one, which I know we've talked about a number of times on this committee, there is a process for the provider for the first six weeks to determine whether a child is at risk and put in place a certificate. After that six weeks they then go through a determination process, and there are some referrals that get made during that time. For temporary financial hardship, that is a claim process between the family and Human Services, with whom they applied for a childcare subsidy to begin with, as DHS holds all that...
person's personal information and their income details. Additional childcare subsidy grandparent is also between the family and Human Services, as is the transition to work one.

Senator O'SULLIVAN: Can you describe for me the stakeholder engagement that occurs to review the ACCS application process?

Ms Crane: In terms of the process for claiming or additional child—

Senator O'SULLIVAN: Was there engagement with stakeholders in the design of the process that was established? Have there been reviews along the way?

Ms Wilson: I'll say a few words about engagement and then I'll throw to Ms Crane and Ms Catelli. This package has been developed over five years. There has been extensive engagement the whole way through. I've had a reference group of about 15 peaks advising me the whole time. We work through all the policy elements of the package, including drafts of legislation, drafts of the subsidy, drafts of the taper and drafts of the guidelines—literally drafts of everything. This group remains intact as a reference group. There have been a couple of concerns raised about I guess the clunkiness of applying for the additional childcare subsidy. Ms Catelli runs a working group, which is a subgroup of that reference group, who are working on how we can improve the process and what sorts of things we can do. Out of that reference group there were some ideas suggested, some of which are in the legislation we have introduced into parliament to streamline the process. We are very active in talking to people about how to improve this payment.

Senator O'SULLIVAN: It's ongoing development?

Ms Wilson: It certainly is ongoing. Probably Ms Catelli wished it was not, but it certainly is an ongoing process. The sector has come up with lots of good ideas, which we have adopted.

Senator O'SULLIVAN: I have one last question—or maybe it's a comment. The adoption rate, the number of people taking it up, has increased significantly. I'm wondering if it's to do with the level of stakeholder engagement that has existed in rolling it out.

Ms Catelli: Not only do we work with the childcare sector but we work with state and territory governments as well. We've seen a particularly large increase in the number of foster children taking up the ACCS child wellbeing payments. We also feed a lot of this back to our colleagues at the Department of Human Services through the governance arrangements. Obviously a lot of this does involve the Human Services element through the system and through the claim process as well. We are pleased to see the numbers increase. As Ms Wilson mentioned, we're also pleased to see that the ideas of the sector have been taken on board by our colleagues.

CHAIR: I'll go to Senator Faruqi. I do acknowledge that Senators Stoker, Scarr and Davey also have questions, but after Senator Faruqi we will be going back to Labor. Bear with me as I try to manage the trains.

Senator FARUQI: I will start with some questions on schools and then come back to early education and child care. I want to start with some Choice and Affordability Fund questions. It has been over a year now since the federal government announced this so-called fund. We discussed this at length, you might recall, at the last Senate estimates, where it was indicated that there were as yet no guidelines as to what the funding can be spent on or how it would be administered. Are we any clearer this year on how this slush fund will be spent?
Ms Gordon: We have been working closely with the non-government sector particularly on the guidelines and the agreements that sit under those guidelines. I might ask Mr Sawade to take you through that process, but it has been quite an extensive process. The fund itself doesn't start until next year. We intend to have the guidelines published and the agreements in place before the end of this year ahead of its commencement next year.

Senator FARUQI: What has been the delay?

Ms Gordon: There has been no delay. The fund itself doesn't commence until next year. We are working with the sector in time to have those all in place ahead of next year when it commences.

Senator FARUQI: We've seen the regulation for the fund, which has very little detail, again, about how it would operate. You just said then that you have been negotiating, sector by sector, on what the—

Ms Gordon: Working with and consulting with the sector.

Senator FARUQI: If you could explain a little bit more about the process, that would be great.

Mr Sawade: As Ms Gordon said, the department has been working with stakeholders to look at the guidelines and in particular the agreements that will be signed with the non-government representative bodies in each state and territory, through which the funding will flow. Those guidelines will then put in place the way in which the funding will be used against the government priorities that are outlined for the fund.

Senator FARUQI: I want to go to those priorities. The department's website says it's about supporting private schools in regional, remote and drought affected areas. Is the department aware of any evidence that students in private schools suffer more than students in public schools?

Ms Gordon: This fund is for non-government schools—the non-government representative bodies in each state and territory. The Catholic education commissions look after Catholic non-government schools and the associations of independent schools look after the independent schools. This fund is targeted to support the non-government sector, so independent Catholic schools—

Senator FARUQI: I understand that. Is the department working on any program to increase assistance to drought affected public schools?

Ms Gordon: State and territory governments are responsible for the operation of government schools. For government schools that are experiencing particular hardship, the state governments would be responsible—

Senator FARUQI: The federal government does have some responsibility for public schools as well.

Ms Gordon: The Commonwealth contributes funding to government schools. The government's commitment is to increase funding to 20 per cent of the Schooling Resource Standard for each state and territory by 2023.

Senator FARUQI: I know that. Is there any specific funding for drought or have you spoken to the states about assisting public schools who are also in drought affected areas?
Ms Gordon: In the contribution that the Commonwealth government provides to state governments there is flexibility for state governments to use some of that funding for that purpose.

Senator FARUQI: But you haven't really had a discussion with them. There is absolutely no extra funding being provided to public schools through the Commonwealth at this point in time.

Ms Gordon: Commonwealth recurrent funding to states and territories is increasing for government schools—

Senator FARUQI: I'm talking about specific funding for drought affected schools.

Ms Gordon: Not separate, aside from the recurrent funding, but there is the flexibility—

Senator FARUQI: But there is separate funding for drought affected private schools.

Ms Gordon: within the recurrent funding for states and territories to use it for that purpose.

Senator FARUQI: The website for the fund also states:

The Fund will supplement Commonwealth recurrent funding to support parental choice and affordability of schools as well as other government priorities such as assisting schools in regional and remote areas

Does the department have a working definition of regional?

Ms Gordon: Within our recurrent funding is a geographic loading that categorises different kinds of schools depending on their geolocation. This fund, though, is flexible, and how each of the non-government representative bodies administer the fund is subject to negotiation with them and will be outlined in their agreements with us.

Senator FARUQI: I'm still trying to understand how this funding will operate. Would a school like, let's say, Geelong Grammar—perhaps one of the most expensive schools in Australia; about $40,000 a year in fees—be eligible for additional funding under this Choice and Affordability Fund?

Ms Gordon: It will depend very much on the nature of the—

Senator FARUQI: It is a simple question. You are about to release the guidelines. Would they be eligible for funding through this Choice and Affordability Fund?

Ms Gordon: The guidelines don't set out eligibility for individual schools; the guidelines set out the different kinds of priorities that might be progressed under the fund, but then it's up to the—

Senator FARUQI: Sure, but, under those, would Geelong Grammar be eligible?

Ms Gordon: It will depend very much on the nature of the funding activities that each of the non-government representative bodies put in place.

Senator Birmingham: You have highlighted the fees, and fair enough. It is also important to keep in context that a school like that would be amongst the lowest recipients of total public funding per student in the country.

Senator FARUQI: That's fine; I am just talking about this particular fund, though.

Senator Birmingham: The context is all important.
Senator FARUQI: Would the school be precluded? Surely the guidelines would have some something about schools which already have a lot of money. To give them more public money would not make any sense. Would the guidelines preclude the most expensive schools from getting funding from the Choice and Affordability Fund?

Ms Gordon: As I said, the guidelines don't set out eligibility criteria for individual schools. It talks about—

Senator FARUQI: So it wouldn't preclude a school like that?

Ms Gordon: The guidelines, as I said—

Senator FARUQI: Could you answer that question? It wouldn't preclude a school like that.

CHAIR: Can we please let the witness answer your question, rather than hectoring.

Senator FARUQI: She's not really answering my question.

Senator Birmingham: No, she is. It may not be the form of words that you want, but Ms Gordon has clearly expressed that it would depend upon the applicability of applications, and details within them, to the guidelines.

Senator FARUQI: Sure, but it is a very easy yes-or-no question.

Ms Gordon: The guidelines, as I said, don't set out—

Senator FARUQI: Don't preclude.

Ms Gordon: eligibility criteria. They don't rule any schools in or out of the fund.

Senator FARUQI: Geelong Grammar could effectively get funding from the Choice and Affordability Fund?

Ms Gordon: It would depend very much on the nature of what's progressed under the fund, but, as the minister pointed out, this is supplementary to the needs based funding arrangements for recurrent funds.

Senator FARUQI: I understand that.

Ms Gordon: Recurrent funds take into account those issues.

Senator PRATT: Can I ask a question to assist the line of questioning: does the application process assess the wealth of the school or the levels of fees that are being charged?

Ms Gordon: The department itself won't be assessing any applications for funding under the fund; the department will enter into agreements with the non-government representative bodies about the nature of the programs that they'll progress.

Senator PRATT: Yes, but will those be requirements within the funds for assessment?

Ms Gordon: Again, it would depend very much on the nature of the program. Some non-government representative bodies might—

Senator PRATT: Just by way of example: you might choose to exempt a high-fee rich school from assessment on those criteria if they are seeking, say, a fully funded equity program that brings children in from disadvantaged communities to access that school environment. Is that what you mean?
Ms Gordon: The guidelines themselves don't, as I said, set out criteria for individual schools for access to the funds, so it would depend.

Senator PRATT: No, I'm not talking about individual schools.

Ms Gordon: If a non-government representative body were to use it to have a grant based program—and that's one option—they might use some of the funds for distribution for a need that's not a grants based program. They might provide professional learning for schools. There might be no eligibility criteria; it might be something teachers can opt into.

Senator PRATT: What are you telling the schools and the non-government school systems that overarch them? If you're not telling them to exclude schools on the basis of their wealth or their rate of fees, how are you directing these funds to meet those equity programs that they are supposed to meet? Unless you have some kind of rules based system for doing that, you have no guarantee of the equity outcomes you're looking for.

Ms Gordon: These funds are for other government priorities, so it supplements needs based funding that takes into consideration socioeconomic status and disability—low SES. That's through the recurrent funding needs based funding. This supplements that and actually allows the non-government representative bodies to progress other government priorities. They include choice and affordability of schools. It includes special circumstances funding—as the senator pointed out about assisting schools in regional and remote areas. It talks about assisting schools during transition to the new funding arrangements, enhancing student wellbeing and support initiatives—so, being able to look at new pilot programs and new programs that help support wellbeing—and lifting outcomes in—

Senator PRATT: So, the wellbeing initiatives wouldn't be limited to equity students; they'd be accessible to the whole school, no matter how wealthy you were?

Ms Gordon: It would depend on the nature of the programs or the activities that each of the bodies propose. We're not at the point, at the moment, where we're talking about that level of detail. But the—

Senator PRATT: Sorry for interrupting you, Senator Faruqi.

Senator FARUQI: That's fine; that was a clarification. You said you're not at the point yet. You will be at the point in December?

Ms Gordon: That's correct. At the moment we have been talking to the non-government sector about the guidelines, and also the nature of what will be required in the agreements. We will be working with them over the coming weeks and months to finalise those agreements before the end of the year.

Senator FARUQI: Will the guidelines and the agreements be made public in December, once they're finalised?

Ms Gordon: Once the guidelines have been finalised, they'll be published. The agreements will be publicly available as well.

Senator FARUQI: I wanted to clarify something about drought-affected public schools. Is it a government priority to give additional funding to drought-affected public schools?

Ms Gordon: As I explained before, the contribution that the Australian government makes to public schools goes to states and territories—
Senator FARUQI: I do know that. It's from that contribution that they can use that money?

Ms Gordon: That's right; that can be used. That's correct.

Senator FARUQI: So there is no additional funding as part of government priority to give to drought-affected public schools?

Ms Gordon: The funding that's provided is through the recurrent funding stream.

Senator FARUQI: So, no additional funding for drought-affected public schools from the federal government?

Ms Gordon: That would be a matter for government.

Senator FARUQI: That's not a priority of the department?

Dr Bruniges: The recurrent funding is growing, as Ms Gordon said. We've got an increase in recurrent funding to public schools—from memory it is 6.4 per cent.

Senator FARUQI: I'm asking specifically about drought. I'm asking specifically about additional funding for drought-affected public schools.

Dr Bruniges: Not beyond the increase in recurrent spending.

Senator FARUQI: I want to come to a particular school that was brought to my attention and it is really suffering badly—Alekarenge School, which is about 350 kilometres north of Alice Springs. The entire school is made up of temporary classrooms, which will be 50 years old next year. The school has somehow survived with substandard facilities. Students are endangered by exposed live wires hanging in their classrooms, condemned buildings remain on school grounds and they're riddled with broken asbestos, which is too expensive to remove. Were you aware of the conditions of this school?

Dr Bruniges: What is the name of the school?

Senator FARUQI: Alekarenge.

Dr Bruniges: Each state and territory would have the registration of government and non-government schools. The responsibility for individual schools passing registration resides with the states and territories.

Senator FARUQI: I do know that. But according to the budget papers, and according to this program's goal, it clearly states the goal is to facilitate the delivery of quality education within government schools—this is a government school, by the way—with consistent, transparent, needs based school funding arrangements. In the case of Alekarenge, and in cases like this, I guess it would be impossible for the department to meet this objective quality education, given that the students are in such terrible conditions.

Dr Bruniges: If you've got details of that, I'm more than happy to take that and have a conversation with my colleague in the Northern Territory department, with the details you've got. No, I wasn't aware until today, but I'm more than happy to follow up directly with my counterpart.

Senator FARUQI: That would be great. When schools are such egregious cases, is there capacity for the federal government to provide funding for such schools?

Dr Bruniges: Not normally, but, again, until we have a look at the details and I have a conversation with my colleague in the Northern Territory to see what we've got—we can have
a look. As I said, the registration of public schools is done by the state and territory registration authorities. I would be surprised if the registration authority was not aware of those details. We'll certainly bring them to their attention.

Senator FARUQI: Thank you. I'll provide you with the details. There is quite a lot of funding—I understand about $1.9 billion over the next nine years or so till 2027—for private schools to access for capital works. Has there been a shift of recurrent federal funding where private schools are building infrastructure? Do you know that there is recurrent funding from federal government that is being used by private schools to fund infrastructure?

Ms Gordon: Our recurrent funding—

Senator FARUQI: There is that capital funding?

Ms Gordon: Capital funding is separate—

Senator FARUQI: Are you aware of cases where the recurrent funding is being used by private schools to build infrastructure?

Ms Gordon: In a limited number of cases, our recurrent funding can be used for capital purposes. But that's just for schools that are deemed to be zero capacity to contribute. Under the Commonwealth funding arrangements, the base funding amount for non-government schools is discounted by their capacity to contribute—so, the capacity for the parents and the community of the school to contribute to the running costs of the school. A number of schools, which are schools like the majority Indigenous schools or special schools or schools that are sole providers in remote areas and other areas, are deemed to have a zero capacity to contribute, so they receive the full base amount of funding under the Commonwealth funding arrangements. Those schools can use the recurrent funding for capital purposes, because they have limited capacity to raise capital themselves. But other non-government schools, the vast majority of non-government schools, must use recurrent funding for recurrent purposes, and they can't use it for capital—

Senator FARUQI: That's what the act says? The act allows for those other schools to be able to get that?

Ms Gordon: Yes, that's set out under the regulations set under the act.

Senator FARUQI: Would you be able to provide on notice a list of the schools that have used recurrent funding for capital works, and the amount of funding?

Ms Gordon: Those that are capacity-to-contribute exempt?

Senator FARUQI: Yes. All the schools that have used recurrent funding for capital works.

Ms Gordon: As I said, that would only be that limited—

Senator FARUQI: Yes, I'm just asking for all the schools that have—

Ms Gordon: Yes.

Senator FARUQI: That would be great.

Senator Birmingham: For your info—and obviously Dr Bruniges will come back in terms of the questions she took on notice before—with Alekarenge School I note that Commonwealth recurrent funding to Alekarenge School is in excess of $10,000 per student per annum.
Senator FARUQI: But they are still in terrible condition it seems—

Senator Birmingham: That funding is provided to the Northern Territory government for them to administer in terms of investment in that school. But at $10,000 per student per annum, that would be well above the average, I would have thought.

Senator FARUQI: That might be the case, but I guess I'm really concerned that the school is in a terrible state.

Senator Birmingham: Indeed. Dr Bruniges has taken that on notice, but it is a school administered and run by the government of the Northern Territory.

Senator FARUQI: Sure, but from where I sit, I guess the department's own goal is not being met if that school is in that condition, even with the funding that's been provided. So I guess you do have some oversight in terms of making sure that those outcomes are met where students are receiving quality education, which they can't in the conditions that I've been told the school is in.

Ms Gordon: To expand on that, in regard to the funding that we provide to states and territories, and indeed to any system of schools, under the act that system has the capacity to distribute that funding between their member schools according to their own needs based funding arrangements. So, while our entitlements are calculated based on the individual circumstances of schools and the students that attend those schools, it's really the funding arrangements of the system that determine how much funding will be provided to the individual schools. So, under the act, that flexibility is there for them to be able to target that funding according to need. As the minister pointed out, the Northern Territory—because of the particular need in the Territory on a per-student basis—receives significantly higher funding per student than any other state or territory for government schools.

Senator FARUQI: I completely understand.

CHAIR: Sorry, Senator Faruqi: I just need to interrupt. We have a photographer in the room—hello. I need to read out a statement in relation to filming and photography. The committee has resolved to authorise all media outlets present at the public hearing to record the proceedings subject to the following conditions. The committee or a witness can object to being recorded at any time and the committee can require that that recording cease at any time. Recordings must not occur from behind the committee, or between the committee and witnesses, and must not otherwise interfere with the proceedings. Computer screens and documents belonging to senators and witnesses must not be recorded. Flashes must not be used, and the directions of the committee secretariat must be followed. Thank you very much. Cheers. Back to you, Senator Faruqi.

Senator FARUQI: I completely understand that, but I still find it a bit distressing that there are schools like that that are operating, and obviously you can't meet that outcome when there are schools like that. So it would be great if you could investigate that further.

CHAIR: Senator Faruqi, how long do you think you've got left? My Labor colleagues are quite keen to have the call again.

Senator FARUQI: On schools, just one more question.

CHAIR: Then I can throw back to Labor.
Senator FARUQI: Then we can go back to child care later—thanks. You may know this, but it was reported recently that the New South Wales government's only budgetary oversight of the Catholic school sector, which they provide $300 million annual funding to, was just a one-page document stating how much money would be paid. There has been a lot of concern raised about the scrutiny of public money with—very little scrutiny is what I should say. I'm just interested, because the federal government does give billions of dollars to Catholic schools: what is the oversight process for the federal government?

Ms Gordon: Senator, we have quite a comprehensive compliance and assurance program. Indeed, we have a publicly available assurance framework that's available on our website, and we can provide a copy—

Senator FARUQI: I thought there was much more, but could you direct me?

Ms Gordon: We can provide a copy to you.

Senator FARUQI: That'd be great.

Ms Gordon: That sets out all the different elements of our compliance and assurance program. But, on the financial front, there's the financial acquittal process. At the end of each year, every system provides an acquittal against each school and the funding that's used at that school. That's called the financial questionnaire—what we commonly refer to as the FQ. Then there's a financial questionnaire verification exercise, which is essentially a sample of schools is selected for a verification process to check the information that's been provided. The financial questionnaire itself has to be signed off by an independent accountant so that additional assurance is provided to us—it's not just self-reporting; it has to be an audited statement. We also have a number of other checks. We also have assurance of the information that's provided to us under the census each year to be able to check that the inputs into our calculations are correct as well. So the census data is provided to us and then we have, similarly, another kind of audit or check process against the census information.

Senator FARUQI: What's the percentage of schools—

CHAIR: Last question, sorry, Senator Faruqi.

Senator FARUQI: Last one: what's the percentage of schools that go through this process every year?

Ms Gordon: All schools are required to provide us with their census information to input into our collection.

Senator FARUQI: For audit and review?

Ms Gordon: They're also required to provide financial acquittal. So that's all schools. Then there's a subset of those that we go and actually check and have that sort of checking process afterwards.

Senator FARUQI: So just an idea of—

Ms Gordon: We can provide you with that on notice.

Senator FARUQI: Great; thank you.

Ms Gordon: And there are a number of other elements as well to our assurance program which are set out in the framework.

Senator FARUQI: It would be great if you could provide that. Thanks.
Senator PRATT: I'm going to return to the child care subsidy issues. The department has told us that there are 30,000 children as of March. I was hoping you'd also be able to tell us the number of families.

Ms Wilson: The number of families is about 20,000 families.

Senator PRATT: The committee has noted previously that there was a collapse in the number of children and their families receiving the wellbeing payment in the first six months of the new system. You've highlighted that the number has improved in recent months. How do they compare at this point in time to where they were before the new system was introduced?

Ms Wilson: I have some information, which will be made available publicly in the course of the next few days. To give you the comparison, we have a 2018-19 number of children accessing child the wellbeing part of ACCS, which is 14,070 for 2018-19. The comparable child-at-risk number was 11,700. So it's actually 3,000—a 25 to 30 per cent increase on the numbers under the previous system, which was special childcare benefit.

Senator PRATT: Yes. You would see those numbers increasing. Is that because programs like BBF are now more formally part of the system? What do you put that increase down to?

Ms Wilson: I think it's partly some of those children moving in. Ms Catelli talked earlier about foster care. We've really streamlined the pathway for foster carers to have access. Ms Catelli runs a reference group with the child protection agencies from every state and territory, so we've done a lot of outreach work to make people aware that the program is available. I think we've said previously at estimates that at the start of the new payment, in July last year, people were coming to terms with the childcare subsidy and weren't really focused on the additional childcare subsidy. It has been months since that's happened, and we've noticed the take up for ACCS, and child wellbeing in particular, has increased month on month, every month. I think people are much more familiar with the process and the requirements.

Senator PRATT: I've had discussions with providers who have talked about the cumbersome process for the childcare subsidy. It's good to hear that access is now improving. In particular, centres have raised with me the issue of large debts occurring because the funding has gone to the parent instead of directly to the centre while the new arrangements all get sorted out. As we know, when some families need to access care, if they are eligible for these extra subsidies, it can sometimes be because there's a bit of stress at home, which means that administration is harder to do. Centres have talked to me about the impact of that money going to the family at a time when it's not easy for them just to be able to transfer it over.

Ms Wilson: I'll start, and I might get Ms Crane and Ms Catelli to add to it. There's been a lot of confusion. I think part of the confusion is now being resolved. The additional childcare subsidy always goes to the provider—always. It never goes to the parent. The problem in the childcare subsidy part of it is that—we didn't expect this to happen—most childcare providers have set up a practice where, if a family hasn't got their child enrolled for subsidy at all, instead of putting them on the books and getting the parents to pay the full payment, they're actually anticipating what the subsidy rate might be for that family ahead of Centrelink making a decision and are discounting their fees straight up by whatever the family might be eligible for.
What they're finding is that the family have declared income or circumstances which mean
they don't get the full extent of that subsidy, or are entitled—as you mentioned in your case—to
more money. Because the family hasn't yet enrolled for CCS, the system assumes that
they've paid the full cost of the fee and reimburses the family, rather than the provider, in that
circumstance. But there—

Senator PRATT: That's the situation I'm speaking of—

Ms Wilson: For child care subsidy, not for additional child care subsidy.

Senator PRATT: Yes.

Ms Wilson: It's been raised with us as one of the things—

Senator PRATT: But often there is a correlation. In fact, the centres did say they were
getting the—but you can't get the additional subsidy unless you've been assessed for the other
one? Would the centre get back pay for that?

Ms Catelli: Back payment occurs. The payment is actually split.

Senator PRATT: This is what the centres have said happens. They get back paid on
the additional, but then it's been assumed that the family has paid the rest of it up-front when
they haven't.

Ms Wilson: Yes. The minister has asked us to look at ensuring that in every instance all
payments go back to the provider because then if the family has paid there will be a credit for
the family and they won't have to pay next week, for example. Providers have assured us that
that's how they would treat it. We're actually considering that at the moment.

Senator PRATT: I would encourage you to do that with some urgency. As you would
know, the situation where this is most likely to occur is where the families can't pay up-
front—

Ms Wilson: Yes.

Senator PRATT: It's often when there are stressful circumstances going on, and when
that money does come back to the family it might be used for rent or to change housing
arrangements while things are in a stressful situation. It's difficult for that money to make it
back to the provider. In terms of what the department is doing to respond to those concerns,
you're actively considering that now?

Ms Wilson: It requires legislation and IT changes. We're in active discussions with our
colleagues in DHS about what it would require, and we're in the process of responding to the
minister, who has asked us to look at it as well.

Senator PRATT: Okay. How many ACCS applications have taken longer than 28 days to
resolve, and what processes are in place to ensure claims are dealt with quickly?

Ms Wilson: Sorry, would you mind asking the question again?

Senator PRATT: How many ACCS applications have taken longer than 28 days to
resolve?

Ms Wilson: I think that's a question for DHS rather than us, because they will have
updated figures.

Senator PRATT: Yes—
Ms Wilson: Sorry, I'll clarify the statement I just made about making sure the money goes to the provider. It doesn't require legislative change, just IT. We're working with DHS on clarifying the extent of the change that's required. We understand that it's a priority; it's a priority for the minister as well.

Senator PRATT: Okay. I appreciate that stats about the process changes to improve the processing and how many claims have had a deemed refusal because the period has expired are questions for DHS. But these are your regulatory policies that DHS implements, are they not?

Ms Wilson: They are our policies.

Senator PRATT: Okay. Am I able to put those questions about processing on notice through you or should I still do that through DHS?

Ms Wilson: I think we would have to go to DHS to get the detail of the breakdowns.

Senator PRATT: In a sense, I'd be interested in doing it through this department because you're the ones who write the policy that results in those outcomes.

Dr Bruniges: We're happy to take them on notice and work with our colleagues in DHS and provide the data.

Senator PRATT: Okay. I'm concerned about the regulatory and administrative burden associated with supporting children at risk because of the reduction now of the initial period of support which a service can approve from 13 weeks to six weeks.

Ms Wilson: It hasn't been reduced now. Under the child care benefit-child care rebate days a service could approve 13 weeks. But since 2 July it's been that a service can approve six weeks. They can get another 13 weeks just by providing a stat dec saying that they're still in the process of getting the additional information that's required. They can actually get up to 19 weeks without having to provide any third-party information at all.

Senator PRATT: But a stat dec's not all that easy to do. It's not as though people have the justice of the peace or someone who's eligible to provide a stat dec in a childcare centre.

Senator O'NEILL: Has there been an explosion in requests for justices of the peace to be embedded in childcare centres?

Ms Wilson: Well, I haven't heard that raised at all as a concern about the process.

Senator PRATT: Well, they have to jump through the hoops that you give them. Why was it reduced to six weeks from the 13?

Ms Wilson: The thinking at the time—and my colleagues will clarify and update if they need to—was basically that there were a lot of people coming on to 13 weeks with no evidence being provided, and 13 weeks is over three months, and it's quite a long period of time. And if the children were at risk, we needed to gather more information so we could act more collectively about what's required for that family and not wait for three months.

Senator PRATT: But it's not necessarily about their eligibility, in that sense.

Ms Wilson: No.

Senator PRATT: It's about the intervention that the child needed.

Ms Wilson: That's right, and the Productivity Commission, in their report, also recommended that we not leave that period for so long if these children were at risk.
Ms Catelli: And the six weeks is to get the family also referred to another support agency. Again, we're trying to support the broader intervention by other support mechanisms as well as the childcare assistance.

Senator PRATT: So, the motivation was not the administrative motivation but a child protection motivation. Is that what you're arguing?

Ms Wilson: Well, better support for the family. I think we need to be careful with child protection, because these families don't always trigger a child protection requirement.

Senator PRATT: Family support. How many children and families are currently receiving the 24-hour per fortnight base entitlement to early education and care provided under the safety net?

Ms Wilson: As at the March data, the number of families receiving it is about 22,700, and the percentage is about 2.5 per cent.

Senator PRATT: I've got a few questions about the childcare subsidy and Centrelink debts. Ms Bruniges, is the department aware that Centrelink has been issuing debt notices to families to recoup what Centrelink claims are childcare subsidy debts?

Dr Bruniges: I understand that there is a process underway, but the details of that process—I think Mr Hart might be able to shed some light on that. That would be a normal part of the process after reconciliation.

Ms Wilson: End of financial year reconciliation was a standard feature of the last model and is a standard feature of this model as well.

Senator PRATT: Yes, I know that there's end-of-year financial reconciliation, but the system has changed substantially in terms of the payments going directly to providers, which is a good thing.

Dr Hart: Just on that, the end-of-year reconciliation process is a process that occurs between the Department of Human Services and the family, so—

Senator PRATT: No, I know that, but it's your policies that set that. So, do you know how many families have been issued with debt notices?

Ms Wilson: DHS advised us that as at 4 October there were approximately 574,000 families that have had their reconciliation processed. Of these families, about 62 per cent will receive a top-up, 13 per cent had a recoverable debt and three per cent had a debt that was not recoverable. Debts under $50 are not recovered.

Senator PRATT: What was the percentage of families with a debt under the previous system?

Ms Wilson: We'd probably have to take that on notice and get back to you.

Senator PRATT: Some families—in fact, a large number of families—have been sent debt notices by Centrelink that simply state that the family is in arrears and owes the government money. Why don't these letters contain more detail so that families can work out how they incurred a debt and test the claim with Centrelink?

Ms Wilson: I think this is a question for you to ask DHS rather than us, but my understanding is they particularly want the customers to ring, the family to ring, so they can have a conversation about the things that have caused the debt. It could be an under-reporting
of income, but it could also be something to do with their activity test arrangements. So rather than having a letter that has a whole bunch of things in it, the preference has been that they make contact and they will get a detailed explanation of their own particular circumstances.

**Senator PRATT:** But they might just end up paying the debt, assuming, for example, that it's a childcare debt, when actually it's an incorrect robo-debt assessment.

**Ms Angus:** That wouldn't be the case. The debts are issued separately—each payment stream within DHS issues its own debt, so we can only respond to the questions about childcare subsidy—so you wouldn't see a blended single letter with a total amount across all payments.

**Senator PRATT:** No, that's not what I'm asking. The correspondence doesn't specify the detail about the childcare subsidy.

**Ms Wilson:** But it is clear it is childcare subsidy. It might not specify the actual thing that triggered the debt, but it is very clear it is childcare subsidy.

**Dr Hart:** And I think as Ms Wilson said, this year, as with other years, there are opportunities for families to discuss their personal circumstances with DHS—it might be an inadvertent underestimation of their income; their activity's changed and there has been a delay in reporting that—but, also, there is an opportunity, as part of that discussion, for families to talk about their financial hardship issues, and for payment plans and other issues to be considered as part of that dialogue.

**Senator O'NEILL:** Is there a dedicated hotline for that contact?

**Ms Wilson:** No, there's not a dedicated hotline, but we've been assured that more staff have been put on the helpdesk to respond to these queries, and it's a standard practice at this time of year that DHS actually increases the number of people able to respond to families.

**Senator PRATT:** Given Centrelink's inaccuracy around debts, are you confident that when these debt notices are sent they are correct?

**Ms Wilson:** I think that's a question for you to ask DHS. We have worked extensively with them about the process and the policy and how that should be applied. We have worked very closely with them on—

**Senator PRATT:** So if they apply that policy, as you've arranged it with them, then they will be correct?

**Dr Bruniges:** Senator, if someone has accidently misdeclared their income in the data collection phase that would be a point where there could be a difference.

**Senator PRATT:** They will get a debt and therefore the notice is correct?

**Dr Bruniges:** That's correct.

**Ms Angus:** So eligibility and payment entitlement is very explicit in the way that it's calculated.

**Senator PRATT:** I understand that.

**Ms Angus:** So what you would expect then, that any overpayment—

**Senator PRATT:** I'm just asking what arrangements you've put in place to make sure that they have implemented the policies correctly and they're not doing something else.
Ms Wilson: Yes. We have assurance arrangements with them. We have worked closely with them. We've had staff members down working with their team on this. So, to the extent we can assure ourselves, Senator, that our policy is being implemented, we continue to meet with them. It's a regular process we have in place.

Senator PRATT: Okay, so debt reconciliation is your policy, not some strange algorithm that generates debt like they do with their robo-debt?

Ms Angus: No, it's based on family assistance law.

Senator Birmingham: It is very clearly set out in terms what a family's entitlements are, subject to the activity test and the income testing arrangements, and then it is equally a case of the information being reported against the activity test and against that income test for the reconciliation.

Senator PRATT: But it's the same with Centrelink; it's the same with Newstart and disability debts. People's entitlements are very clear, and yet the government averages that income over the year without looking at the peaks and troughs.

Senator Birmingham: There's not an averaging income attached here. There's an actuality of—

Senator PRATT: I know there's not an equivalent in this case because eligibility is based on your—

Senator Birmingham: end-of-year income.

Senator PRATT: annualised income, not the peaks and troughs in your income—that's correct, isn't it?

Ms Angus: It's also based on the estimates provided by the family. So the calculation is based on the information provided by the family itself, and that's what is fed into the estimation of entitlement; therefore, that's what potentially is used to calculate any debt or top-up.

Senator O'NEILL: But, Ms Angus, most people in this room would be on a very stable income over a period of time. We know that two million Australians are either unemployed or looking for additional work, so they're underemployed, and they are in very uncertain employment. And when you move out into regional Australia, there are particularly sticky employment patterns. So, getting the calculations correct in that context is a very, very significant financial literacy challenge for many Australians.

Dr Hart: We understand that, as I think Ms Angus said, there is an estimation of the income, but that can be changed at any time as well. If people's circumstances change or for people who have up and down income streams, not just straight employment, they can notify DHS at any point that that has changed, which would minimise the outcomes. But of course this is the first time that we've been through the reconciliation—

Senator O'NEILL: I'm happy to hear a bit more, Dr Hart, but one of the things that concerns me in the evidence you've just given is that 13 per cent have recoverable debt, which means—for this matter alone—74,000 Australian families that are going to be in contact with Centrelink. We know that there are already extraordinary wait times for people to be able to get on there. This is not a good set of figures, the 13 per cent in a situation where they have debt. I'm just thinking about when I had young kids at preschool, getting out the door with the
nappy bag, trying to manage all of that—this very uncertain income is a fact of life in the Australian economy for significant numbers of our families these days. The system meets the sniff test in that it looks like it's okay on the surface, but this 13 per cent tells you there is something wrong. How do you propose to resolve that problem?

**Senator Birmingham:** Senator O'Neill, I don't accept that it tells you there's something wrong. Of course, you want to minimise it at all times. Sixty-two per cent of families receiving childcare subsidy are going to receive a top-up payment as a result of the reconciliation. So 62 per cent are going to get more back as a result—many thousands more—than 13 per cent who—

**Senator O'NEILL:** I agree with you Senator Birmingham. It's much better to get money coming to your family, than going out.

**Senator Birmingham:** It is. Now obviously a range of—

**Senator O'NEILL:** But 62—

**CHAIR:** Let the minister finish.

**Senator Birmingham:** can I finish?—measures are put in place through the year to reinforce to families the importance of updating and adjusting any of their income or activity test measures during the course of the year to make sure that payments are as accurate as possible. Obviously, in terms of the debt notices that have been issued, the point that's being made by officials, and noting it is handled by Human Services, is that we're not making it a set and forget, 'Here's the outcome, don't talk about it'. There is actually a direct call-to-action invitation for families to then discuss their circumstances with Human Services to try to make sure that if it is a genuine debt that's been incurred during year they understand the reasons why so that there's not a repeat of that going into the next financial year.

**CHAIR:** For those playing along at home, Senator Pratt and I have just agreed that the morning tea break will be at 11.30. Outcome 1 will finish up at 11.30. Labor are going to have probably another 10 minutes and then I'll throw to Senator Faruqi, and there will be a couple of government questions at the end.

**Senator O'SULLIVAN:** Can I just clarify something or correct something? Senator Pratt referred to it as 'robo-debt'. That's a Labor term, not a government term. If there is a debt, it's not a robot or a computer that's engaging with the person; there are people involved, aren't there? Can someone just correct that?

**Ms Wilson:** That's right, Senator. The process of reconciliation was happening under the previous arrangements. The thing that has changed is basically the type of subsidy has changed and there is an income and activity test in this arrangement. There is a lot of engagement with the information provided by a family to determine their debt and, as the minister said, there are also people on the line ready and able to talk people through their own individual circumstances.

I would also say to Senator O'Neill that a family can adjust their withholding amount at any time or update their income at any time to provide them with a buffer. There is five per cent withholding, which with a withholding amount held, as there was in the previous system, to guard against overestimations and underestimations and to be a balancing item. In a lot of the correspondence and communications we, DHS and us, are having with families, we're telling them, 'On the basis of your result for this financial year, you should think about what you're
withholding rate should be to provide you with the best buffer you can.' In terms of families with variable income, the process actually enables people to estimate over a three-month period what their income will be, rather than fortnight to fortnight, because we appreciate a lot of families don't have the same income fortnight to fortnight.

CHAIR: Senator O'Neill, you have 10 minutes.

Senator O'NEILL: I've just got a couple of school capital questions, but I do have some—

Senator Birmingham: Can I just make a point in wrapping up on the childcare reconciliation. I think there was one stat that we missed there, which is that 21 per cent of families have essentially an even outcome in the reconciliation to date. So you've got 62 per cent of families receiving a refund, 21 per cent receiving an even outcome as such, and the additional three per cent, who have a debt so small as to not be then recovered. So 86 per cent of families have either estimated accurately or are within the margin, such that that five per cent withholding amount works to their advantage or provides the buffer that it's intended to provide.

Senator O'NEILL: Or you can look at it as 13 per cent getting a debt and 62 per cent getting extra. That means there are 75 per cent of cases where it's not actually correct. There's another way of cutting those numbers.

Senator Birmingham: Senator O'Neill, we provide the five per cent withholding as an automatic, and so you would anticipate that a large proportion of families should get a refund if they are reporting accurately, given that five per cent withholding—

Senator O'NEILL: I just think—

Senator Birmingham: so no, I don't accept that contention at all, Senator O'Neill.

Senator O'NEILL: it is difficult for families who have very uncertain income. I do have some more on early childhood, but I have a couple of quick school capital questions. Does the department or the minister believe that a great school education relies on, among other things, school buildings that support modern teaching methods and the delivery of the Australian curriculum?

Senator Birmingham: I think that's in a sense asking for an opinion from officials, Senator, but I'm sure you can take it as a yes.

Ms Gordon: Sorry, Senator, would you mind repeating the question?

Senator O'NEILL: This is really about school capital and the importance of school capital alongside the curriculum for delivering excellence in education in the country. Is the government or the department aware of the reality that many, many school buildings fall very short of the requirements of students and teachers in 2019 in Australia?

Ms Gordon: Obviously, having an appropriate school environment is very important for the delivery of education. In terms of who supports the financial contribution for that infrastructure, it does vary between sectors. Obviously, states and territories have primary responsibility for government school funding, and the Commonwealth provides a contribution through recurrent funding towards that. That funding contribution has been growing over time. It's growing in real terms, per student, and over the next few years it's growing at 6.4 per cent for government schools, which is higher than non-government schools.
Senator O'NEILL: Is that estimation of growth mapped against any research on the needed national investment gap in school infrastructure? Has the department undertaken any research or commissioned any data?

Ms Gordon: This is the recurrent funding contribution, and that's mapped against the Schooling Resource Standard. That's where the Commonwealth has committed to increasing its share of the Schooling Resource Standard to the 20 per cent for government schools. As a result of that, over the six years to 2023, government schools will be growing at an average per student rate of 6.4 per cent per annum, which is higher than the non-government sector.

Senator O'NEILL: Let's just go to infrastructure, because that's what my questions are about. Has the department undertaken or commissioned any research on the national investment gap in school infrastructure?

Ms Gordon: We haven't done any audit of infrastructure in government schools. That's obviously a matter for state and territory governments.

Senator O'NEILL: Do they report to you on that? Do you have any visibility of that? Has there been any research undertaken that you're aware of?

Ms Gordon: States and territories would undertake their own audits of their own infrastructure needs. It's not something that the Commonwealth is involved in.

Senator O'NEILL: So, even though it's vital as part of the success of learning, the federal government has no oversight or no understanding of the capital needs across the country?

Ms Gordon: State and territory governments are responsible for the operation of their schools and for all capital infrastructure—

Senator O'NEILL: Yes, but you work in partnerships with the state governments—

Ms Gordon: and we provide a contribution to the running costs of their schools through the contribution to the Schooling Resource Standard.

Senator PRATT: If schools were falling down, would the Commonwealth care?

Dr Bruniges: In terms of the registration of all schools, many of the registration authorities in each state and territory would have a criterion against infrastructure to inform the state of school infrastructure plans. Some of those registration processes are five years apart and there's a regular monitoring of that. If a school was in a particular state of disrepair then the registration authority within the state would pick that up. That's why, for Senator Faruqi, I offered to take on, and share with my colleague in the Northern Territory, that infrastructure issue.

Senator O'NEILL: At this stage it would seem to me that the department has not costed or estimated the value of the capital investment gap in the public school infrastructure across the country. But, Dr Bruniges, you've just indicated that there are mechanisms in place within the states and territories that might be able to provide that. Will you take it on notice to provide us with some insight into that?

Dr Bruniges: Into state and territory registration procedures?

Senator O'NEILL: Into the cost or estimated value of the capital investment gaps that exist.
Dr Bruniges: That is probably a question best directed to each state and territory. It is their business and they will run it through their registration authorities.

Senator O'NEILL: Senator Birmingham, on behalf of the minister, would you undertake to estimate that gap and provide that information to this committee? It is critical to the success of students.

Senator Birmingham: I'm not about to seek to estimate a gap on the terms that you've described. These are matters for the states and territories and the administration and operation of their schools. I'm happy to take the question on notice and see what information can be provided.

Senator O'NEILL: Good, thank you, because it does matter. The sort of classroom in which you learn does impact on how you learn, very significantly. Has the department developed any proposals that would support capital investment or incentivise the states and territories to make provisions for investment in public school infrastructure?

Dr Bruniges: I would say at the director-general level and in AESOC we would have had some conversations about that, but not from a Commonwealth point of view. I think your question is: has the Commonwealth?

Senator O'NEILL: Yes.

Dr Bruniges: No.

Senator O'NEILL: Do you have any intention to do so?

Dr Bruniges: Not at this stage. We'll continue conversations with states and territories. Following up on the minister's comment, I'm happy to seek what information the states and territories would provide to the Commonwealth on this.

Senator O'NEILL: How much is budgeted for the Commonwealth Capital Grants Program for 2019-20, 2020-21, 2021-22 and 2022-23?

Ms Gordon: For the non-government sector capital program?

Senator O'NEILL: If you could provide as much as possible, that would be good.

Mr Sawade: The Capital Grants Program is allocated on a calendar year basis, so I can take that on notice and get back to you with those figures.

Senator O'NEILL: Thank you very much.

Senator PRATT: I have one supplementary question. Has the department done anything to inform itself about the state of school infrastructure and the deficit in investment as a national issue?

Dr Bruniges: No, we haven't, because it's under the jurisdiction of each state and territory.

[11:18]

CHAIR: Senator Faruqi, I think you've got some questions about early childhood.

Senator FARUQI: Yes, thank you. In relation to the in-home childcare program—particularly with regard to parents and carers with significant medical problems, including terminal illness, mental health issues and children with developmental delays and severe disabilities—I understand that there were some issues with the program. It has been raised with me that the changes to the program and to the hourly rate cap have had unintended
consequences for families with complex childcare needs. How many, if any, providers of in-home care have closed down over the last year? Is that a significant trend?

Ms Wilson: I might get my colleagues to talk to the number of services. The rate actually increased at the start of this year, so I'm not sure about the question about the rate going down, because it actually went up to $32.58, and the government made a decision to increase it after the first six months and after feedback. I might get my colleagues to talk to the number of services. I'm just not sure about that comment.

Senator FARUQI: Yes, sure.

Ms Catelli: Under the previous program, there were 59 in-home service providers. The latest data we have for the March quarter in 2019 is 43 services. The reason most of them did close early on and chose not to participate in the new program, going forward, was because of the changing nature. A lot of them did become National Disability Insurance Scheme providers, because they were focused heavily on complex and challenging families, rather than delivering early childhood and early education. We are aware of some services that have closed—the one or two that closed earlier this year—that did mention some of those viability concerns. As Ms Wilson said, the rate cap has been increased to particularly help those. We've also given out some special circumstances grants to services, to help with viability issues.

Senator FARUQI: Are you aware of families that have been left without child care because of these changes?

Ms Catelli: Sometimes it's not just necessarily that—educators want to help some of those families. What we try to do is—it's the hours of what they need as well as the complex needs. The program is deliberately refocusing on the provision of education and care. That is the primary one. The support agencies are there to work with the families, to say, 'What other needs can we put in place to accommodate them as well as the early childhood requirements?'

Senator FARUQI: That's good, but I'm wondering if you're aware of any families that have been left without child care?

Ms Catelli: We haven't heard, specifically, of cases. We do have families that sit on the waiting list, as I said, while we try to match the educators and get that. In the meantime, the support agencies do try to get them the assistance outside of child care.

Ms Wilson: It is probably useful to clarify. At the start of the program we had a bunch of families who didn't meet the new eligibility and new guidelines. We didn't say, 'We're going to start again.' What the support agencies did was—the examples you've given are of people with high-complex disability needs. We worked with the family and the National Disability Insurance Agency to transition the family across. A lot of work has been done in the last 12 months, of making sure the cohort of families that were in the system are—

Senator FARUQI: Getting the support.

Ms Wilson: being funded by the right support. In some cases, it's better support than they were getting in-in-home care.

Senator FARUQI: That's really good to know. I've been reading the Australian Institute of Family Studies report, which is on the childcare package evaluation that came out in July 2019. Some of the things that the report says are pretty concerning. They obviously did research with many participants. They say that several research participants 'reported that
Centrelink has, on multiple occasions, given the wrong advice to low-income families who do not meet the activity test, about the number of subsidised hours to participate in a preschool program. They are advising these families that they are only entitled to 24 hours of subsidised care, rather than 36 hours as specified by the guidelines. Are you aware of these, and has the department had any communications liaison with Centrelink, to fix these problems?

**Ms Wilson:** The AIFS monitoring report that you're referring to covered the period—they were in the field from May to November last year. That is when we implemented the system. Some of these things were raised. Sometimes it was pockets. It was in a certain region, in a particular state. The reference group that I mentioned earlier also raised these things with us. We provided immediate feedback to Centrelink that some of these things were happening. As a result they provided more educational information. It's sometimes to particular areas and sometimes to their whole network. We used both this—but this came later. We knew about some of the issues through our reference group.

**Senator FARUQI:** So those two are reference—

**Ms Wilson:** That's right. And some of them were teething problems, I'd suggest. But we were onto it as quickly as we heard from the sector about the issues being raised.

**Senator FARUQI:** Do you know if the activity test is serving as a disincentive at all, particularly to low-income families? We do know from this research and others as well that it is—the way it is structured, the requirements, such as looking for work or volunteering, particularly in areas where employment opportunities are very limited or non-existent, can be a problem. Has there been any research done on that?

**Ms Wilson:** There hasn't been research. When we did our modelling, we had identified a larger group of families where we didn't see, with the data on the system, whether they'd met the activity test. Actually, it's been positively surprising that most of them did, and they were already doing things that they weren't declaring, like training, study, casual work or things like that. So most of them not only met the 24 hours but met the 36-hour criterion. That's been a positive thing we've noticed.

The other thing we know, in relation to the point you make, is that service providers in areas where there might not be a lot of jobs are offering volunteering at the childcare centre, reading to kids, to help those families meet their volunteering activities. For example, I know that Goodstart in low-SEIFA areas particularly make that facility available so that for parents there are options to try and meet the activity test requirements. So our experience of the system has been that many more people were already doing things that would meet the first step of the activity test, rather than not doing anything and falling out.

**Senator FARUQI:** That's really good. This is my last question. After this report came out in July, there was a media article on it in August, and it reported that Minister Tehan had said that the government was in talks with the industry about the number of vulnerable children who are accessing additional childcare benefits. I'm just wondering: what were these talks about? Do you know what they were about?

**Ms Wilson:** This, I think, goes back to the previous questions.

**Senator FARUQI:** Yes.

**Ms Wilson:** We have set up a working group to look at improving and streamlining the process.
Senator FARUQI: That was done just a few months ago?

Ms Wilson: I think it's been going for at least four or five months in different shapes and forms. We form different working groups for different issues. There is currently a working group on additional childcare subsidy which multiple peaks have representatives on. We're still looking at how to improve the process so that the most vulnerable get the support they need as soon as possible.

Senator FARUQI: Thank you.

CHAIR: I'm going to throw to Senator O'Neill, who's promised me six minutes of questions, and then, Senator Davey, we'll come to you. We'll finish outcome 1 and then go for the morning tea break.

Senator O'NEILL: I'd really like to spend more time on this but, in the time that's allocated, could I just ask a few questions about childcare centre safety. How much funding will the Commonwealth provide for the Australian Children's Education and Care Quality Authority in 2019-20, and is the funding indexed annually? Given the shortness of the time, prompt answers would be very helpful.

Ms Wilson: The funding is indexed annually, and we provide $13½ million a year.

Senator O'NEILL: Has a decision been made on funding ACECQA beyond 2020?

Ms Wilson: Funding is currently provided till 30 June 2020. There's a review taking place, which was commissioned by the Education Council, and the review is to be finalised. Basically, there's an interim report to Ed Council at the end of this year.

Senator O'NEILL: Have consultations been held with the states and territories on future funding arrangements for ACECQA?

Ms Wilson: Consultations have been taking place. KPMG have been commissioned to undertake the review. There have been active consultations with everybody. The review is being managed by an officials working group, so officials are actively involved.

Senator O'NEILL: Since the abolition of the national partnership agreement on the national quality framework by the Commonwealth in the 2018-19 budget, has there been an increase or a decrease in ACECQA funding?

Ms Wilson: ACECQA funding has been maintained.

Ms Pearce: It's a slight increase because it was indexed.

Senator O'NEILL: At what rate is the indexation?

Ms Pearce: I couldn't tell you off the top of my head.

Ms Wilson: We might have to take that on notice.

Senator O'NEILL: Why did the Commonwealth cut funding from the national quality framework when there's a statutory review into the NQF currently underway?

Ms Pearce: I think that at the time the government indicated that its primary focus was on providing increasing subsidies to families; that that's what it was doing with the implementation of the package; that the national quality framework was implemented at the time of the national law, back in 2012; that basically the world had changed so that in the regulation of child care the primary role belonged to state and territory governments; and that
we were putting significant funding into the Commonwealth area of responsibility, which was subsidy for families.

Senator O'NEILL: There's an article that was written by Liam McNicholas on 11 July last year. He said that Senator Birmingham made the announcement. In the article, he says: It is not yet known what impact this will have on the sector … The cut could see Assessment and Rating processes slow down, and compliance audits become less frequent.

Is the department aware of the case of a child who died at the Kidstart Family Day Care centre in Randwick, New South Wales, in March 2019?

Ms Wilson: We're aware of the case.

Senator O'NEILL: Is the department also aware that the centre had been inspected and assessed as not complying with six of the seven national quality standards?

Ms Wilson: I wasn't aware of that detail but I was aware that it was not meeting the requirements under NQF.

Senator O'NEILL: When did the Commonwealth cease approval for Kidstart for childcare benefit and childcare subsidy funding?

Ms Pearce: We wouldn't have that information to hand—the exact timing.

Senator O'NEILL: Was it before or after the death?

Ms Wilson: When any of these things happen, primarily it's a state and territory responsibility, as regulator of that service. The state and territory informed us, and they suspended the service. On their advice, we suspended the service. I can't tell you what date. We can take that on notice. But we work together with the state and territory. Really the regime for visiting, assessing and rating services is determined by the state and territory regulator, not by the Australian government. Even before there was a National Quality Framework, that was the case.

Senator O'NEILL: But the fact that you've indicated that their communication with you led to your cancellation indicates how intricately entwined these two things are. The government cut $20 million in terms of safety and quality. Do you think that that cut has impacted on the safety of childcare centres?

Ms Pearce: Technically it wasn't $20 million, because a large portion of that was actually going to ACECQA, either direct from us or through the states. So the actual amount that was reduced is not $20 million.

Senator O'NEILL: Can I just indicate that the federal government records show that the approval to provide child care was suspended a week after the death, because of noncompliance, as reported in the ABC article by Kevin Nguyen and Greg Miskelly on 11 October:

Despite issuing notifications for improvements to KFDC, authorities never reassessed any of its centres. We've spent a great deal of the morning talking about the funding of children going to childcare centres, about attendance at childcare centres. We've got children there who are preverbal. We've got very vulnerable young people. The government's responsibility at a federal level, you may argue, is less than that at the state level, but intricately entwined. We have here a very significant incident that we know about, and hopefully we don't know about any others because there aren't any others, but that seems to be a little unknown. I'm
expressing great concern about the quality and the sufficient audit of the quality standards in early childcare centres.

Dr Bruniges: Those questions would have to go to the state and territory regulator. The date that you've just provided—I think Ms Wilson said we would have been notified by the state and territory and then we would have taken appropriate action. But the regulation of the framework is primarily a state and territory responsibility, and we would act after they notified us.

Senator O'NEILL: Which is impacted by financing decisions of the federal government, who must share responsibility for quality standards in these centres.

Dr Bruniges: I think Ms Pearce outlined the fact that most of that money would have gone to ACECQA itself and not states and territories, as the national body.

Senator Birmingham: There used to be a pass-through, essentially—that funds were provided by the states and territories, and they were expected to provide a greater share of ACECQA's funding.

CHAIR: Last question, please, Senator O'Neill.

Senator O'NEILL: Can the department guarantee that there will be no reductions in the number of safety inspections in childcare centres and in fact that the investigations that have failed to be followed up on will be ones that become a priority for this government, to make sure that the standards and quality in early childcare centres, which you assist funding, are actually adequate to prevent the death of children in child care?

Dr Bruniges: We can guarantee we will continue to work with our state and territory colleagues, as we've always done.

CHAIR: I will now go to Senator Davey, who has a couple of questions, and then to Senator Stoker, who has a couple of questions, and then we will conclude outcome 1.

Senator DAVEY: I'm sure I'll be brief. We've just had significant reforms in the childcare sector. Has there been any feedback from the Auditor-General about the design and implementation of the recent reforms?

Dr Bruniges: Yes. We've recently had an Auditor-General's report on the childcare subsidy. I might ask Ms Wilson to talk to that.

Ms Wilson: There was an extensive ANAO report, and it went back to the start of the consultations on the package, which was in 2013-14. I'm very pleased to say that there were lots of positive statements made by the Auditor-General, including in an article which characterised the childcare package as a 'shining example of good governance'.


Ms Wilson: I'm a person who's been working on the package for the whole of that time. Things that were particularly called out were good practice in having enough time and resources to consult with affected stakeholders and good consideration of how the elements of the design will impact on those stakeholders. In particular, the detail of the report talks about how we changed our approach several times based on feedback. It talks about the critical element of establishing accountability for program performance and objectives, and ensuring that we had good practice in terms of evaluation. It then talks about the sound arrangements that were implemented to support the transition to the package. It does say—and I'd be remiss
if I didn't say—that the objectives of the package were inconsistently described across a range of documents. I would stress that that did not mean that we did not focus on all the objectives, it just meant that sometimes one aspect of an objective was left out and not consistent across the corporate plans, budget documents and things like that. It highlighted that the operational committee, which we said would be established at a certain time, was not established at that time, but later. But that was because we had higher level advisory bodies in place, which performed that role until that committee was established.

The ANAO also invited submissions from the sector in part of its preparation of the audit. The sector actively participated in the process. By and large, I thought it was a very strong statement of support. Clearly, there are some things we need to take from it and improve, which we will do, but, given how extensive and significant the reform was, I thought it was a very strong statement of support.

**Senator DAVEY:** That's very good to hear. I've just got a couple of final questions, because clearly we're struggling in the bush and things are really tough. How are drought-affected families being supported with their childcare needs?

**Ms Wilson:** I think we can answer that from a number of fronts. We were just talking about income reconciliation and debt. The government has made the decision, basically, for families in flood- and drought-affected areas to be exempt from the activity-test requirements. They won't be considered as part of the requirements for debt reconciliation that those families would otherwise have needed to have been met, so that's been implemented straight-up for the whole of the reconciliation process.

We also have funding available through the Community Child Care Fund for special circumstances. For the drought and flood areas, we've really engaged with the states and territories through our state offices to make known what is available to those services to keep their doors open and to help them through a difficult time. We're trying to reach out in a range of ways to families experiencing drought and flood.

**Senator DAVEY:** And have you done any modelling as to how many families may be eligible for the exemption to the activities test and what that would mean?

**Dr Hart:** Yes. We think there'll be about 80,400 families in those 91 local government drought- and flood-affected areas, who stand to benefit from the activity test exemption.

**Senator DAVEY:** Thank you. That's all.

**Senator STOKER:** I'd like to check on how the implementation of the phonics health check for year 1 students is going.

**Dr Bruniges:** That's not our area, but we're happy to move back to Schools.

**CHAIR:** While people are coming to the table, I'll give everybody an update on timing. We will be breaking after Senator Stoker's short questions and hopefully short answers from the table. Outcome 1 will be finished when morning tea starts. When we come back at midday, it'll be Outcome 2. Outcome 2 will be from midday to 1.30 pm.

**Senator STOKER:** How is implementation of the phonics health check for year 1 students going?

**Ms Gordon:** Thank you for the question, Senator. We've been working primarily with the UK on their phonics check to look at whether or not that check might be applicable in the
Australian context. It's already being used by South Australia. South Australia's adopted it for their year 1 students in paper form. We're currently looking at the process that we might use to digitise the test for it to be readily available online. So we've been working with them. We've also been working with New South Wales who have indicated that they will also be adopting the test and are also looking to have it available online. So we've been doing a lot of the background work to look at the possible ways of applying it, with the intention that it will be available by the end of next year.

**Senator STOKER:** The estimate is that one in 10 people has dyslexia, dysgraphia or dyscalculia to a varying degree, so we can expect the check to reveal people who have this condition. How are we training teachers to pick up dyslexia and related conditions? And what will be the department's steps to make sure that we are identifying this early?

**Ms Gordon:** Absolutely. The phonics check has been very instrumental in picking up learning difficulties early and in identifying students that are struggling. The evaluation was done in the UK and the experience so far in South Australia has been really positive about being able to identify students that are struggling. In terms of teachers and how they might use it, both the UK and South Australia have wrapped around the phonics check support for teachers. Part of the training that goes around it is about helping teachers to be able to apply the check. But, more broadly, the Australian government's been working with states and territories to look at how teachers are trained through initial teacher education—

**Senator STOKER:** Because it is a bit patchy.

**Ms Gordon:** It is patchy, and it has been. As part of the work that's being done with states and territories, we've had a focus on helping to improve the quality of initial teacher education. The government announced, as an election commitment last year, that it would look specifically at how to improve phonics—the preparation of teachers in the teaching of phonics and teaching children to read. AITSL, the Australian Institute of Teaching and School Leadership, has been commissioned to look at how that might be best reflected in the initial teacher education and accreditation standards. We'll be going back to Education Council with recommendations for that so that teachers are able, through the check, to have early identification of kids that are struggling. It will also help train teachers in the way of teaching kids to read. Because it's not just the kids in their early years of school but those who haven't got those literacy skills. It's ensuring that all teachers, even teachers in secondary school that specialise in particular subject areas, also have the skills to be able to help students that are struggling. Obviously children with dyslexia are a category of students that struggle to learn to read and often struggle with reading throughout their schooling. Having that explicit support and that training will be very important in helping teachers know how to help support those students in their learning.

**Senator STOKER:** Thank you. I really encourage you to keep up the work. It sounds really good.

**CHAIR:** Excellent. Thank you very much, Senator Stoker. Thank you, everybody.

**Proceedings suspended from 11:44 to 12:00**

**CHAIR:** We now call the representatives for outcome 2 from the department.

**Senator PRATT:** We are of course in the higher education section now. I will ask the department about the Australian Qualifications Framework Review, which was due to be
released in September of this year. Why has it not been released, and when will it be released? Can you please provide us with a copy?

Dr Bruniges: Yes, we can, Senator.

Mr English: The report has been finalised by the reviewer. It has been provided to government. Its release is imminent, but we'd be happy to provide a copy of that once it has been released.

Senator PRATT: Have you started making plans for a launch or anything like that?

Mr English: That's a matter for the minister's consideration in terms of launch arrangements.

Senator PRATT: But has the department started making any arrangements for the launch?

Mr English: I can actually be more helpful. The report was released this morning. It is available on the minister's website under a media release called 'Improving Australia's qualifications'. It was, as I said, imminent. Quite imminent!

Senator PRATT: So clearly there was no big event big; it was just uploaded to the website. I would have loved the opportunity to quiz you about that. Maybe people will have a quick look and send me some smart things to ask you before I get to the end of these questions. On university funding, I have some questions about population growth. We've been through estimates before about how that measure will be used to calculate the growth in university funding. The grant scheme has been capped at 2017 levels for 2018 and 2019. What is the amount of funding universities missed out on in 2018 and 2019 compared to if the freeze were not in place?

Mr English: I'm not sure I understand your question. As you'd appreciate, under the previous funding model there was no committed amount of funding. It was funding that flowed—

Senator PRATT: What was the population growth in that time because it was capped? It didn't grow with population and it didn't grow with demand in that period. What was projected demand and what was projected population growth?

Senator Birmingham: Are you asking for what the funding would be based on some assumptions that you want the department to model in terms of if enrolment numbers had grown proportionate to population without any increase in demand?

Senator PRATT: Stakeholders have said that, statistically, in that time they had assessed it would be about some 235,000 university places that would have been met in that demand driven system over that period of time from now until when the freeze ends and you return not to a demand driven system but a population based system at the end of the previous system—if that makes sense.

Dr Bruniges: Are you asking what the population growth was from 2017 to 2019?

Senator PRATT: No, there are two questions. What was the department's assessment of unmet demand from when the cap began and at this point in time?

Mr Learmonth: I think we've covered this pretty exhaustively in previous estimates. We don't have an estimate of unmet demand, because, as we've talked about before, we don't have—
Senator PRATT: Because you don't care about what the demand is from students to get into university. I'm not saying that you don't care, Mr Learmonth—you're a good public servant—but Senator Birmingham as the minister. How do you address the idea of demand, Minister Birmingham?

Senator Birmingham: Are you suggesting everybody should get everything they demand?

Senator PRATT: No, I'm suggesting that if someone's smart enough and desires to go and get a university qualification—do you have any idea of how many students have missed out under your model from the cap until this point in time?

Senator Birmingham: Senator, there is no restriction on the number of students that universities can enrol.

Senator PRATT: There's a restriction on the number of places that you will fund, though.

Mr Learmonth: Not the number of places, no.

Senator PRATT: We have been through this a million times. You would recognise that you don't have a demand driven funding system, wouldn't you?

Senator Birmingham: Through the loans program we provide unlimited support for the funding of places. It is true then that universities, in terms of the grants program, have a capped amount of grants that they receive. Then it is up to the university within that combination of funding streams as to how many students they choose to enrol.

Senator PRATT: Did you previously give a starter about modelling the two different scenarios, or did we have this same conversation—

Mr Learmonth: We've probably had this conversation a couple of times. What I was going to say was that we have no benchmarks, so there is no objective measure of unmet need. What we have been able to do to some extent, and have provided to you before, were the differences between what the short-run expectations of institutions might be in terms of their plans to admit numbers of students, caveat with the fact that they invariably overestimate and the expected figure almost never actually materialises. Nonetheless, the difference between their plans and what might have been available, and we've provided that, I think, for the last couple of estimates. I'm not sure that there's any updating of that to be done.

Senator PRATT: No, but could you update those figures for this year?

Mr Learmonth: I don't think there's any updating to be done. We're still in the year in which we last provided those answers.

Senator PRATT: And it projects forward past this—

Mr Learmonth: I don't think there is any change at the moment.

Senator PRATT: Yes, but it captures—

Mr Learmonth: If there is we can let you know. We're still on the same year in which we've provided that answer before.

Senator PRATT: I can have a look at those and work out whether I need to put something on notice to get more detail. You're returning to a population growth rate next year, is that right? 1.36 per cent is the population growth rate for the 18 to 64 year bracket—is that correct?
Mr English: That's our current estimate of that parameter, which will obviously depend on the final numbers coming through from the ABS.

Senator PRATT: If you wouldn't mind, could you please give us the university enrolment figure for 2019?

Mr Learmonth: We have estimates for future years versus actuals in 2018 if that would help.

Senator PRATT: What is the actual for this year?

Mr Learmonth: I can give it to you for—and I think this is probably the focus of your interest—non-designated places, the undergraduate places. For 2018 the actual was 546,803. I can give you the estimates going forward in terms of what's expected. They rise each year. From 2019—and these are estimates now, obviously—551,972, 558,726, 565,551 and 573,853. Cumulative growth of about five per cent over that period.

Senator PRATT: And that's consistent with the projected rate of about 1.1 to 1.2 per cent of population growth per year, through to the decade 2030?

Mr Learmonth: That's the expected growth line, yes.

Senator PRATT: If you wouldn't mind giving us the university enrolment data for undergraduates from this year back, over the last seven years, along with those projections that would be good. What I'm trying to track, of course, is the pause while the freeze was in place, to see where it kicks off again. I guess I should be able to compare that. We can go away and do our own calculation, but if you'd prefer to do them you could tell us what the population growth has been while the freeze has been in place.

Mr Learmonth: For that same cohort?

Senator PRATT: Yes.

Senator Birmingham: Perhaps, relative to that, the rate of funding growth in the previous few years might be a good comparison too. That would by far outstrip population growth.

Senator PRATT: ABS data shows that the growth in the 17- to 18-year-old age bracket will peak at 4.1 per cent in 2024. That means the growth in this cohort, who make up the vast majority of university enrolments, will be more than triple the broader population growth rate. You're familiar with that analysis, of course.

Mr Learmonth: Yes.

Senator PRATT: So this measure of population growth is also an effective cap on university places. Is the department concerned about the impact of that?

Mr Learmonth: You're asking for an opinion on policy.

Senator PRATT: But you accept that—

Mr Learmonth: We accept there are differential growth rates within the broad cohort that drives the population metric.

Senator PRATT: But you would also accept that, because there's a higher rate of growth in that 17- to 18-year-old bracket, it will put more pressure on demand for university places?

Mr English: I wouldn't go so far as to presume that that flow of students will have any particular effect on the system. Over time, of course, enrolments and new commencements all respond to a range of factors, the labour market being the most important one.
**Senator PRATT:** Are you presuming that it won't have an impact?

**Mr English:** No. I'm not saying it won't have an impact.

**Mr Learmonth:** I'd say it's one factor.

**Mr English:** I'm saying I wouldn't draw a straight line from a simple population growth number to university places, because it's more dynamic than that. A strong labour market reduces—

**Senator PRATT:** I do understand that.

**Mr Learmonth:** In a short run of a few year, the most important determinant is the labour market.

**Senator PRATT:** The Group of Eight universities show that, even if every higher education provider received the full allocation for performance based funding—which I expect is unlikely, given you've said it's a performance based model and that might vary between institutions—this funding arrangement will result in five per cent fewer students by 2025, which will mean some 36,300 fewer domestic students by 2025. Are you familiar with that analysis?

**Mr Learmonth:** I don't think we're familiar enough to comment on its veracity. It's an expression of the point you've been making.

**Senator Birmingham:** The observation you made on the way through—yes, it's a performance based funding metric, but the government has been clear all along that all of the pool will be allocated. Each individual institution may not receive what they would hope to receive, if they don't meet the performance standards. But if they don't receive it others will.

**Senator PRATT:** Yes. That wasn't my question. Has the department looked at the impact of de-skilling Australia's workforce in terms of having 36,300 fewer domestic students by 2025?

**Mr Learmonth:** It's one of those things that we, along with our colleagues in the employment department, look at on a regular basis—what's happening in the economy, the need for skills, and what contribution the education and skills programs make to that.

**Senator PRATT:** What advice has the department of employment and skills given you about that?

**Mr Learmonth:** I can't speak for them.

**Senator PRATT:** How many universities expect to receive the full amount of performance based funding for 2020?

**Mr English:** The scheme that has been announced, which largely draws on the report from the panel chaired by Professor Wellings and made up of vice-chancellors from the sector, allocates the performance funding to an institution in two parts, in effect. The first is reward, against metrics that are benchmarked, which the minister has announced. On average, across the sector, I believe about 84 per cent of the funding is allocated under that mechanism. Each university then has an opportunity to provide us with a short submission—one or two pages is all we expect at this point—about the strategies they plan to take to address any areas of underperformance that the data has revealed. If their submission is accepted by the government, they will get access to the remaining share of their performance funding. The intent of that is to provide a pathway for institutions to identify strategies that can deal, for
example, with underperformance, say on the equity measures or on the employment outcome measures. But they don't actually lose the funding if they comply with the two steps of that process.

Senator PRATT: How many institutions do you expect to reach the full amount over the forward estimates?

Mr Learmonth: We don't see any reason why any institution couldn't receive the full amount they would otherwise get—

Senator PRATT: So you haven't made a calculation in respect of that?

Mr Learmonth: between accepting—sorry.

Senator PRATT: No, I can see that that's possible. But have you made a calculation about how many you expect?

Mr Learmonth: We don't expect any to not receive all of their funding one way or the other.

Senator PRATT: So you expect them all—

Mr Learmonth: It's in their hands. But a reasonable action plan—

Senator PRATT: So you expect all universities to reach that?

Mr Learmonth: We expect them all to be able to, yes.

Senator PRATT: Have you modelled it?

Mr Learmonth: There's nothing to model.

Senator PRATT: What will be the specific relationship between each performance outcome and the amount of funding awarded? How much funding increase will there be for a specified amount of improvement?

Mr Learmonth: I'm just trying to understand the question. You're looking at the contribution of the four different domains and weighting?

Senator PRATT: I'll give you some examples. A university has a 90 per cent graduate employment rate. How much of the funding for the graduate employment outcome will they receive? How much lower would their funding be if they had an 88 per cent employment rate?

Mr Learmonth: That's the operation of the tiers.

Mr English: The overarching structure is that the pool of performance funding is broken into four parts: 40 per cent is assessed against graduate outcomes—the employment rates; 20 per cent against equity student enrolment patterns; 20 per cent against student satisfaction; and 20 per cent against what's called student success, which is basically attrition rates. Within that, we then we assess each institution's performance or student base to determine their benchmark. So 90 per cent employment outcomes for one university may be very strong, given their location, their mix of students and their previous performance, and for another university it might be quite weak. So we differentiate that.

Mr Learmonth: All the thresholds are contextualised to each individual university and its circumstances.
Senator PRATT: Will the performance based funding be added to a university's maximum basic grant each year under the re-basing approach, or will it accumulate each year?

Mr English: For 2020, that amount adds to the maximum basic grant amount. There's a new funding agreement that needs to be put in place with each university for the period 2021-23. That has to be incorporated into that system. What has been proposed by the panel that designed the system—these are the university vice-chancellors who designed the system—is that there be an accumulation of the performance fund for the first few years, up to a total of 7½ per cent of total funding, and that would then build into the MBGA from that point, going forward.

Senator PRATT: Whilst you've got performance based funding, on the one hand, and population growth in the overall system, I can't recall whether you had population growth in a particular region factored in.

Mr English: No.

Mr Learmonth: No.

Senator PRATT: So what will you do about that? Will you cut special side deals, like you had to under your current system of caps?

Mr English: I can't answer that question, Senator.

Senator PRATT: All right. Because there is no systemic policy around that, I assume that it'll have to be a political solution—

Mr English: I would point out that the panel that designed the scheme—which, I again point out, is five vice-chancellors from the sector—assessed whether that population growth figure should be disaggregated by state or regionality and decided that that wasn't a viable solution and that the best approach was a single national average population growth rate.

Senator PRATT: So it comes into effect next year. When will we get the final agreements, and will they be public?

Mr English: University funding agreements are always published publicly. The assessment of universities—

Senator PRATT: Performance.

Mr English: under the performance scheme I don't expect will be published; that's a matter of some consideration that we still need to have with the sector. We are advising them of their results, but it's a matter for the sector, I think, to manage whether they want to release their results or not.

Senator PRATT: Surely it should be all in or all out in that regard. I want to move on to some graduate employment questions. I'm just trying to truncate it in the interests of time. In terms of graduate outcomes, if the government's model weights graduate outcomes higher than the others at 40 per cent, how was this extra weighting decided?

Mr English: It was a decision of the minister.

Senator PRATT: Did you give advice that talked about regional and socioeconomic disadvantage in the context of those models? No?
Mr Learmonth: We provide advice to the minister on all such matters. You are talking about a decision of the minister in relation to what he viewed as particularly imperative in context, and that's been a decision to weight the graduate outcomes employment figure.

Senator PRATT: I note the Wellings—

Mr Learmonth: Whether that remains—sorry.

Senator PRATT: Thank you. I note that the Wellings report analysis showed that the weighting of graduate outcomes highest results in the lowest amount of funding being provided. Has the department done any modelling on that, and, if not, why not?

Mr English: Which particular thing are you seeking modelling on?

Senator PRATT: It's the Wellings report analysis. Are you familiar with that report?

Mr English: Yes.

Senator PRATT: Apparently it shows that, as to the weighting of graduate outcomes, the highest results in the lowest amount of funding being provided. Have you done any modelling about that?

Mr English: As I pointed out before, there is no withholding of funding unless universities refuse to develop reasonably straightforward plans to address performance gaps.

Senator PRATT: Okay.

Mr English: So we have analysed the impact of the initial distribution of the performance funding under those different models, and that's pretty much what the report reflects.

Senator PRATT: So you're saying that, as to the Wellings report, because it anticipates the withholding of funding, the assumptions in it are not correct?

Mr English: No. I think it presents only the first stage of a two-stage process. There are some in the sector who don't like the phrase a lot, but I think 'earned autonomy' is a reasonable concept to apply here. If your performance is clearly strong and in line with the benchmarks that the panel has determined, then you get the funding and off you go. If there's a gap, then there's a case to be made as to the things you're doing to address that gap, and then the rest of the funding will be released to the provider.

Senator PRATT: The department said that it will work with underperforming universities to improve outcomes. What will this look like? What kind of measures might these be?

Mr English: As I just said, if a university only earns, hypothetically, 80 per cent of their performance funding, we ask them what their plans are to address the things that drove that gap of 20 per cent. That will be assessed by the department and then advised to the minister about whether the strategies they propose are sound and likely to have a reasonable impact. But the strategies will be determined by the sector. Our main focus in asking for those strategies is to build an evidence base, so we ask them for as much information about how they will measure what works as what they're going to do, because, in the end, a performance scheme should develop an information base that allows people to innovate, learn and share those lessons.

Senator PRATT: So it's performance based funding which is weighted towards graduate outcomes. What happens if your graduate outcomes in particular regions are based on
servicing low SES students who don't have as good graduate outcomes, so that becomes one of the underperforming areas you want to look at. How would you—

**Mr English:** No, that's not what will happen. The employment metric is contextualised for the local labour market. We break states down by metro and regional areas. We compare the mix of students they have and what sort of average that should deliver, and then we actually look at how they have gone compared to the state average for employment in those regions. We draw that benchmark over a five-year period, and then compare their most recent performance to their previous. So if they are servicing a more difficult caseload of students because of various disadvantage, we've done our best to try to build that in.

**Senator PRATT:** What if that actually means a strategy requires more funding?

**Mr English:** Excuse me?

**Senator PRATT:** I understand you will have built that into the context of the local labour market. But I find it difficult to assess the way your performance funding tries to get people to improve their performance, because you're not able to put up your hand for funding to improve performance.

**Mr Learmonth:** It's as much about strategies in terms of what courses are offered—

**Senator PRATT:** Yes, I understand that.

**Mr Learmonth:** relevant to the local marketplace and local economy. It's about support provided to students and so on. We're talking about relative differences in performance against others who all operate on the same level of funding. It's about how you use the funding. It's not a question of quantum; it's a question of how it's used in encouraging people to make the most effective use of the support.

**Senator PRATT:** In terms of performance funding, you've said you expect most universities to reach the standard. What will happen to performance funding that is withheld? You're saying it's all going to go back into the system, so will it go to a different university?

**Mr Learmonth:** No, on the contrary. What we're saying is: there is no reason why all funding that would otherwise go to an individual institution, absent of the performance scheme, would still go to that institution.

**Senator PRATT:** That isn't a performance based system.

**Mr Learmonth:** I think, as Mr English was trying to explain—

**Senator PRATT:** What will you do when you withhold funding?

**Mr Learmonth:** As Mr English was trying to explain, this is a two-step process.

**Senator PRATT:** Your model doesn't make sense.

**Mr Learmonth:** There will be an amount which the institution is entitled to by virtue of their performance against the metrics. To the extent that that is not 100 per cent, the residual money is also available to them subject simply to them meeting a test for a reasonable plan to address those deficits. There is no reason why any institution could not get 100 per cent of the funding to which it would otherwise be entitled.

**Senator PRATT:** Okay.
**Mr Learmonth:** So it's not distributed to others. It's available. It's in the hands of the institution by virtue of their performance and their response to that performance in terms of their plan to improve.

It's in their hands. There is no reason why they can't get 100 per cent.

**Senator PRATT:** Okay, so you'll allocate 100 per cent of it.

**Mr Learmonth:** It's not a savings measure.

**Senator PRATT:** And it will sit there, and so we'll be able to tell which universities are being performance-managed by what's sitting in their accounts, inaccessible. Where's that money going to sit?

**Mr Learmonth:** It won't be inaccessible. They will be paid the money one way or the other, subject to coming up with a reasonable plan.

**Senator PRATT:** Okay, so how do you currently play? You pay in a block grant?

**Mr Learmonth:** We pay in a whole variety of ways, depending on what programs they participate in.

**Senator PRATT:** How will this allocation of this money differ from how you currently do it in terms of making a payment to the universities?

**Mr English:** In our current funding agreements, which are publicly available on the department's website, there is a clause that specifies the maximum basic grant amount, which you referred to earlier, that universities may earn for their non-designated student places. This is effectively how much money we will give them if they attract bachelor-degree students to their courses. That cap will be lifted to the extent of the performance funding that they receive. So they have to both satisfy the performance criteria that lists the cap of funding they could earn and then attract the students to trigger the payment, like any other grant scheme payment has been made for the last 10 or 12 years.

**Senator PRATT:** Thank you.

**CHAIR:** I might go to Senator Paterson, if that's okay, and then come back? How would you like to do this, Labor? I've got, on my definite list—I've a waiting list also—Senator Paterson, Senator Faruqi and Senator Hanson. I also have Senator Stoker.

**Senator HANSON:** I've waited for half an hour.

**CHAIR:** I try to balance things here. With Labor's permission, to help me managing the smooth running of this committee, I might go to Senator Paterson, then Senator Faruqi and Senator Hanson, then come back to Labor. You've got roughly 10 minutes each. I know Senator Stoker wants time too, but we've got to manage the time here. You're on the list also at the moment. Senator Paterson, please.

**Senator PATERSON:** I have some questions about the University Foreign Interference Taskforce. Why was the task force established?

**Mr Learmonth:** There's a range of reasons why it was established. I think it was a recognition on the part of the government that there were various threats and risks in the environment of higher education—universities. They've been articulated by a number of ministers and other officials such as the Director-General of ASIO. Those risks go to protection of sensitive research, protection of technology, potential interference in campus
conduct, freedom of speech and matters such as cybersecurity. So I think it was a point at which those concerns suggested that a more structural approach was required and Minister Tehan and colleagues took that leadership to bring the university sector together with a range of other Commonwealth departments and worked together, in the first instance, on a set of guidelines that would go to all of those issues and assist the sector to manage those various challenges. The threat environment has changed, and there was a desire to work in partnership with the sector to address those risks. That was probably the genesis.

Senator PATERSON: So what are the objectives of the task force? What does it hope to achieve?

Mr Learmonth: There are a few things. Its initial objective is to produce a set of guidelines for the university sector. They're due to be finalised in November. They're currently out for consultation. They've been developed through a task force which is joint between the university sector and government and has a series of working groups underneath that go to matters such as cybersecurity, foreign interference, research and intellectual property, and change and communication. So the initial product is that set of guidelines, which is about operationalising existing policy and assisting universities with thinking about understanding and managing risks in those various domains. Beyond that, I think there's a general desire on all sides, beyond the initial product of the guidelines, to maintain what is, in essence, an invigorated relationship between the sector and the government, particularly on the security side of it—to maintain that close connection and engagement in partnership that's been developed in relation to what is inevitably going to be a changing threat over time. We look to this new relationship as a vehicle to evolve the response accordingly over time. It's not impossible that government policy might evolve over time. So it's partly about the initial product to give the sector guidance, which they're looking for, to help managing risk, and partly about establishing a different relationship with government and how in partnership we can better manage those risks going forward.

Senator PATERSON: I appreciate that the guidelines haven't been finalised yet, but, based on the draft guidelines, what are the expectations the task force has for universities? What should they be doing?

Mr Learmonth: When the guidelines are completed, they will provide guidance in various areas about how to manage the risk. In some areas that's very well-developed and detailed. On cybersecurity there is quite substantial guidance available, so the process will try to contextualise that to the sector and provide better operational pointers or how-tos or hints for the university sector to respond. There have obviously been some things in the public domain which I think have focused the sector's attention on those particular risks. We would expect each individual university, in light of the guidelines, to say: 'How am I situated in relation to the risk? Have I done a proper risk assessment in relation to cyber or protection of my research and IP? Where am I? Against these guidelines?' These are best-practice guidelines. 'Where can I go for assistance and support to improve my management of risk and my responsibility to these things?' We would expect them to essentially be used as a benchmark against what they're doing and as guidance as to how they might tackle and reduce their risk.
Senator PATERSON: Okay. Are you familiar with an article that was published yesterday in The Sydney Morning Herald and The Age by Fergus Hunter entitled 'Monash University partners with Chinese state firm linked to industrial espionage'.

Mr Learmonth: I've seen the article.

CHAIR: To assist the committee, are you able—

Senator PATERSON: Yes, I've provided the secretariat with a copy. Perhaps copies could be distributed to witnesses and senators who have an interest.

CHAIR: Unless Labor object, it's a newspaper article from yesterday, so it's the will of the committee that it be so tabled.

Senator PATERSON: Thank you. The article details a $10 million deal which was entered into between Monash and a company called Commercial Aircraft Corporation of China, or COMAC. Are you aware that COMAC has been credibly accused of involvement in industrial espionage?

Mr Learmonth: I'm not.

Senator PATERSON: Well, the article certainly substantiates that, and there's quite a lot of material available on the public record about its alleged involvement in industrial espionage. In the article, a spokeswoman for Monash said that 'there would be arrangements in place for protecting intellectual property.' Are you aware of what those arrangements are?

Mr Learmonth: In this particular case, I'm not.

Senator PATERSON: Did Monash contact the department prior to this deal being announced?

Ms Sandercock: Monash did not contact the department directly, but we did hear through another government agency who is in regular contact, as we are, with Monash about some of its international partnerships.

Senator PATERSON: Great. Can I ask which department that was?

Ms Sandercock: It was the Australian Trade and Investment Commission.

Senator PATERSON: And so the contact was between Monash University and that commission directly?

Ms Sandercock: On this issue, yes.

Senator PATERSON: And that commission then kept the department informed of the deal?

Ms Sandercock: Indeed.

Senator PATERSON: Thank you; that's helpful. Was the department briefed on the negotiations for the deal?

Ms Sandercock: The department was not.

Senator PATERSON: Are you aware of the terms of the deal?

Ms Sandercock: No.

Senator PATERSON: And there's been no direct contact between Monash and the department?

Ms Sandercock: Not on this issue.
Senator PATERSON: Okay. It also appears that the Victorian government has had some involvement in this agreement. The article says that Victorian Premier Daniel Andrews was going to be present at the signing ceremony. What contact has the department had with the Victorian government about it?

Ms Sandercock: We have not had contact with the Victorian government on this.

Senator PATERSON: Do you know if the trade commission has had any contact with the Victorian government?

Ms Sandercock: No, I couldn't speak on that.

Senator PATERSON: Fair enough. I might have to ask them separately. How can the public be assured that a financial arrangement entered into between a university and a foreign company accused of industrial espionage is going to protect the national interest?

Ms Sandercock: We understand there were also discussions between Monash University and the relevant area of the Department of Defence which is responsible for the Export Control Act.

Senator PATERSON: Are you familiar with what the terms of that discussion were?

Ms Sandercock: No, but that would be a usual process that any university would go through.

Senator PATERSON: Do you know whether the Victorian government and the Department of Defence have had any contact?

Ms Sandercock: I couldn't speak to that, Senator.

Senator PATERSON: We might have to pursue that separately with those departments then. Thank you for your evidence.

Senator FARUQI: I have some questions on casualisation and short-term contracting of staff at universities. You might be aware that in 2018 Victorian universities were asked to publish data by the Victorian government on the number of casual and fixed-term staff that they employed. That showed that, out of 71,901 staff, about 68.3 per cent—almost 50,000—did not have secure or ongoing employment. At Monash and Melbourne universities, there were over 11,500 and 12,500 staff without secure employment respectively. I want to understand the whole picture in Australia, and I just wanted to ask you if you have those numbers for all universities across Australia—public universities.

Mr Learmonth: I think we might. I think we've certainly got a sense in aggregate of how many university staff are casual. It runs to about—

Senator FARUQI: For each university?

Mr Learmonth: I'll just check on that but, ballpark, 20 per cent across the board are casual.

Senator FARUQI: Does the department collect data on that?

Mr Learmonth: I think it would through surveys.

Dr Taylor: Yes, we do; we have a staff data collection.

Senator FARUQI: It could be broken down into university and total staff, fixed-term, contract staff and ongoing?
Dr Taylor: Yes, it's published in—
Senator FARUQI: Could you provide that data for every university?
Dr Taylor: It's published by every university.
Senator FARUQI: So how come the government had to ask universities to provide that data?
Dr Taylor: It depends what data it is—if it's outside the regular collection, it would ask for additional. We ask for casual numbers, for example, not by how many casuals there are, but by estimated full-time-equivalent, so we don't have the numbers of casual staff.
Senator FARUQI: How did the Victorian universities provide that data to the Victorian government?
Dr Taylor: They would have their own HR collections that they could provide to the Victorian government.
Senator FARUQI: Does the department then have any plans to change the way they collect data? Because the full-time-equivalent doesn't really give the full picture.
Dr Taylor: It's quite a balance. It's an interesting question. We've had staff data reviews in the past, and the balance has been on keeping the long-time series because the benefit of the data collection we have now is we can go back to the 1980s and see change. If we put a break in the series—so the sector has balanced up, changing the collection or—
Senator FARUQI: You can still do both. It's very concerning that 68 per cent in eight public universities are casual and contract. We don't get that picture at all with the data that you collect. So wouldn't that be a concern to the department?
Dr Taylor: One still gets a picture of the overall growth in casual staff that you have seen.
Senator FARUQI: But not exactly what is going on.
Dr Taylor: Yes. The difficult part about casual staff is sometimes it's people from industry who come in and do some lecturing—are they counted?
Senator FARUQI: Sure, but the Victorian universities have managed to do that.
Dr Taylor: Yes, and different universities may do it a different way. It's a more difficult collection than it seems.
Senator FARUQI: There is no way that we have at the moment to compare the Victorian universities' data which they have supplied to the Victorian government across the board?
Dr Taylor: No, there isn't.
Senator FARUQI: And you said you have no plans to change the way that you collect the data?
Dr Taylor: No immediate plans, no.
Senator FARUQI: No immediate plans. I just want to move on—and this will be my last line of questioning—to contract cheating legislation, or the legislation that is being developed to tackle contract cheating at universities. I understand that the department took advice from stakeholders with regard to this legislation in July this year. Can you tell us who those stakeholders were—
Mr English: Senator, again I just need to find my list.
Senator FARUQI: and whether you did take advice.

Dr Bruniges: I can start by saying there were 46 submissions received on the draft legislation from interested stakeholders. Universities Australia and the G8 publish their submissions on their respective websites.

Senator FARUQI: Did you directly contact any of the stakeholders and discuss it with them or take any direct advice?

Dr Bruniges: We'll just check with Mr English. He can probably do the list and say whether it was only by submission or whether there were meetings. That's the question?

Senator FARUQI: Yes.

Mr English: We had both submissions and—

Mr Learmonth: There was also a working group, which included students, and university and non-university providers—

Senator FARUQI: Could you provide details on the working group—who was involved?

Mr Learmonth: Sure.

Senator FARUQI: But there was no direct advice with the people who made submissions?

Dr Bruniges: Some of them may have been represented on that working group.

Senator FARUQI: Okay. If you could provide us with that, that'd be great.

Dr Bruniges: Yes.

Senator FARUQI: Has the second draft of the legislation been prepared yet?

Mr Learmonth: It's under development. There's been a consultation period and there's been some feedback. That's now being considered in terms of the redrafting and representation of the bill.

Senator FARUQI: Okay. The aspect—and you probably know this—I'm really concerned about is the original bill's criminalisation of non-commercial contract cheating, and the breadth that it covered. I received a lot of concern from stakeholders about that—that academics, tutors, might be caught up in these collegial discussions. I'm just wondering if that's being taken into account.

Mr Learmonth: We're aware of those concerns. Sometimes there've been misapprehensions in the operation of the bill. In other circumstances, we're looking carefully at the operation in terms of how the draft bill laid out the provisions, and that'll be taken into account. All of that consultation will be taken into account on the drafting of the next bill.

Senator FARUQI: Okay. Just quickly, is there a report being prepared on the feedback from the working group or their recommendations, or not really?

Mr Learmonth: I don't think there were recommendations in that sort of formal sense. I think what we'll see is the product of all of the consultation—whether it be submissions to the working group or the discussions that we've had with the sector broadly. We'll see that reflected in the new draft.
Senator FARUQI: And was there any analysis that the department did—that you did by yourself—about the potential adverse consequences of the legislation in terms of the free conduct of academic life, in a sense?

Mr Learmonth: There's been analysis of all the provisions in the sense of attempting to draft carefully to reflect the intent of government in the operation of the bill and to avoid some unintended consequences. That's been the value of the exposure draft and the consultation, and it's highlighted areas where we need to be sure that we're capturing what we intend to capture.

Senator FARUQI: And not outside of that?

Mr Learmonth: Absolutely. The analysis of the scope and coverage impact will be absolutely assisted by the feedback from the consultation.

Senator FARUQI: Okay, thank you.

Senator HANSON: I'd like to discuss with you James Cook University, just to clarify that it is a publicly funded university?

Mr Learmonth: Yes.

Senator HANSON: Does it receive its funding from any other area?

Mr Learmonth: All universities have a range of funding sources—from private sector, charity, sponsorship from industry, state government—

Senator HANSON: And most of its funding is public funding? Can you tell me how much the federal government funds the university?

Mr Learmonth: For JCU?—we should be able to bring it up. It's not the majority for all, but it may well be for this one.

Senator HANSON: But the majority of funding is public funding?

Mr Learmonth: It may well be; it's not for all.

Senator Birmingham: For some, private funding sources would be greater. But that would be for some.

Senator HANSON: Yes. Thank you. James Cook University was found by the Federal Circuit Court to have wrongly sacked Professor Peter Ridd for publicly stating his professional opinion with regard to the Great Barrier Reef science and was ordered to pay him $1.2 million in compensation. Minister, did you discuss his dismissal with the James Cook University at all?

Senator Birmingham: Senator Hanson, I'm no longer the Minister for Education and haven't been for a little while. I'm happy to take it on notice in terms of what discussions Mr Tehan may have had with the university. I'd add just an additional qualifier to the comment made before about the extent of public funding—and, yes, the Commonwealth, when it comes to public funding, is by far the majority public funder of universities—a university like James Cook University is established under an act of the Queensland state parliament, and its council and structures, in that sense, are equally established and have accountability regimes and reporting regimes that flow through Queensland parliamentary processes. But to your question: I'm happy to take it on notice and get a response from Minister Tehan.
Senator HANSON: Do you know who at the university has actually now appealed the court's decision?

Senator Birmingham: I am aware the matter is still before the courts, yes.

Senator HANSON: Do you know who actually made the decision at the university to put in the appeal?

Senator Birmingham: No, Senator.

Senator HANSON: Do you know what the legal costs are so far?

Senator Birmingham: The cost to the university? I don't know, Senator. I imagine that, again, as part of their reporting and disclosure arrangements, they will have to make those costs public. Of course, dependent upon the outcome of the appeal, if the appeal is unsuccessful, there will presumably be the costs of compensation as well as potentially the costs of the legal fees for Professor Ridd.

Senator HANSON: What I'd like to know and the taxpayers would like to know is: if you have a university that's basically publicly funded by the taxpayer, most of its money comes from that. The fact of the matter is that they've actually been sued—they've been taken to court—and the Federal Court's awarded Professor Ridd $1.2 million. Now they've appealed against that decision, and that means further legal costs, apart from the hundreds of thousands already spent on this. If the appeal is successful, there's the $1.2 million, but surely the federal government or the education minister must be involved in this. Someone has to be answerable to this. If not, where's the money coming from? Where's the money going to come from? Who's paying for this? Is it the taxpayer; and who is going to be held accountable for this?

Senator Birmingham: The university has the autonomy established under the Queensland parliament's act that establishes it. Its funding sources come, as you've heard, from the federal government in large amount but also—

Senator HANSON: Would you say the majority comes from federal?

Senator Birmingham: I think Mr English was seeking to try to work that out. It may well be the majority in terms of the funding that we provide for student places and research funding. They're the means by which federal government funding flows into the universities, but they also receive and generate their own income by other means. It is not possible, I suspect, for us to disaggregate how they are paying for their legal fees as to from what funding source it is. They have their income streams, they have their expense streams, as any other entity does, and they obviously, self-evidently, pay for their expenses out of their income.

To the issue, Senator Hanson, I think it is safe to say that the government is concerned to see the extent of legal costs being incurred via a matter like this. It's important to respect the legal process and the outcomes of the legal process; however, if the appeal is unsuccessful and the findings made in Professor Ridd's application are upheld through that appeal process, then I would trust that that sends a very strong message not just to that university but to all universities in relation to the determination of the court.

Senator HANSON: I'm sure the education department and the minister should be part of this process and know what's going on, considering there is a lot of public funding that goes to
that university. So do you believe you should have an input into this, that you should really know where the money's going? Or do you feel that the federal government shouldn't have any input?

**Senator Birmingham:** Officials may want to speak to the accountability that is applied to universities in terms of the streams of federal funding they get insofar as the standards that need to be met, the applicability to student places and investment on those students and the applicability to research funding and the investment in that research. No universities are set up federally, as I said, aside from the Australian National University. All of the others are established by state or territory acts or similar mechanisms and provided with autonomy and accountability of reporting through state and territory annual reporting processes and the like under those acts. We don't sit at the table and make administrative decisions as part of those university councils. In fact, one final point—

**Senator HANSON:** Minister, you don't need to continue. I don't want to waste the committee's time. You can go on to someone else, because you're not really answering my question.

**Senator Birmingham:** we also, in all of those cases, don't even have a say on who sits around the university council making the decisions.

**Senator HANSON:** I think you're letting the Australian taxpayers down if you don't take an interest in this case. The university sacked a professor. Because of his opinions and his teachings, he was censured. This has actually cost the taxpayers millions of dollars in payouts and legal fees. You sit here and waffle on about the responsibilities. I think you owe a responsibility to the taxpayer to let them know where that money's going and why they are continuing to pursue this at taxpayers' expense. Universities are crying out all the time that they don't have enough money. I'm sorry; it's not good accountability in my eyes.

**Senator Birmingham:** As I said, the government is concerned about the extent of expenditure on legal processes, but we respect the determination of the courts. If that final determination of the courts upholds the decision of the Federal Court in this matter, then I would expect and hope that sends a very clear message to all universities to look carefully at their procedures to ensure that there is never a repeat of these circumstances.

**Senator HANSON:** In the past—and it's been happening for years—we have talked about how the universities are dictating the program they are setting for the agenda that they have and how the teachers teach with this left-wing leaning that is happening in our universities. I hear it time and time again, even from two professors, going back 23 years ago, who said: 'We are employed at universities. We are told how we should teach.' They are not given a free hand, and that's exactly what's happening in Professor Peter Ridd's circumstances. He was reined in and he was censured for having his own professional opinion on how he should teach. That is happening now in our universities. Even people who want to be teachers are saying they have to answer the questions as they were told to answer them, otherwise they won't get their passes.

This is a big problem in our education system, and it's not just in universities; it's done all the way through. It comes down to the Minister for Education to make sure that we are giving a fair and balanced education to all people, right across the board. It doesn't matter whether it's in preschool, primary school, high school or universities. This has to stop. People have a
right to teach in the way that they believe our education should be taught—in a fair and balanced way.

Senator Birmingham: It is out of concern for academic freedom and freedom of speech that Minister Tehan asked the former Chief Justice of the High Court Robert French to review those matters. He is now pursuing a model code to ensure full protection of those matters of free speech and academic freedom.

Senator HANSON: I'm pleased to hear that. It's very important to a lot of Australian people.

CHAIR: I acknowledge that Senators Davey, O'Sullivan, Stoker and I have questions, but I will go to Labor.

Senator O'NEILL: I have some questions with regard to the Higher Education Provider Category Standards. The government recently released the Coaldrake review into Higher Education Provider Category Standards. Has the department been directed to take any action in relation to the report?

Mr English: The report has been conveyed to the Higher Education Standards Panel for the statutory requirements of consultation under the management of the higher education standards arrangements, and that process is currently underway.

Senator O'NEILL: So that is the only action that's been taken at this point in time?

Mr English: That's correct.

Senator O'NEILL: What are the next steps, Mr English? When do you expect to be engaged in the process?

Mr English: We've been engaged in supporting the reviewer to do the report. We've been engaged in supporting the Higher Education Standards Panel as it prepares to do its work on the report. So we are continually engaged in this process as a matter of course. The report will go to the panel. They will need to determine if they want to do any further consultation to consider the implementation of the recommendations of the report. They will respond to the minister with advice about how he should take it forward and what changes he should make to the standards or the legislation to reflect the report. Then it will be a matter for government to decide, at the end of the day, how it embeds the recommendations from the report into the legislative framework.

Senator O'NEILL: Anything further you can provide on notice—for example, if you have an indication of any time line that might be being considered—would be appreciated.

Mr English: Yes.

Senator O'NEILL: The review suggested that a number of universities may not meet the research criteria for the university category. How many universities are at risk and how far short are they?

Mr English: As at today, nobody's actually at risk because these arrangements are a proposition, obviously, so—

Senator O'NEILL: But action is, seemingly, imminent. The matter has been referred on to the next phase for further consultation, as you've just indicated.
Mr English: Sure, but there are many, many choices left in the implementation of this process. For example, it is open to the government to say that the new standards will apply the next time a university is assessed for its re-registration process, which, in some cases, will be seven years time. So, if there is a strengthening of the requirements around the research activity of a university, they'll have seven years to address any gap that may be between where they're at and what the benchmark is. The benchmark suggested in the report still needs to be accepted by government. It may well be that the government picks a different benchmark but takes up the idea. The government may still decide not to take up the idea. So I think to say that any university is at imminent threat is not warranted at this point. There's a discussion process to be had, and a number of decisions to be made before we get anywhere near that consideration for an individual university.

Senator O'NEILL: I can hear technically that what you've said to me, Mr English, is actually the case, but I'm sure—

Mr English: It is right, yes.

Senator O'NEILL: you'd be very well aware that there is an extremely high level of interest among the universities themselves.

Mr English: Sure.

Senator O'NEILL: The fact that the research has been undertaken and that it's taken a year for Professor Coaldrake, from his appointment through to this point, to deliver the report—it's hanging like the sword of Damocles over some of the universities, in their perspective.

Mr English: I think that's unfair.

Mr Learmonth: I'm sure they're very engaged, because it goes to the question of identity and what a university or institution does.

Senator O'NEILL: Of course it does.

Mr Learmonth: But I think in terms of any notion of imminence, as Mr English has said, there's been a report, it's now gone to the Higher Education Standards Panel for its consideration, and there might be further consultation. The government has made no decision on whether it will accept the recommendations or how many it will accept, or on how it might implement any of the recommendations or when it might. There's a very big gap between where we are now and anyone feeling like they might be in imminent concern. I think there is, absolutely, interest, and the degree of consultation that there's been, I think, reinforces that. People have been very engaged and are very interested in the process. They'll no doubt be very interested in the higher education—

Senator O'NEILL: Engaged and interested or scared to death?

Mr Learmonth: Engaged and interested, Senator, and I can tell you—

Senator O'NEILL: It depends which side of the table you're sitting on, whether you're the government and you're looking at changing the formula for, perhaps, economic reasons, or you're on this side of the equation and you're worried about what you're actually going to be able to do at your university and how you're going to service your regional community. They're very different perspectives, aren't they?
**Mr Learmonth:** This is a question to be worked through. The university sector itself has been very strong on research being an intrinsic part of their identity as an institution. That being so, it's not unreasonable to say: how much research makes a university? They are not the only sources of research. It goes to how you categorise the great spectrum of education providers out there. Frankly, one important industry view is that it is not just about the university sector but also about the non-university sector, which currently includes a much larger number of completely undifferentiated providers. There is more sense of potential in that space than in the university space. So I have no doubt that they are engaged and that it goes to their identity. It's probably not unreasonable to ask, 'If this is key to your identity, what is sufficient to make you a university?' But I don't see the need for anything beyond interest. There is a long way to go yet.

**Senator O'NEILL:** Could you take on notice any planning you may have done about the sort of improvements that would be needed if the universities wanted to remain in a university category if they were to fall short and what sort of short-term and long-term responses you might have to those challenges?

**Mr Learmonth:** We're short of that question, Senator; this is a report that's just been released.

**Senator O'NEILL:** And you've done no work at all on this?

**Mr Learmonth:** The report has just been released. It is now going to the Higher Education Standards Panel for its view. There may well be further consultation with the sector, as Mr English said, about implementation. That is something the government will also be very interested in. It isn't just your end point, but how you get there. So implementation is important. We are talking about stuff down the track.

**Senator O'NEILL:** Could you please provide the latest figures on Commonwealth investment, then, in university research?

**Mr Learmonth:** I think we could, Senator.

**Senator O'NEILL:** I'm looking for the figures in two forms: firstly, as a percentage of GDP, and also as a raw figure.

**Mr Learmonth:** That famous table that we talk about occasionally?

**Senator O'NEILL:** Pardon me if I don't recall the famous table; I do see a few.

**Mr English:** We won't have on hand the percent of GDP. We will be able to talk about the committed funding in the budget process.

**Senator O'NEILL:** So that's the raw number.

**Mr English:** The raw numbers, yes.

**Dr Bruniges:** We can take the other one on notice.

**Senator O'NEILL:** Please—and if you have any longitudinal raw data. If you don't not have the percentage of GDP, can you provide me with a bit—

**Mr Learmonth:** What time frame would you like, Senator?

**Senator O'NEILL:** Five years.

**Mr Learmonth:** Sure.
Senator O'NEILL: Great. So, as a raw figure, Commonwealth investment in university research?

Mr English: I will find the precise numbers. The investment from this portfolio in universities for research is approximately $3 billion per annum. That is $2 billion through the research block grants, which are divided. There's a billion dollars for the Research Support Program, which is the broad funding for developing the research capability of a university, and there's a little over a billion dollars for the Research Training Program—to, as it says, to train the future research scholarship cohort. On top of that, there's about $800 million that goes through the Australian Research Council each year. In addition, we spend $200 million to $300 million a year—although that's quite lumpy, by nature—through the Research Infrastructure Scheme. That's not all for universities necessarily; there is a mix of providers in that scheme. They are the broad streams. In practice, I think we spend about $12 billion over the forward estimates period on research.

Senator O'NEILL: How does that compare with your level of investment five years ago and maybe even 10 years ago? Can you do a comparison?

Mr English: We can give you a longitudinal analysis, but we are continuing to grow our research funding year on year.

Senator O'NEILL: I'd like to see the figures to be able to confirm that.

Mr English: Sure. To give you the historical data, we will have to take it on notice.

Dr Bruniges: There is also the research funding from other departments. We can give you our department's figures, as Mr English outlined, but there would also be research funding going to universities from industry.

Mr Learmonth: There is a large table.

Senator O'NEILL: Okay. Could I get you to compare the percentage of the GDP spend with other comparable countries—countries like the UK and Canada—for the scale of investment?

Of course, the reason I'm asking these questions is that, on the data that I have, it appears to be that there is a decline in funding, and that there's a lack of comparability between what we're investing in research in comparison to other partners with whom we compete internationally. I'm sure, as the minister for trade, Senator Birmingham would be very aware how important it is to invest adequately against your competitors.

Mr Learmonth: You have asked for GDP going back five years. We will try and do the comparison as well.

Senator O'NEILL: Yes, moment in time for five and 10, so I get the sense of the direction.

Mr Learmonth: We will try to do the international comparison as well.

Mr English: GDP comparisons have a limit, and you will find it in this analysis, in that—

Senator O'NEILL: That's why I've asked for raw and GDP.

Mr English: Australia has had strong growth in that five-year period compared to many of its comparator countries. So, without doing anything else besides having a reasonable
growing economy, our share of research to GDP can move around just on that basis. That noted, we can do the analysis. It's just worth noting.

Mr Learmonth: I think it's about the only economy of continuous growth for 25 years. Your denominator changes in the way that comparator countries don't.

Senator O'NEILL: You can understand, given my questions at the beginning about the Coaldrake review, the critical nature of investment in research dollars into universities. It strikes me as very concerning that the government appears to have launched a plan to reduce the number of universities, potentially, by classifying some as research valid and sufficiently active in research—

Mr Learmonth: There is no plan.

Senator O'NEILL: The interaction between that and the research dollars that are being invested—these two are entwined.

Senator Birmingham: The government has released a review—the findings of a review. The officials are taking you through what will happen next in terms of consideration of those findings. I underline the word 'consideration' there.

Senator O'NEILL: What is the point of doing a review if you're going to do nothing with it? Or is it just busy work to keep you engaged while you've got no plan for higher education?

CHAIR: Senator O'Neill, if you could let the minister—

Senator Birmingham: I'll invite you to use the lunch break to look up the meaning of the word 'consideration' if you need to.

Senator O'NEILL: That condescending attitude you have shown so often is back.

CHAIR: Senator O'Neill—

Senator Birmingham: And your sanctimonious attitude that you show endlessly—

CHAIR: Please, it's not long until lunch.

Senator O'NEILL: If the government were providing research it would be a good conversation to have. But you're cutting research and you're undertaking inquiries that you say you're not going to do anything with. How is that good for the higher education sector?

Senator Birmingham: It sounds like you're standing by the $387 billion in extra taxes—

CHAIR: Everybody, it is 18 minutes to the lunch break. Senator O'Neill, could you put your question to the minister, please.

Senator O'NEILL: Some of the universities that may be at risk under the plan that's been launched with the Coaldrake review are—

Senator Birmingham: Under the report that's been released.

Senator O'NEILL: And the review that's been undertaken, at the request of your government, to look at how the universities are structured. The universities are concerned that they are going to lose their status. Some of those universities may be at risk under the research requirements. They are actually on par with the sector average when it comes to graduate outcomes, which the government emphasised in the performance based funding model, which you discussed at some length with Senator Pratt. Are you concerned at all that the government is not taking a coordinated approach to outcomes across the sector?
**Senator Birmingham:** No, Senator.

**Senator O'NEILL:** A review here, a change to performance funding there—

**Senator Birmingham:** No, senator. These are fundamental questions that we've put to be able—

**Senator O'NEILL:** cuts to research dollars—

**Senator Birmingham:** This is a very important piece of work undertaken by Professor Coaldrake—

**Senator O'NEILL:** So important that you might ignore it?

**Senator Birmingham:** and the government is now—

**Senator O'NEILL:** You can't have it both ways!

**CHAIR:** Senator, please!

**Senator O'NEILL:** Well, give us a decent answer.

**Senator Birmingham:** The government is now giving it consideration, as the officials have outlined, and seeking reactions and opinions from the Higher Education Standards Panel as part of that process of giving it consideration.

**Senator O'NEILL:** Senator Birmingham, you have to wonder why on the earth government did it, given the level of, 'We may use it, we may not use it.'

**Senator Birmingham:** So your approach would be, if government commissions a review, it should give a blanket undertaking at the commencement that it will implement everything that review recommends? Is that your recommendation, Senator? Is that the way you'd undertake business?

**Senator O'NEILL:** It's not for me to answer your questions.

**Senator Birmingham:** That is what you're advocating, Senator.

**Senator O'NEILL:** I'd like to know that you actually have a strategic plan rather than keep the sector busy.

**Senator Birmingham:** That is what you're advocating—that we should seek a review and just adopt it.

**CHAIR:** Senators!

**Senator O'NEILL:** Can I go to a different matter, seeing as we're absolutely not going to agree on this.

**Senator Birmingham:** I didn't think that was actually what you were saying.

**Senator O'NEILL:** Can I talk to the reallocation of the non-medical Commonwealth supported places. Has the department briefed the minister about the outcomes of the designated places consultation?

**Mr English:** We released a discussion paper on 23 September inviting feedback by 25 October. With that discussion paper, we've yet to close the books on the consultation process. So, no, we haven't briefed the minister on outcomes of that particular process.

**Senator O'NEILL:** So the consultation continues?

**Mr English:** Yes.
Senator O'NEILL: My next question is: has the new mechanism for 2020 been finalised?

Mr English: No. The discussion paper poses three models and is seeking the sector's view about which of those models should be taken forward.

Senator O'NEILL: Given that it's nearly November—

Mr English: The relocation will not apply until 2021.

Senator O'NEILL: So what are the arrangements for 2020?

Mr English: The allocations remain as they are.

Senator O'NEILL: I was under the expectation that there was some change to be implemented by 2020. Was the timeline always 2021?

Mr English: Yes.

Senator O'NEILL: Okay. What's the nature of the communication with the universities around the non-medical Commonwealth supported places? What's your dialogue with the universities at this point?

Mr English: As I said, we've released a discussion paper. We have held two teleconferences that we've invited the key stakeholders to participate in, mainly deans of medical schools—

Mr Learmonth: Are we still on non-medical, Senator?

Senator O'NEILL: Yes.

Mr English: I'm doing the medical. Sorry, I switched.

Senator O'NEILL: That's all right.

Mr English: On the non-medical places, we briefed the minister on the previous consultations earlier in the year, and the minister is considering that advice; he's discussing it with the sector as he considers the advice.

Senator O'NEILL: The new arrangements are potentially in place for 2021—-is that correct?

Mr English: Sorry, I may have conflated the two processes. The medical places redistribution process starts in 2021. There's an indication the non-medical designated places will start in 2020, although that's a matter still with the minister for consideration.

Senator O'NEILL: Okay. Let's just talk about the non-medical Commonwealth supported places. Has the mechanism for 2020 been finalised for the non-medical Commonwealth supported places?

Mr English: No.

Senator O'NEILL: Given it's nearly November and we're talking about significant amounts of money across the entire nation in the higher education sector—

Mr English: We're not talking about significant changes to the allocation process. The proposition has always been that there would be a small proportion potentially open to a reallocation process across providers of single-digit percentage numbers, but even—

Senator O'NEILL: Mr English, as you say that in your very reasoned, calm tone, can you imagine what it's like for the person at the university who's planning for next year, who's going, 'I have no idea what's going on; I'm still waiting on information from the

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Commonwealth government? Do you acknowledge that this has got to be a concern to the sector?

Mr English: The process has been consultative and engaging. The sector has been aware through a range of forums of the sorts of options and considerations that—

Senator O'Neill: Are you telling me that they're all cool with it, that they're all fine with it; that they're not worried about not knowing what they're doing next year?

Mr English: I wouldn't presume to put words into anybody else's mouth. As I said, there is a discussion process currently with the minister for his consideration.

Senator O'Neill: In essence, the reason that the arrangements for 2020 have not been finalised is that the discussion continues and all this is still in the minister's office—is that correct?

Mr English: No, that's not what I said.

Senator O'Neill: Well, who's holding it up? You just said it's with the minister. Surely, if it's with the minister, it must be the minister who's holding it up. Can you shed a little more light on this for me?

Mr English: There has been a discussion paper and there has been a range of meetings with deputy vice-chancellors, both corporate and academic, that we attended as officials and where we discussed the considerations in the paper. In the end, the matter has not yet been finalised. It's a matter for the government to announce when it has finished that.

Mr Learmonth: Senator, the notion that this is sitting waiting for the minister's decision is not right. There are still active and engaged consultations on the options that go to the nature of an area distribution, the extent of any area distribution and the timing—all of those matters that the sector will undoubtedly have views about. That consultation is still active and ongoing in a number of different ways. I expect that the minister will make a decision in the light of that consultation, and no doubt soon.

Senator O'Neill: I really wonder how the department expects universities and students to be able to plan for next year properly and professionally when the arrangements are still not settled. Do you agree that that's an imposition on our university partners who are relying on some order from the federal government?

Mr Learmonth: It depends entirely on the nature of the change.

Senator O'Neill: They don't even know what that is, so they don't know what allocation of resources they need to apply.

Mr Learmonth: That's a different question. I think the theoretical impact of the change depends on the nature of the change. It's yet to be decided.

Senator O'Neill: Yes—all unknown. It's very unstable. I can't ask any more questions because there's not enough information here about that. Can I go to the enabling courses?

Chair: Only if you want to come back after lunch.

Senator O'Neill: Enabling courses allow low-SES Indigenous regional and remote, and first-in-family students, to build the skills and confidence that they need to pursue a higher education. Is the department concerned that the new arrangements will have a negative effect on the participation by these groups in enabling courses and higher education more broadly?
Mr Learmonth: Senator, you're asking for an opinion and I think you're talking about the process and the designated places, which are not yet finalised. So—

Senator O'NEILL: Are you giving active and serious consideration to that particular group?

Mr Learmonth: Of course.

Senator O'NEILL: Are you aware of the degree of concern in the sector around enabling placements?

Mr Learmonth: I'm aware of the interest from the sector. We've had this discussion before. We're very aware of the important role that enabling places play in terms of aspiration for people. And—

Senator O'NEILL: Particularly in regional communities.

Mr Learmonth: Absolutely, and this is absolutely part of the consideration.

Senator O'NEILL: Right, and are you in active discussions, for example, with The University of Newcastle, which is very close to my heart and not too far from my home?

Mr Learmonth: Indeed. I'm aware of the role they play there. I've—

Senator O'NEILL: How would you characterise their level of concern about not knowing what's happening in 2020? How would you characterise the level of concern of The University of Newcastle, as just one example, with the level of unknown-ness about what's coming next year and how that might impact on their capacity to offer enabling places?

Mr English: I haven't had a specific conversation with The University of Newcastle to that extent.

Senator O'NEILL: I'm sure there are a whole lot of universities in the same situation. Can I now go to the redistribution of medical places? So we're clear about that; we've moved on?

Mr Learmonth: We've jumped the gun a bit, but yes.

Senator O'NEILL: When will the final redistribution for 2021 be announced?

Mr English: That is a matter for the minister.

Senator O'NEILL: Page 8 of the discussion paper states that there is no public nationally available data to demonstrate direct relationships between particular regional medical education initiatives and improved regional medical workforce outcomes. If there is no nationally available data, what does the department expect the actual impact of this policy will be on shortages of medical staff in regional and rural areas?

Mr Learmonth: That's a question for the health department. We're just checking—I think the Chief Medical Officer is running this.

Senator O'NEILL: That's not you?

Mr Learmonth: I'm not the Chief Medical Officer.

Senator O'NEILL: I was talking with him yesterday in the other room, so, yes, I do know who it is: Professor Brendan Murphy.

Mr Learmonth: That would be him.

Senator O'NEILL: Yes. Do you have any plans to collect any data with regard to this—
Mr Learmonth: That's a matter for the health department. They look after the health workforce.

Senator O'NEILL: That's a matter for debate! They have responsibility for it. This may not be possible: do you have any internal analysis—referenced on page 8 of the discussion paper—which looks at the data on the current distribution of regional medical load for university medical courses?

Mr Learmonth: That's the health department, Senator.

Senator O'NEILL: Health. Universities with a net reduction to their medical CSP allocation will be able to increase their international full-fee-paying medical enrolments, accordingly. Is that correct?

Mr Learmonth: It's a discussion paper.

Senator O'NEILL: Could you answer this then: would this number of internal full-fee paying enrolments remain regardless of the redistribution in future rounds?

Mr Learmonth: You're asking me to speculate on future policy.

Senator O'NEILL: You still don't know?

Mr Learmonth: It's a discussion paper.

Senator O'NEILL: Are there any other policy priorities that the department expects to use this redistribution to address at this point?

Mr Learmonth: there are no plans to, no.

Senator O'NEILL: Will the same approach to creating the pool apply in future rounds?

Mr Learmonth: The government is yet to make a decision about how the distribution will work. This is a model which is peculiar to the sector insofar as there are pipeline flow-ons with medical finance and training and so on. It is a slightly unusual context.

Senator O'NEILL: Do you have any concerns really about the potential conflicting policy impact of redistributing places every three years, based on different policy priorities?

Mr Learmonth: You're asking me for a view about a policy which is not yet settled.

Senator O'NEILL: Do you have any plans to ensure universities are given certainty to be able to plan for future years? Is that part of your plan?

Mr Learmonth: As a general proposition, we are always keen to give universities the certainty to plan in every dimension that we reasonably can.

Senator O'NEILL: What was the final cost of the Napthine report.

Mr English: The total cost was $617,836.

Senator O'NEILL: Sorry, could you say that again?

Mr Learmonth: It was 617,836.

Senator O'NEILL: And was that funded from within the department's resources or where did the funding come from?

Mr English: That was from department resources.

Senator O'NEILL: When will the government release its response?

Mr Learmonth: That is a matter for government.
Senator O'NEILL: Senator Birmingham?
Senator Birmingham: I will take that on notice.
Senator O'NEILL: Has the department been directed to take any action in relation to the Napthine report's recommendations?
Mr Learmonth: It is a report of the government, so you would expect the department to engage in some analysis of the recommendations and some advice to the government in due course.
Senator O'NEILL: In due course, but have you undertaken any at this point in time? It landed in June, so I am assuming you have had some interaction with it.
Mr Learmonth: There's been some preliminary thinking about it.
Senator O'NEILL: Preliminary thinking—that is it. So there has been a bit of analysis of what's gone there, but have there been no recommendations to government around it?
Mr Learmonth: The nature and timing of advice to government would depend on the government's choice about timing and process to consider this particular recommendation. It is a matter for government is the short answer.
Senator O'NEILL: It looks like there is a big pile of stuff waiting for a response in the minister's office—lots of reports, not much action.
Mr Learmonth: I wouldn't characterise it as waiting for a reply. We have been through that with the PCS review and the designated places. Things are actively being engaged in with the sector.
Senator O'NEILL: Have any recommendations been formally costed?
Mr Learmonth: No.
Mr English: No.
Senator O'NEILL: The report's first recommendation is to improve access to tertiary study for Indigenous, regional and remote students by providing demand driven funding in university places. Why is the government abandoning demand driven funding in light of the recommendation?
Senator Birmingham: To encourage universities to focus resources on outcomes most beneficial to students and the economy.
Senator O'NEILL: I have got other questions I will put on notice. I might just take the opportunity to double back to Senator Birmingham, who is here as the representative for the Minister for Education, but must have some insight into what his department is doing with regard to the Monash deal, which Senator Paterson asked questions about. Monash University partners with Chinese state firm linked to industrial espionage. What does your department know about Comac?
Senator Birmingham: I am aware also senators want to try to get questions on higher education. Austrade are appearing tonight. I am happy to deal with that matter with those officials tonight.
Senator O'NEILL: So you potentially have the position to have an internal conversation with yourself as the rep for the Minister for Education and also as the minister for trade and investment.
Senator Birmingham: Chair this is clearly outside the parameters.

Senator O'NEILL: Have there been any conversations between your department and the Minister for Education around this?

CHAIR: I think that question is more a development for tonight, thank you.

Senator Birmingham: I'm in the hands of the committee. If you want, I can go to this topic, and we can start trade estimates in the education committee.

CHAIR: I'd prefer not too. I think I'd get murdered by the staff. One more question, Senator O'Neill.

Senator O'NEILL: Were you aware of the concerns that have been raised by Senator Paterson here?

Senator Birmingham: I had read the newspaper story in question. As I say, if the committee wants, I have briefs because I have trade estimates tonight, so I'm happy to go to it, but, Senator O'Neill, your questions—

CHAIR: I'd prefer that that was dealt with in relation to trade tonight. Senator O'Neill, we might draw a line there. I think Senator Stoker has a question.

Senator O'NEILL: Do you talk to Mr Tehan about these matters, Senator Birmingham?

CHAIR: Senator Stoker, your question?

Senator STOKER: I'll be very quick. Does the department regard academic and intellectual freedom as core to the work of all universities?

Mr Learmonth: You're asking for an opinion, Senator.

Senator STOKER: No, it's core to what universities do. Do you think intellectual freedom has a core purpose in what universities are in our community to do?

Mr Learmonth: The minister's expressed his views about the importance of academic freedom, intellectual freedom and freedom of speech within universities, hence the commissioning of the French review and the processes that have gone on subsequent to the French review being released.

Senator STOKER: Are you aware of the level of funding that The Conversation receives through its university members?

Mr Learmonth: No.

Senator STOKER: It's got about 38 of them in there—a number of publicly funded universities

Mr Learmonth: No.

Senator STOKER: Are you aware of The Conversation's recent decision to ban the posting of comments by any person who questions the scientific work that underpins people's concern about climate change?

Mr Learmonth: I confess I don't follow The Conversation.

Senator STOKER: So you didn't see that concern about the intellectual freedom associated with a university based organisation censoring views?

Mr English: Senator, we're aware of the media reports, but we have no role with The Conversation.
Senator STOKER: Then my last question might be a nice and easy one. What has the department done to ensure that publicly funded universities standing behind The Conversation uphold the fundamental value of academic and intellectual freedom in light of its decision to censor unfashionable views on climate change?

Mr Learmonth: Any decision in relation to universities about supported third-party platforms such as that is mostly a matter for them. There may be relevance to TEQSA in their regulatory role, and they would consider actions of universities in relation to their obligations to meet the standards, including academic freedom. They would consider any particular example in the context of the broader operations of the university.

Senator STOKER: Even though the requirement to uphold intellectual freedom is a condition of the funding agreement of universities with the Commonwealth?

Mr Learmonth: Again, Senator, I think we've been down this path. This would be a matter for TEQSA to consider in its regulatory role, and any regulatory action that TEQSA took would in turn flow on to funding arrangements.

CHAIR: We will now suspend for the lunch break. I wish to apologise that we are running 35 minutes late, bringing shame on the family name. I formally release the Department of Education from appearing further at the estimates today, so, Secretary, if you could thank your officers, particularly those from outcome 2 and outcome 1, for all the work they've done to appear before us today.

Proceedings suspended from 13:33 to 14:34

Tertiary Education Quality and Standards Agency

CHAIR: Good afternoon, everybody. I welcome representatives from the Tertiary Education Quality and Standards Agency. Do you wish to make an opening statement?

Prof. Saunders: Thank you for the invitation. No, I have no opening statement.

CHAIR: That is music to my ears. Labor, do you have some questions?

Senator O'NEILL: Thank you very much. I'm sure that the Coaldrake report is familiar to you. We know that the government recently released the Coaldrake review into higher education provider category standards. Has TEQSA been directed to take any action in relation to that report?

Prof. Saunders: No, it has not.

Senator O'NEILL: Do you expect to, and do you have any sense of the timeline around that?

Prof. Saunders: We would expect, after the government has given its response to the review, for us then to be engaged in any areas where regulatory action might be required. So, yes, we do expect to be involved in the future.

Senator O'NEILL: If the government decides to go ahead and act in any way in response to the Coaldrake report?

Prof. Saunders: Yes, once the government has made its response. It's with the Higher Education Standards Panel at the moment. I think you heard that earlier today. Then, after that, it has to go to the minister for the government response. Then, after that, if there is a role for TEQSA to play we would be very happy to play that role.
Senator O'NEILL: I have to say that I don't know if the government's actually going to do something about it or not. I'm more uncertain about that after the evidence earlier in the day. I'm sure, Professor Saunders, that you'd be well aware that there have been some concerns in recent years about tensions between universities' research and teaching functions and the impact that this has had on student outcomes. For example, in the 2017 Productivity Commission review *Shifting the dial* that concern was given a good airing. Has TEQSA considered the possible implications for students of the proposed emphasis on research requirements for higher education provider categories?

Prof. Saunders: My understanding of the Coaldrake review is that, after wide consultation and general support, a decision was taken that, to be a university, you need to be conducting research. That's one of the defining characteristics of a university compared to other providers in the sector. Within the higher education sector more broadly, if you're not a university, there is no requirement for you to undertake research or research training. There are some rules around research and research training, obviously, if you want to offer research degrees—masters degrees by research or doctorates. But it's up to a provider to make a commitment to do that and then seek accreditation of those courses from TEQSA. So there is no requirement at the moment, and my understanding of the Coaldrake review is that there would be no requirement in the future for those providers not in the university category to have to undertake research.

Senator O'NEILL: I absolutely agree with and understand what you've just said, but the concern is that current universities that do undertake research might be subject to a new world order in which the quantity of research they undertake will determine whether they'll actually continue to operate under the status of a banner that says 'university' or not.

Prof. Saunders: As I say, the government has not made its response yet, but if it were to be enacted then there would be some quantitative and qualitative requirements of universities with regard to their research and their research output. In terms of the number of fields that have to be covered, at the moment, the standards do require three fields or more to be covered by a university. But also, in terms of the quality of the research, three fields or 30 per cent of the fields that you undertake research in would have to be at or above world-class. That's what's being proposed. Then, secondly, there are elements in there around the volume of research that would need to be undertaken.

Senator O'NEILL: There is a standards dimension to the regime that currently exists, and the Coaldrake review is unsettling the feathers of universities by suggesting, perhaps, there might be some changes to the current standards. My understanding is that the review suggested that a number of universities may not meet the research criterion for the 'university' category. I'm sure that you've read it. How many universities are at risk and how far short are they?

Prof. Saunders: We haven't been involved in conducting the review or supporting the review. We have had input into the review from the point of the view of the technical issues around the current standards, but we have not really been privy to any of the analysis that's been undertaken. So I can't tell you if there are any universities in that category. Nor can I tell you, if there are, how many.

Senator O'NEILL: Have you had a chance to read the report?
**Prof. Saunders:** Yes.

**Senator O'NEILL:** On the sorts of improvements that are mooted there, what sort of changes would be required of universities if they were to be implemented?

**Prof. Saunders:** At the moment, the standards are silent on how much research you have to do and the quality of the research that you have to do. Taken to the most minimalist requirement in the standards, it requires research to be undertaken in three fields of study to be a university and it requires those courses, at undergraduate and postgraduate level, to be supported by research. So at its most minimalist, you could be a university under the current standards and conduct six research projects a year—two each in three fields—and that would be sufficient. That will change if the Coaldrake review is implemented. There will be a requirement, then, for sufficient research to be being undertaken of sufficient quality to be included in that category.

**Senator O'NEILL:** Does that echo or mirror any such changes in an international context?

**Prof. Saunders:** I think the report makes it clear that, by and large, across the world universities are recognised for research that they conduct. Although, as all the senators would be aware, not all countries require their universities to undertake research to hold the title of 'university'. That's well laid out in the report. There's an analysis across Scandinavia, Europe, the US, Canada and the like.

**Senator O'NEILL:** If TEQSA were tasked with responding, what sort of work would you need to do with universities to help them meet any new criteria?

**Prof. Saunders:** I think it's important to note that, if there are universities that are not at the bar that they would need to be at the moment, we would need to work with those. There would clearly need to be a transitional plan in place with both a known duration and a known expectation as to what they have to achieve. We would work with them to help them achieve that.

I think the other thing that we would need to be doing is getting our heads around how we define 'world-class'. At the moment the Australian Research Council, in their Excellence in Research for Australia activities, define 'world-class' in a certain way. But not all higher education providers, only the publicly funded universities and those that receive research funding, are required to undertake the ERA. So there are higher education providers at the moment outside the public system that are undertaking research but are not participating in the ERA. Torrens is one example of that.

**Senator O'NEILL:** Bond?

**Prof. Saunders:** Bond participates in the ERA.

**Senator O'NEILL:** Some of the universities that may be at risk under the research requirements that have been mooted are actually on par with the sector average when it comes to the graduate outcomes which the government has emphasised in its performance based funding model. Is TEQSA at all concerned that the government's not taking a coordinated approach to outcomes across the sector?

**Prof. Saunders:** We're the regulator. We regulate against the standards. Those sorts of issues we see to be the purview of the department and the minister.
Senator O'NEILL: In making sure one part of the sector doesn't work against the other, how critically engaged are you with the whole of the higher education landscape?

Prof. Saunders: We participate in a wide range of activities with the department and outside the department. We have our own stakeholder engagement. So we're well engaged with the higher education sector very broadly.

Senator O'NEILL: So you think you've got a good enough view to be able to see the intersection of all of these different reviews that are underway at the moment? All of them would impact on the quality of education.

Prof. Saunders: They may or may not. I can't comment on that.

Senator O'NEILL: Okay. Thank you very much.

Senator PRATT: How many language waivers were given to foreign students in the past year?

Prof. Saunders: If we're talking about the English language requirements for international students, I think some of the questions need to be directed towards the department, because they'll have more fine-grained information than I have. But we do not routinely hold that information on waivers in relation to all the higher education sector, both university and independent providers.

Senator PRATT: So how would you, as a regulator, come to grips with there perhaps being too many waivers in a particular institution if you don't have the data?

Prof. Saunders: If an issue were raised with us, either through the media, through complaints or through some other mechanism, we would take that seriously and we would investigate it. There is a database called PRISMS: provider registration of institutions and courses—I've got that mixed up. It is provider registration of institutions and something or other for overseas students.

Senator PRATT: Have you looked at the trends of the number of students being admitted on the grounds of having other English qualifications or having been given waivers?

Prof. Saunders: Waivers aren't recorded on PRISMS, to my knowledge, but 'other' is. Our data shows that the percentage of students who are being admitted with other English language testing—that is, not using IELTS and other things—is sitting around 50 per cent at the moment. Anthony, you might have more detail on that.

Mr McClaran: Yes, it's varying broadly between 40 and 60 per cent. We look at those figures, and they can be the prompt for further discussion with individual providers about what the pattern of other qualifications for English is telling us, because in itself, until we dig deeper, we don't know exactly what the other proxies that are being used for English language are.

Senator PRATT: We know universities frequently administer their own language tests, and you said that's about 50 per cent. The government recently announced that higher ed providers would be required to provide more information about language standards. Can you please tell us what information they will be required to disclose that they didn't previously have to? Is this in response to concerns that you've raised as a regulator or that other agencies have raised?
Mr McClaran: In relation to that, we're doing a number of things which touch upon the question that you've asked. The first is that clearly we have responded and are responding to some of the public concern that was raised through the media in relation to alleged inadequacies of English language ability on the part of international students. We're responding to our own analysis of data, which I've just referred to.

Senator PRATT: So what has that data revealed?

Mr McClaran: Again it comes back to the point that we see a significant percentage of students being admitted with 'other' qualifications. We would like—

Senator PRATT: I didn't take that as an analysis of data; I took that as you reporting the data. What's your analysis, from a quality point of view, about whether that is of concern or not?

Mr McClaran: That's the process we're in the middle of at the moment. We're in dialogue at the moment with 10 providers about that particular issue, looking more deeply at what lies behind the 'other' categorisation. So we will have a better understanding once we've completed those discussions.

Senator PRATT: Given the high level of public debate and the number of tests that are being administered, have you had a report from the department about how many language waivers are being used by university institutions?

Mr McClaran: Not to the best of my knowledge.

Senator PRATT: I guess I'm concerned that you've seen a trigger in the 'other' English qualifications but you haven't acquainted yourself with how many language waivers are taking place.

Mr McClaran: The question of how many language waivers are being used by providers is one of the subjects of our inquiries with the providers that we're currently talking to about the subject of English language admissions. So waivers are of interest, and we're particularly interested in the subsequent analysis that providers conduct around how cohorts of students that have been admitted with waivers subsequently perform.

Senator PRATT: Dr Bruniges, does the department keep this waiver information, or is it only the institutions?

Dr Bruniges: I think it's only the institutions, but I'm happy to take that on notice and check.

Senator PRATT: Wouldn't it be prudent for the government to have this information about waivers and collect it?

Prof. Saunders: Is that a question to—

Senator PRATT: Yes. Wouldn't it be prudent to collect that information, seeing as you're—

Prof. Saunders: Some time ago, we had conversations with the department about the need to get more granularity in the PRISMS data. There have been ongoing discussions about that, and work is being done. Recently, additional information needed to be added to PRISMS. So all of those things are happening. It's a matter now of making sure that the information that is collected is routinely looked at by the providers themselves as well as ourselves, the regulator.
Senator PRATT: So it's not routinely looked at currently?

Prof. Saunders: We look at it from the point of view of looking at the English language requirements, but the PRISMS data that we have access to does not allow us to get any more granularity other than understanding whether a student has—

Senator PRATT: About whose meeting the requirements.

Prof. Saunders: Yes.

Senator PRATT: Do you expect the information you're currently collecting to reveal that English language standards are currently being met?

Mr McClaran: Broadly, we do. We certainly don't perceive a crisis throughout the question of English language admissions, particularly because of the higher progression rates and lower attrition rates of international students. Nevertheless, in the case of individual providers, on the basis of what we find, we will certainly be recommending where they might need to take further action in order to strengthen their English language requirements. More generally, across the sector, we have been reminding providers of their obligations to respond positively to the new strengthened ELICOS requirements that were introduced last year. We're acting on a number of fronts. In due course, we'll be publishing a good-practice guide for the sector on good practice in the use of English language in admissions.

Senator PRATT: So the action you'll take will be to work with providers to lift their standards of entry as well as perhaps managing the pathways that students have through the institutions?

Prof. Saunders: Not necessarily lifting the standards. I think the standards are pretty solid across the sector.

Senator PRATT: The standard might be fine. It's about whether they let people in who haven't met that standard.

Prof. Saunders: That's right, yes. It's also to make sure that they are following their own policies and, as well as following their own policies in terms of admission decisions, it's to make sure that there's some tracking of the students coming through the institution so that if people have come through on a particular pathway of English language entry and are not doing as well it is picked up quickly and is able to be addressed.

Senator PRATT: I've certainly seen cases of, for example, students who do an English-language intensive or entry course, because they're getting ready to do university, who don't make as much progress on their English as they need to. It puts a lot of pressure on them because the university pathway is then complicated by the fact that they haven't met the English standard. I've seen cases where some institutions are a bit 'near enough is good enough' in that regard when there's a lot of expectation there. Have you seen that phenomenon yourself?

Prof. Saunders: No, I haven't seen that phenomenon myself. I am aware though that if there's a requirement for a student to achieve a certain level of English proficiency before being admitted into a degree course and the student fails to achieve that, having expected to have achieved that after 10 or 20 weeks or whatever of English language instruction, it does put pressure on students both in terms of delaying their entry into their course and the stresses and strains of living in Australia as a student. I'm well aware of that.
The new requirements of ELICOS providers—and that includes all the university providers who run their own English-language programs—are that they have to be able to demonstrate that successful completion of that course is equivalent to successful completion of other ways in which a student might have entered, such as through an IELTS test, TOEFL or whatever the other English tests are. The providers are well aware of that. That re-registration process for the ELICOS providers that we regulate—and we don't regulate all the ELICOS providers—is underway now, so we are expecting to be shown that there is benchmarking evidence that their students are at the level that they claim to be.

Senator PRATT: In terms of an update on the patterns of reliance TEQSA is seeing as a regulator in the higher education sector through risk assessments, are you concerned about the reliance that some universities have on international students for income?

Prof. Saunders: We've done some analysis of that. About 65 per cent of the sector—and I'm including both universities and independent providers here—have less than 20 per cent reliance on international student income.

Senator PRATT: But are there some institutions that are exposed in a concerning way at the other end?

Prof. Saunders: Yes, there are 18 universities that rely on international student income for between 20 and 40 per cent of their total income. There's one that has between 40 and 59 per cent. There's one university that relies on international income for 80 per cent or more of its income. We have some analysis of that. The most vulnerable group, of course, are not the universities, even though they have the vast majority of international students. Seventeen of the 63 independent for-profit providers rely on international students for more than 80 per cent of their revenue.

Senator PRATT: In that context, what is the intersection between the capping of university funding and reliance on international students? I've certainly seen that some campuses have had to completely change their plans. They were going to develop new campuses to meet population growth, but, because of the cap in places, they've had to pick up international students as an alternative strategy. What have you seen in terms of those trends?

Prof. Saunders: We know that, across the sector, international student numbers and revenue have been growing and have been growing for quite some time. I have not seen campuses, or a university overall, distressed because of international student income.

Senator PRATT: No. You wouldn't be distressed because of the international student income. It's the exacerbation of your reliance on that income because of constraint in the government's income and cuts from the government in university funding.

Prof. Saunders: I haven't seen that.

Senator PRATT: If TEQSA were concerned about overreliance on international students, what regulatory actions could you consider? Does TEQSA expect to need to take any of these actions in the future?

Prof. Saunders: We annually assess both financial viability and financial sustainability. One of the measures is concentration of revenue. In other words, providers who have a high reliance on a single source of revenue—be that government grants or international student fee income—are flagged. We have conversations regularly with those providers and we do our utmost to get them to understand the importance of diversifying their revenue sources.
Senator PRATT: Finally, what's your assessment of how the density of international students within the education environment affects the experience of Australian students? That might differ depending how diverse the international cohort is or if the international cohort comes from particular countries.

Prof. Saunders: I don't have data on that.

Senator PRATT: But have you looked at it?

Prof. Saunders: Anecdotally, you get a mixture of views. I think, at the institutional level, international students by and large are welcomed and they are—

Senator PRATT: Lifelong friends of international students, from my student days.

Prof. Saunders: That's exactly right. I'm also aware that, in some classes, 95 per cent of a class that might be undertaking a postgraduate business course, for example, might be of an international student cohort. I'm concerned there both for those students and the sector overall, in that case.

Senator PRATT: How does the regulator respond to whether an Australian student going in is aware of what the ratios might be? For example, if you attend a class and do a group workshop together where, suddenly, you find the students you're working with aren't talking the same language as you—I'm not saying that's necessarily a bad thing; it just needs to be managed. Surely people need to be aware about their level of participation in those kinds of environments?

Prof. Saunders: There has been a lot of work done in the last couple of years, under the heading of admission transparency, where commencing students and the like can have readily-accessible information about the nature of the cohorts of students that are in that particular provider. Part of that is getting an understanding of the student mix, and that's now required to be done.

Senator PRATT: Yes. I certainly encourage Australian students to study alongside international students. But, at the same time, you want to be confident that you're all getting a good education experience in terms of being able to communicate with each other. It's a very worthwhile experience.

Prof. Saunders: Yes.

Senator PRATT: TEQSA has published its review of the higher-education sector's response to tackling the issue of sexual assaults. I would like an update on the actions of TEQSA and the actions that providers have taken on the issue of sexual assaults on campus. We had a bit of an update at the last estimates—so anything new you can tell us in that regard. I note that this committee heard last October that you're producing a good-practice guide for providers on fulfilling student wellbeing and safety requirements. I think we've got a copy of that, but I'd like an update on its implementation.

Mr McClaran: In terms of the good-practice guide, that is currently at a pretty advanced stage of draft. We're now sharing it with a number of experts in the field around the sector, just to get their comments on it before we publish it. We're hoping to publish that, I believe, next month. We're pretty optimistic we should be able to publish that good-practice guide. So that's one thing. We have continued to add the question of responses to sexual assault and sexual harassment to all of our re-registrations. The commission now sees a report on
approaches taken by each provider that comes before it for re-registration. We continue to pursue individual complaints that we receive about particular issues. As we said last time, those remain relatively few in number; I think we have had around 12 in just over two years. I'm very pleased—

Senator PRATT: So they were 12 reports to you under the obligation of the universities to report to you, or were they from individual students?

Mr McClaran: No, they were reports brought to us either by students or advocacy groups on behalf of those students, in almost every case.

Senator PRATT: When I asked you how many incidents of sexual assault and sexual harassment were reported in the last year, did you say 12?

Mr McClaran: We have formally dealt with, over the last two years, since September 2017, 12 complaints about provider handling of complaints and incidents of sexual assault and sexual harassment.

Senator PRATT: How does that compare to the previous record?

Mr McClaran: I think I'm correct in saying that, certainly in the time I've been at TEQSA, 2015, and Professor Saunders might want to comment prior to that period, I don't believe we had received individual complaints about that particular issue before September 2017. September 2017 is when we received the first, and since then we've had a dozen, nine of which are resolved.

Senator PRATT: Some of that would be about the visibility of TEQSA in this space—

Mr McClaran: Yes.

Senator PRATT: Now that you're a regulator and there's a referral pathway. But what's your assessment of the overall statistics, about sexual assault and harassment on campuses, as to whether there's any meaningful change going on to bring down the rates?

Prof. Saunders: Universities Australia are conducting another survey next year. I think there's a pilot survey going to be conducted, involving a few providers, and then a full survey later in the year. That's going to be run, I think, by the ANU Social Research Centre. We will then know, I guess, whether there has been any change in trends.

Senator PRATT: So you aren't able to suggest whether campuses are safer now or not, in terms of the actions that you as a regulator and they as institutions have taken.

Prof. Saunders: We can say that there hasn't been any increase in complaints, for example, in the last six months, about welfare and wellbeing in general or sexual assault and sexual harassment in the particular.

Senator PRATT: Are universities, in the regulator's view, meeting community expectations when it comes to addressing sexual violence and assault?

Prof. Saunders: We found, I think, in terms of our follow-up of what providers were doing, there is a lot going on in this area amongst universities. Much of it's being led by the top senior management of the university. And there's been strong engagement, I think, with the issue. We have a database on our website that sets out the individual providers and what they're doing, and as they provide us with more information we update that. It's publicly available information around this matter, in terms of the actions the providers are taking.
Senator PRATT: So you will look at Universities Australia's data, when it comes forward, to see whether you need to interrogate further and look at your approach. What are your further plans to address this issue? If you see an increased number of incidents, or the incidents you still have are unresolved or you see there are universities in which this is an ongoing problem, what penalties or actions would you consider?

Mr McClaran: I have a couple of responses on that. I think the first thing is we certainly will, as we've indicated, look with a lot of interest at the follow-up report from Universities Australia. But we're also conscious of our responsibilities to the whole of the higher education sector. I think in our developmental work there will be, for us, a significant focus on working with non-university providers, which our previously reported survey indicated were, in many ways, significantly less far forward, in terms of implementing institutional-wide responses to the issue. I think that'll be a significant amount of our work. We think that the good practice guide will give quite a lot of encouragement, and we will be looking at responses to that to see for the take-up of the ideas and suggestions there.

Senator PRATT: Are you ruling out penalties or—

Mr McClaran: We are able to administer penalties, in terms of regulatory penalties, if we find a situation where a provider is failing in their duty, under the standards, to secure the wellbeing and safety of their students.

Senator PRATT: That's good to know.

Mr McClaran: So there is a penalty possibility.

Senator FARUQI: I want to start off with some questions about Murdoch University and, particularly, want to refer you to an ABC report about Associate Professor Gerd Schroder-Turk, the whistleblower on Four Corners who's been sued by Murdoch University after raising concerns about international students.

The university's counter-claim states Murdoch has incurred significant operational costs responding to investigations by tertiary regulators that were prompted by the Four Corners program.

Is the regulator that's referred to in Murdoch's counter-claim TEQSA?

Mr McClaran: We're certainly a tertiary sector regulator.

Senator FARUQI: But are you involved in that particular case?

Mr McClaran: In a legal sense?

Professor Saunders: I think what's referred to there is that we engaged with Murdoch and a number of other universities at the time of that Four Corners report and we are in ongoing discussions and, indeed, assessment of Murdoch with regard to the international student allegations that were made, and that has required Murdoch to provide us with a substantial amount of information. So I presume that's—

Senator FARUQI: Yes, that's the investigation they're probably referring to.

Senator Birmingham: Whether TEQSA is who Murdoch is referring to, you'd probably have to ask Murdoch.
Senator FARUQI: Yes, sure, but TEQSA has been engaging with Murdoch University to ask questions after that program?

Prof. Saunders: Yes.

Senator FARUQI: Do you think that Murdoch University would have incurred significant operational costs responding to your requests?

Prof. Saunders: I think—

Senator Birmingham: Could I say here: by all means respond, but let's also note that I think, Senator Faruqi, you're referring to statements made by Murdoch to the court as part of an active legal proceeding; is that correct?

Senator FARUQI: Yes, I think so. They have been talking to the media about it, not necessarily in the court.

Senator Birmingham: Okay.

Senator FARUQI: This is from a media report, not court proceedings.

Senator Birmingham: Well, responding to references from media reports but mindful nonetheless that there's a matter before the courts.

Senator FARUQI: Sure. I just want to know about the nature of it. Were there extensive requests that required the university to put in a lot of resources to provide you with that information, for instance?

Mr McClaran: I think our answer to that would be that we're governed in everything we do by our regulatory principles of risk, proportionality and regulatory necessity, so we do take care not to require, gratuitously, large amounts of information just because it's there or we might ask for it. We've asked for the information that we believe is necessary to help us resolve in our own minds the questions that were raised principally by that program in relation to that particular provider.

Senator FARUQI: Continuing on the theme of risk, I do want to talk about the risk of casualisation. I note from TEQSA's analysis of its risk assessment—I think it was the 29 July risk ratings report—that one of the greatest risks to students identified was overreliance on the use of casual employees. I just want to highlight—and I did so earlier this morning—that in 2018 Victorian universities were asked by the Victorian government to publish data on the number of casual and fixed-term staff. It seems that, of the eight public universities, 68.3 per cent of the staff were casual or fixed term. Do TEQSA consider the level of insecure employment revealed by the Victorian data a risk to the quality of education, research and community service that they deliver?

Prof. Saunders: I heard your discussion with the department earlier today about this. The issue that we face here is that we draw our information from the department—the Higher Education Information Management System, HEIMS—together with some data from some providers who don't contribute to that. We call that the provider information request. We collect that data in FTE terms. We do not—

Senator FARUQI: I do know that, yes. But that doesn't give you the full picture, really.

Prof. Saunders: collect that information on a head-count basis. So all I can talk to you about—
Senator FARUQI: But this data is available—

Prof. Saunders: is the proportions of FTE staff in the workplace. But that information is publicly available, and I'm sure you're well aware of it.

Senator FARUQI: I know. But the Victorian information, which gives you a better picture of the percentage of casual and short-term staff, is now also publicly available. Given that you have identified that one of the greatest risks to students is overreliance, do you think it is a risk that needs to be dealt with?

Prof. Saunders: I don't think we've actually found that overreliance on casual staff is a major risk. It is one indicator of a number of indicators that we measure in our risk assessments. A combination of low levels of senior academic leadership, high levels of casualisation of the staff, high staff-student ratios, you put that together and you would say that is a significant mix of indicators that would raise a flag and you'd be concerned about that provider. But many providers use casual staff quite explicitly. Some providers use large numbers of people coming in from industry for courses that give strong industry engagement with students. There are others like pathway providers—whilst they might have high levels of casualisation on the face of it, many of their casual staff are actually being drawn from the university upon which those colleges are located. So there are some nuances that sit behind the casualisation data that are important.

Senator FARUQI: I've worked at a university for a long time, and I know how this all works, and I have seen the massive increase in casualisation and contract staff. Have you done some modelling on this? Is there a number for casual employment that you'd consider could be a risk? Is it 20 per cent, 30 per cent or 40 per cent?

Prof. Saunders: We have thresholds for all our indicators. I'd have to take that on notice to tell you exactly what the risk thresholds are for casualisation.

Senator FARUQI: That'd be great. When undertaking your risk assessment exercises, especially in relation to casual academic labour, does TEQSA collect data on the number of people involved in the delivery of their courses who are not employees—you said that there were some who might not be employees—but are employed as individual contractors or under what are commonly referred to as 'sham contracts'? There have been some concerns raised with some for-profit higher educators about sham contracts. Is that part of your risk assessment?

Prof. Saunders: No, it's not.

Senator FARUQI: Why not?

Prof. Saunders: Because we draw our data from the Higher Education Information Management System—

Senator FARUQI: Which doesn't look at that.

Prof. Saunders: and it does not look at that.

Senator FARUQI: Do you think that the rate of casualisation then is being under-reported, especially given that scenario?

Prof. Saunders: The casualisation expressed in headcount is certainly under-reported.

Senator FARUQI: Are you concerned at all about the sham contracts?
Prof. Saunders: I don't quite understand what the sham contracts are.

Senator FARUQI: The sham contracts are when organisations tell staff that they're independent contractors, when they're in fact employees and should enjoy those benefits. Their contracts are being renewed and renewed, so they're effectively long-term employees, but the conditions that they get are contract conditions.

Prof. Saunders: What we're concerned about is the outcomes for students and the quality of their experience.

Senator FARUQI: Sure, but you have to consider the way that the staff are employed as well, because staff conditions eventually end up being student conditions as well.

Prof. Saunders: There are no standards against which to regulate that talk about those matters.

Senator FARUQI: Maybe you could think about putting some standards in.

Senator Birmingham: Aside from, obviously, workplace relations standards, which are enforced elsewhere.

Senator FARUQI: I just want to go to some questions about this contract cheating legislation, or the one that is being developed. What has TEQSA's involvement been in working with the department in consultation on that particular legislation?

Mr McClaran: In relation to the development of the legislation, we have had contact with the department. We've shared our views about the shape of the legislation. As a matter of public record, throughout, we have been supportive of the idea that there should be legislation around contract cheating, not because we think it will completely solve the problem, but because it will in some cases enable the prosecution of contract-cheating services which are exploiting students, and will more generally send a powerful signal about the seriousness with which the issue is taken. That helps to preserve the integrity of the higher education system here.

Senator FARUQI: Did you have concerns at all, which other stakeholders have raised, about the breadth of the legislation, which could capture collegial activity like tutors or students helping each other, or even parents helping students? Were you concerned about those issues?

Mr McClaran: I think it would be fair to say that we heard the concerns and we understand the concerns. We didn't share them in the sense that we're very clear about TEQSA's role and certainly, with regard to prosecution of contract cheating services, we had never envisaged—nor would we be remotely resourced for it—being engaged in widespread action against a large number of individuals. We don't believe, in any case, that that's an effective way of dealing with the problem, but we do believe what we thought was the intention, which is that it would enable us to take action against the provision of organised services for money. In some cases, it's not for money, but it's nevertheless organised.

Senator FARUQI: Did you recommend any changes to the legislation at all after hearing these concerns? You could still do what is intended without having the breadth of coverage.

Mr McClaran: In terms of the revision of the legislation, that is a matter for the department.

Senator FARUQI: Have you recommended a revision of the legislation?
Prof. Saunders: We have been involved in discussions with the department about the amendments.

Senator FARUQI: You have been involved. Great. I understand that your new role, for which you have been allocated additional funding in the 2018-19 budget about this particular piece of legislation, now includes intelligence-gathering on contract cheating. Could you explain what that actually entails?

Mr McClaran: Yes, I can. Much of contract cheating is facilitated by technological means—let's put it that way—and the spread of online technology et cetera. But, equally, many of the ways of detecting contract cheating are also facilitated by the use of intelligence to detect where contract cheating is taking place and the sources that it's being provided from. We're certainly in discussion with experts within the sector who are active in this space within their own universities or other providers and are doing work to find out about and develop ways in which it can be easier to detect when contract cheating has taken place. I think we're all pretty familiar with the concept of antiplagiarism software. This is moving on from that.

Senator FARUQI: They used it for years.

Mr McClaran: Yes. This is moving on from that to find ways in which patterns can be detected and intelligence can be provided—in our case, to TEQSA as a regulator—so that we can then take either appropriate regulatory action and/or share the intelligence around the sector to enable a stronger response from the whole sector to this problem.

Senator FARUQI: Thank you.

Senator STOKER: Hello, Professor Saunders. Do you remember our chat a little while ago in estimates about academic intellectual freedom?

Prof. Saunders: Yes.

Senator STOKER: Good.

Senator PATERSON: Fondly, I hope, Professor Saunders!

Senator STOKER: It's been a bit of an issue since, I suppose. So that's a good thing. Are you aware of the level of funding that The Conversation website receives through its university members? There are about 38 universities that are involved in that online publication.

Prof. Saunders: I do not know the level of funding that is provided to that organisation.

Senator STOKER: But you do know that public funding goes to those universities and they all jointly fund The Conversation?

Prof. Saunders: I know that public money goes to universities and I know that universities, as members, contribute to The Conversation, but the link between public moneys and The Conversation is not necessarily made by that.

Senator STOKER: I'll accept that. Are you aware of The Conversation's recent decision to ban the posting of comments by any person who questions the scientific work underpinning concerns about climate change?

Prof. Saunders: I'm not aware of the details of that. I am aware of one media report that drew my attention to that, but, other than that, I do not know the details. My memory of that
media report was that they were seeking to limit access to people who, basically, were at the extreme fringe end of activity. In another word, rant.

**Senator STOKER:** I can provide you with the release from The Conversation site, but it's probably enough for me just to quote the relevant part, which says:

Climate change deniers are dangerous—they don't deserve a place on our site.

The reason I raise the matter is I'd like to know what TEQSA has done to ensure that the universities in receipt of public funds that stand behind The Conversation uphold the fundamental value of academic and intelligent freedom in light of its decision to sensor unfashionable views on climate change.

**Prof. Saunders:** We've done nothing as an organisation about that.

**Senator STOKER:** Do you plan to?

**Prof. Saunders:** In current form, no.

**Senator STOKER:** Will this issue be managed differently under the free speech model code that's being implemented at the moment in Australian universities?

**Prof. Saunders:** I'd have to give considerable thought to that. As you know, The Conversation has a trust company structure. It's an independent, not-for-profit, charitable organisation. The trustees are drawn from a broad scope from the community, so it's an independent organisation that's managing its own affairs and making its own decisions. Therefore, I would have to think a little more about whether or not the regulator has a role in telling the university how it should spend its money.

**Senator STOKER:** If you'd like, I'd be happy for you to take it on notice. It's really important to me that any group using the credibility of being a publicly-funded university operates in a way that respects the primacy of free speech and intellectual freedom in their work. If you would take that on notice, I would value it greatly. Thank you, Professor.

I'll move on to a different issue. I've got some questions that arise from the report to the minister that was prepared by TEQSA on the higher education sector response to the issue of sexual assault and sexual harassment. Let me step back from that to start with and say, in its work—it's a touch philosophical—does TEQSA apply the principle that all people should be equal before the law?

**Prof. Saunders:** Yes.

**Mr McClaran:** Yes.

**Senator STOKER:** It shouldn't be too controversial, right? Another general principle: does TEQSA operate according to the principle underpinning our legal system that says that the more serious the consequences of a decision the higher the standard of evidence and proof there should be before that decision is made?

**Prof. Saunders:** I think that's part of our act—isn't it?—in terms of acting proportionately, necessarily and according to risk. Yes.

**Senator STOKER:** Proportionally. Beautiful. Lawyers would call it the Briginshaw standard, or something like that. This is an area that's really fraught with difficulties, and I acknowledge it's difficult. You want to make sure—everyone wants to make sure—that people who experience terrible actions, like sexual assault, are treated respectfully and with care and pastorally and that they get justice, but, at the same time, that report, in the way it
deals with at 4.3 procedures for responding, says absolutely nothing about the proper process for dealing with someone against whom an allegation is made. Given that an adverse disciplinary finding by a university from a sexual assault allegation under student conduct codes and so forth has the effect in many cases of meaning a student wastes the money they've spent trying to get a degree, wastes the time they've invested in their degree so far, can't enter the profession for which they've trained and has a destroyed reputation—and all of this has implications for the criminal law where they may also have to deal with the matter—there are a whole lot of penalties a court could never impose. I'd suggest it's very important that these things are proven to a high standard on the basis of reliable evidence. Would you agree with that proposition?

**Prof. Saunders:** Yes.

**Senator STOKER:** When I look at the procedures that are in place at the universities for handling situations like this, most of them provide, quite fairly, notice to the accused that an allegation has been made against them and an option to reply to it. So I guess I can give them a tick on that measure. But, for example, if you look at the University of Sydney student complaints procedures, they don't provide for access to the evidence that's been provided against a person, only access to the allegation. There's no power to call evidence in your own defence, no requirement for evidence against you to be sworn, no effort to ensure the reliability of evidence in the way that we would if something was done before a court and no right to legal representation, even though the effective and adverse finding can be the loss of all the things I outlined a moment ago. In addition to that, you've got no presumption of innocence and no right of appeal and—this is probably the worst part—allegations only need to satisfy uni administrators on the balance of probabilities. Does TEQSA regard this framework, which is reflected in the policies of most Australian universities, as an appropriate balancing of the real and serious needs of complainants with the fundamental rights of an accused to be treated equally?

**Prof. Saunders:** As you said, this is a very complicated matter.

**Senator STOKER:** Agreed. But does TEQSA regard that complete imbalance as acceptable?

**Prof. Saunders:** We haven't actually discussed this at the commission in those terms, and I think it would be inappropriate for me to give an off-the-cuff response at the moment. We are—

**Senator STOKER:** You produced a report on it. TEQSA has produced a report on this very subject, in which the issue of the rights of a person against whom a complaint is made did not even get a mention. So, TEQSA is engaging with this admittedly difficult subject. It shouldn't be a matter that's off the cuff.

**Prof. Saunders:** I'd have to remind myself of the contents of the report.

**Mr McClaran:** In relation to the report, that report was how we saw things at the time. We are, as you've heard in some of the early responses we've made, still very much actively engaged in this, trying to identify the good and best practice within providers. As with all our publications, we are very consultative and very open and we accept comments and contributions. So, if there are processes that are believed to be deeply flawed in the way that you suggest, then we're open to that. We don't re-run the disciplinary procedures of the
providers themselves. We seek to determine whether or not those processes are working in a
to be delighted to work with you to try to make sure that there
are processes in place that are working fairly for everybody in universities.
Mr McClaran: I'll just make one final point in relation to that. We also try to distinguish
between those matters that might be dealt with by an internal disciplinary process and those
matters that are matters to go before a criminal court, and not for either jurisdiction to step
across the other.
Senator STOKER: Thank you for your candour on that. I look forward to working with
you on it.
Senator CHANDLER: I note, Professor, that the Higher Education Support Act requires
higher education providers to have a policy that upholds free intellectual inquiry in relation to
learning, teaching and research. Does TEQSA have a role in ensuring that its registered higher
education providers have that policy in place?
Prof. Saunders: We discussed this about a year ago at Senate estimates—
Senator CHANDLER: You'll have to excuse me: this is my first one.
Prof. Saunders: in terms of the relative responsibilities between the department and
TEQSA. We don't administer the Higher Education Support Act. It's an act that relates to the
department in its funding.
Senator CHANDLER: But you administer the Higher Education Standards Framework—
Prof. Saunders: We do, and there are standards in there that relate to the same matter,
yes. And we do take that seriously and, when we're registering a provider, do examine
their stance on free intellectual inquiry. It needs to be prominently incorporated into their
purpose et cetera.
Senator CHANDLER: Yes. I note that in the framework, which I have here in front of
me. Has TEQSA issued any form of guidance to universities to aid them in complying with
this particular requirement?
Prof. Saunders: We have not written a guidance note on that standard. About a year ago,
or thereabouts, when we had this conversation, I undertook to do a review of the sector.
Within two weeks of me making that commitment, the minister engaged the Hon. Robert
French. He has generated an exceptionally good report, with a model code incorporated. It has
been tweaked by the chancellors and is now. I understand, being very seriously considered by
universities and other providers around the country. We have not really done anything more
than that, given that the Hon. Robert French actually was engaged to do that, and now it
seems this has a momentum of its own. We'd rather play an educative role at the moment
than, if you like, a regulatory role, in the sense of imposing penalties.
Senator CHANDLER: It does fill me with confidence that you describe the model code
as 'exceptionally good'. Thank you very much for that contribution. It might be a little pre-
emptive to ask this: in the long term, do you see TEQSA as having a regulatory role around
ensuring that these policies are maintained, if we adopt what's in the model code?
Prof. Saunders: What we would ask any provider to do in relation to that standard is to
demonstrate how they're doing it. At the moment, the proposal is that the code would be
voluntary. If you don't adopt the code or you don't adopt, if you like, an amended code that suits your particular needs as a provider, we would ask: what other means are you taking to promote and maintain freedom of expression, freedom of speech and freedom of intellectual inquiry?

**Senator CHANDLER:** Yes. To an extent, you take a flexible approach to ensuring that universities are complying with each relevant section of the standards. It's not a one-size-fits-all framework, but you do take that step back and assess whether or not the boxes are sufficiently ticked in whichever way a certain university may wish to try to demonstrate compliance.

**Prof. Saunders:** Yes. We don't write the standards. The standards are written by an independent Higher Education Standards Panel appointed by the minister. But, certainly, we know that the standards were deliberately written in such a way as to not highly be prescriptive in terms of what the provider has to do, but they are highly important in terms of requiring a provider to demonstrate how they are meeting that standard.

**Senator CHANDLER:** You have a quality assurance role to play in ensuring that universities are complying with the framework as well; is that correct?

**Prof. Saunders:** Yes.

**Senator CHANDLER:** So, in the long term, would you see TEQSA as having a role in performing that quality assurance process over universities in regard to intellectual inquiry?

**Prof. Saunders:** It's not just universities. We regulate a sector that has 170-odd providers, so it's important that we don't forget the independent providers, who are also very effective and active in this space.

**Senator CHANDLER:** Of course.

**Prof. Saunders:** But, yes, if complaints are made about a provider, in terms of aspects around freedom of expression and the like, or if we get intelligence from some other source, we will go and investigate that and, if necessary, we will talk with the provider about improving their policies, their procedures and their operations.

**Senator CHANDLER:** At the moment, what triggers a quality assurance review by you of any university for any element of the framework?

**Prof. Saunders:** Are you talking here generally, rather than about freedom of expression?

**Senator CHANDLER:** Generally speaking.

**Prof. Saunders:** TEQSA has a bit of a history. Back in 2013 a ministerial directive was issued. It was at a time when there was considerable unrest in the sector about TEQSA and its activities. The ministerial directive basically said we were not to undertake thematic reviews or any sectorwide actions until we actually completed our routine task, which is the regulation of higher education providers. That directive is still in place. When the TEQSA Amendment Bill is passed, there is a commitment by government to lift that directive, and that directive then will free us up, in consultation with the minister and the Higher Education Standards Panel, for us to undertake thematic reviews.

**Senator CHANDLER:** Yes. So at some point in the future—obviously not right now because, as we've discussed today, this particular area is in a bit of flux—could there be a
follow-up review on the abilities of universities to comply with intellectual freedom requirements?

Prof. Saunders: The answer to that is yes, but I think it has to be on the basis also of priority, and it also has to be on the basis of the principles that we act under. We act under principles relating to risk and proportionality and necessity. If there doesn't seem to be a significant problem in the sector as a whole, it would be difficult for us to undertake such a review, which actually imposes a burden on the sector. I think, obviously, freedom of speech and freedom of intellectual inquiry are absolutely central to what a university is—to what any higher education provider is—and if those are not being upheld, then, clearly, action would be given priority.

Senator CHANDLER: Do you think it's a concern at the moment?

Prof. Saunders: No, I don't actually. Nor did the Hon. Justice French—without putting words into his mouth. What he observed is what I mentioned to Senator Stoker, I think, when we talked about this a year ago. There is an issue around which the general principles of freedom of speech and freedom of intellectual inquiry intersect with lots of policies that universities have, and codes of conduct and the like, which are probably too loosely framed and not precise enough, and therefore there is this potential for a clash between the principle on the one hand and then what one's policies and procedures are saying. They need to be tidied up, and my understanding is that many universities are taking this very seriously and are actually tidying those policies up.

Senator CHANDLER: But you do accept that there are students on campus that are concerned about expressing certain views that they have, if those views are different to, say, the views of their lecturers or their teachers?

Prof. Saunders: I'm aware of media reports and the like. We have a student expert advisory group at TEQSA. We meet with those student leaders. There's about 11 or so of them—is that right, Anthony? Yes.

Senator CHANDLER: How are those student advisers selected?

Prof. Saunders: They're leaders of peak bodies. There's the president of the National Union of Students, there's a number of diversity groups, the CAPA—the postgraduate association—and the like. They're student leaders.

Senator CHANDLER: Could you take on notice for me the complete list of who those leaders are?

Prof. Saunders: Sure.

CHAIR: Is the Australian Liberal Students Federation one of them? They're a peak body, so are they represented?

Senator CHANDLER: That's what I was going to ask, yes.

Prof. Saunders: No.

CHAIR: That's a shame.

Senator CHANDLER: Interesting.
Prof. Saunders: And we've raised this matter with them, and I must say, they did not feel that they were being impeded in terms of expressing their views or listening to other people express their views. So they didn't have it as a high priority.

Senator CHANDLER: Given the names that you've just reeled off, perhaps there could be more room for the diversity of those views—if we're still hearing from students on the ground on campus that there are concerns.

CHAIR: That concludes questions to the Tertiary Education Quality and Standards Agency. Thank you very much for coming along, and I thank your officers for coming along also.

Australian Institute for Teaching and School Leadership Limited

[15:44]
CHAIR: I welcome representatives from the Australian Institute for Teaching and School Leadership. I welcome Mr Grant, the Chief Executive Officer. Do you wish to make an opening statement?

Mr Grant: Yes, I do. Thank you.

CHAIR: That's a pity! Sorry! I hope it's a short one; that would be fantastic. Over to you, Mr Grant.

Mr Grant: It's just too good an opportunity to pass up on the eve of World Teachers' Day to make a few comments. I will make them brief. I'd like to just take a moment to recognise tomorrow is World Teachers' Day, celebrated across Australia. It would be remiss not to recognise the amazing work that happens in schools and our early childhood centres across the country.

AITSL obviously exists to serve and lead that profession—something it's done with pride for its 10 years. One hundred and sixty thousand educators are part of the AITSL network signed up to our monthly news. As our board chair, Laureate Professor John Hattie, says, 'We don't need to go too far. We don't need to go to Singapore or Finland to see expert teaching practice happening.' And, of course, he's absolutely right. You could go a few minutes down the road from here, in fact, to Evatt Primary School where Glynis Steward is a nationally certified teacher. Glynis received an Australia Day honour earlier this year for her lifelong commitment to teaching and impact on students. Or you could go, as I did, to Gunbalanya School in the Northern Territory where I had the privilege of visiting, earlier in the year, to see the school and local community working quite uniquely in partnership to achieve amazing outcomes for the students of that school. They're just two of the countless examples across Australia.

You'd be aware that the research shows that, of all the in-school factors, it's teachers who are the No. 1 influence on student outcomes, second only to the role that parents and community play. By investing in teachers we directly invest in a most valuable asset: the next generation of Australians. Tomorrow is World Teachers' Day and I encourage everyone to think about the teachers who made a difference to all of us in the past. I encourage you to share that reflection with whoever might be important to you: families, constituents, colleagues, friends et cetera.
The theme for AITSL and World Teachers' Day tomorrow is: teaching a bright future—a special focus on the beginning teachers. The theme is making sure that we invest in the next generation of teachers to support them as they move into and through the teaching profession, but, equally, acknowledging the key role of experienced teachers, including some of our most expert, who give up their time generously to coach tomorrow's teachers.

Ultimately, World Teachers' Day is about reminding the community of the value of teachers and celebrating the profession. So, when you're out in schools and early childhood centres working with teachers, see their experience firsthand and their impact and commitment. For these reasons, I'm confident of a bright future for teaching.

Lastly, for those following the hearings, tonight you might want to jump onto Twitter for #hattiechat with Laureate Professor John Hattie from 5.30. I'm happy to provide a copy.

CHAIR: That would be good. Thank you, Mr Grant.

Senator Birmingham: I would like to acknowledge that this is Mr Grant's first estimates as the CEO of AITSL. I congratulate him on his appointment and welcome him.

CHAIR: Welcome. We shall treat you with the respect that all other witnesses are treated with here. I mean that sincerely and nicely; we're a nice committee.

Senator Pratt: Thank you for your shout-out to teachers for World Teachers' Day. On behalf of all members of the committee, we share your good wishes. I don't think any of us would be here today without our journey through education that has been there because we've had teachers to guide us and support us. I give a special shout-out to my son's teachers, Ms Merenda and Ms Dunne at Maylands kindy, because I know what a different they make to our family and to his life. Thank you. I've missed him this week. It's really nice to be reminded of those who are teaching and educating our children while we're stuck here in Canberra.

I'd like, please, an update on AITSL's forward plan and strategy, particularly in relation to the Education Council implementation of the reforms in the National School Reform Agreement.

Mr Grant: There are a couple of points there. We're a contributor to some of those elements. We're certainly a contributor to some work around the learning progressions and the online formative assessment piece with colleagues in the ACARA and ESA companies. That's a big piece of work that's progressing its way through to the Education Council in due course. We've certainly got some other key work to do that goes to the Education Council between now and the end of the year. Some of them are related to pre-election commitments. Some of them are more directly related to content in the National School Reform Agreement.

Senator Pratt: Is there information that you're able to provide to us on notice that gives us an idea of what the elements of that are?

Mr Grant: Absolutely, yes. The elements are described quite clearly in the National School Reform Agreement, and, against that, our role would easily be able to be given to you in writing.

Senator Pratt: I note the revised accreditation of standards and procedures for initial teacher education programs in Australia was endorsed by COAG last year. Progress and changes were to be reported back to the council by June 2019. Has that report been made?

Mr Misson: Yes, that report did go to council in the middle of the year.
Senator PRATT: It's gone to council. When does it become public? How does it get implemented? Who's got it now?

Mr Misson: It's my understanding that council papers are not routinely made public, so I don't believe there are any plans to publish that report, although we do publish a range of material on the progress of those reforms on our website. The next steps are that we continue to implement those agreed reforms. That report to Education Council is annual and will be provided again in the middle of 2020.

Senator PRATT: Is it possible for this committee to ask for a copy of that report?

Mr Misson: I might defer to the department on the confidentiality of council papers.

Dr Bruniges: It's a matter for council's decision. We will check with the secretariat about whether or not council is prepared to release that report.

Senator PRATT: Thank you. Page 18 of your annual report stated that you've developed a proposed standard-setting methodology. Could you please give me an update on that methodology and when it will be implemented.

Mr Misson: That methodology is in the process of being implemented. We've worked with the standard-setting advisory group, which is referenced on that page of the annual report, to develop the methodology and have now begun workshops focusing on setting the standard for particular accreditation standards—the requirements of those teacher education courses, if you like—and the results of those workshops will then inform our training of the panellists who assess the quality of those programs.

Senator PRATT: Are you able on notice to provide a breakdown of entrants into teaching courses by ATAR decile and the higher education providers and their entry levels?

Mr Grant: We don't hold that information. We would need to seek it from various other bodies.

Senator PRATT: Is there a body I can put it on notice to other than you, or can I put it on notice to you?

Mr Misson: I think the higher education data is actually held by the department—whether those cuts can be done and so on.

Dr Bruniges: I'll take that on notice and see what we can provide. It's probably the University Admissions Centre, if you're talking about ATAR decile. It could be the University Admissions Centre, I think, but we'll have a look at what the department has.

Senator PRATT: Am I able to put things on notice to an agency that's not here, hasn't appeared at estimates, hasn't been invited? We'll put them on notice to you and we'll see where we get. What percentage of students entered into teaching courses with an ATAR greater than 80? Do you know? No?

Mr Grant: Certainly not now. The ATAR is a consistent label that's implemented within each jurisdiction in a slightly different way. I certainly know that more than 70 per cent of pathway is not through direct ATAR, but I don't have the answer to give here.

Senator PRATT: Perhaps you can take that on notice as well. Is there a trend in the ATAR of students taking up teaching courses? You noticed that 70 per cent might have a different pathway. Is that a growing trend? Seventy per cent seems quite high now.
Dr Bruniges: I would think, if you reflected back over the last decade or so, that percentage would have increased to non-ATAR pathways into universities. Seventy per cent is a lot. And I know different jurisdictions have put different thresholds on some entries and achievements—in the case of New South Wales, having at least three band 3s to access certain course provisions. But they're jurisdictional-specific.

Senator PRATT: In terms of the literacy and numeracy test for initial education results, is it possible to ask for those by state and university?

Mr Misson: That test is managed by the department. So, once more, I think, we don't—

Senator PRATT: I'll put those on notice to the department. At what point would poor results or consistently poor results trigger a reassessment of course accreditation?

Mr Misson: Do you mean poor results on the literacy and numeracy test?

Senator PRATT: Yes.

Mr Misson: That would be a matter for the state and territory regulators who accredit those courses. Each course, apart from any intervention in the meantime, comes up for reaccreditation at least every five years. The nature of that is to look at a range of data and evidence on the performance of the course. It would certainly be scrutinised carefully at that point.

Senator PRATT: By the state or by AITSL?

Mr Misson: By the state and territory regulators—they have that function constitutionally.

Senator PRATT: Have there been any suspensions or conditions imposed on accreditation of initial teacher training courses that you're aware of?

Mr Misson: We would have to take that on notice and ask each of those regulators whether they were willing to provide that information.

Senator PRATT: In relation to the Teacher Workforce Data strategy, has the data for 2018-19 been collected? Are we able to have that data, please, as a committee? If it's not ready yet, will it be available soon?

Mr Misson: Data has been uploaded from the majority of jurisdictions now. I'm just looking at the table here. There are some who are not yet in a position to participate—notably, Western Australia and Tasmania still require legislative change. That data at the moment is raw data that's securely held and could only be released with the approval of the oversight board that governs that dataset. There are no reports published yet, but we expect the first of those within, perhaps, the next six months.

Senator PRATT: So that's the data that will go into the workforce data strategy; is that right? Can you explain how the strategy is going, please?

Mr Misson: There are two related projects. There's the Australian Teacher Workforce Data project, which is the collection of data on teachers around the country and initial teacher education students. The Education Council, through the National School Reform Agreement, has agreed to develop a national teacher workforce strategy. Council has asked AITSL to lead that development, and we're in the early stages of consulting with stakeholders about what should be in that strategy. That will be informed by the data but it will go further to look at trends in the workforce, what the future of the teaching workforce looks like and what actions might be taken to deal with those emerging trends.
Senator PRATT: Can I ask just briefly—and it might be relevant to other parts of these questions—about the availability of ATAR-entry teachers for physics, chemistry and whatever the advanced maths is these days. I'm assuming your workforce strategy will go to those questions?

Mr Misson: In terms of the workforce strategy, supply and demand is a big issue. Supply and demand in particular subject areas is certainly a big issue.

Senator PRATT: What are the key areas in which there's a lack of supply?

Mr Misson: Anecdotally, what we hear is those subjects you've mentioned—maths, sciences, foreign languages—technology seems to be emerging and there's a geographical dimension. Remote areas are traditionally harder to staff.

Mr Grant: There are two key points to make. One is that this is a project that will attempt to give some visibility to the questions you're really raising in a national sense and, from that, the means by which to address some priority needs. At the moment, it occurs within jurisdictions and by employer groups, but there's not necessarily a national sense of what the data might look like.

Senator PRATT: I've certainly noticed in my own home state of WA that there are more high schools than I would have expected that don't offer chemistry, physics and advanced mathematics. It becomes a kind of circling inevitable perpetuating thing because families stream their children out of those schools if they think they've got an aspiration for them to do those subjects and they might move or they might send them to a private school and so the schools' ambition to recruit those teachers never comes to the fore. Then, of course, the demand might also drop in part because of the non-availability of a teacher. I'm very concerned about this phenomenon. Are you able to tell us how you think the strategy might address those kinds of issues?

Dr Bruniges: If I might give you an example of one. I'm sure Mr Grant will be well aware of this one too. There are virtual colleges that have your physics teacher in one location teaching physics to students who are in their home school via technology. They're not leaving their community, but they're actually accessing curriculum content taught by a physics teacher in a different location. We've seen pockets—it's not systemic by any means—of those things to try to ensure that curriculum access for students in areas where you don't have sufficient subject expertise is kept broad. Out of the workforce data, the other thing I'd say is we'd probably see a bit of a pattern of out-of-field teaching. When I say that, I mean that year 12 has a maths teacher. By the time you get to year 7 or year 8 you've got the art teacher trying to teach pick-up mathematics. I think this data strategy will be really useful for us to look at what we have got and where we need to do it and then have further conversations with preservice education providers.

Senator PRATT: Yes. On the eve of World Teachers' Day, I don't think any student who wants to study physics should be deprived of a phenomenon like that of my high school physics teacher, who used to wear his long socks pulled up with his shorts in the classroom, but he was a great physics teacher. I digress. What proportion of students who begin an initial teacher education course graduate?
Dr Bruniges: This would go to attrition data, I think, by a faculty. I'm happy to take it on notice. It may be in the higher education data that we have, or may not. We would look at attrition: who is dropping out when.

Mr Grant: We don't hold the data, but I think your question points to something that school principals, particularly, talk about anecdotally, which is that graduates from certain initial teacher education programs seem to have different retention patterns. Some seem better prepared and stay longer, and the attrition rate is lower. For others the reverse might be true. I say 'might' because the data is just not there to give anyone confidence.

Senator PRATT: Will the data be in this workforce data strategy? Is the data sitting there waiting for you to use it? Will it go to the kind of analysis you're talking about?

Dr Bruniges: We should bring as much data as we can into that analysis to be able to get a full picture.

Mr Grant: Absolutely.

Senator PRATT: I was concerned that the information you've got about workforce supply for physics, maths and chemistry is also anecdotal in terms of the spread of those teachers. What are you doing about that?

Mr Grant: From an AITSL perspective, we don't have the remit that I think your question might go to, which is, at the moment, some ability in a national sense to seek from the university sector and from the employers some sort of a match between the workforce supply need in, say, chemistry, physics or whatever against the provision of future teaching supply.

Senator PRATT: What about mapping which schools do and don't have those teachers currently?

Mr Grant: Again, at the AITSL level, we don't have the data, because it sits within the jurisdictional boundaries of independent, Catholic and government school sectors, who do have an approach to workforce planning. But, again, bringing that together nationally and then perhaps having a conversation with our university and other initial teacher education partners to match supply and demand is a key issue I'd like to see out of that project in due course.

Senator PRATT: There was a 2016 report into early career teacher attrition rates in Australia. It noted that there's no national data on the number of teachers who leave the profession. Are you able to provide us with an update on that kind of data? Have you done any work on that?

Dr Bruniges: This is teachers who leave the profession in the first couple of years of teaching.

Senator PRATT: Yes.

Dr Bruniges: Again, the jurisdictions will hold that data in their own state and territory workforce profiles, but I don't think we got a national source for that.

Senator PRATT: Does AITSL have a role in improving teacher retention rates?

Mr Grant: We're certainly playing a role. We're playing a role around, firstly, looking at induction support when those beginning teachers, if you like, enter the classroom for day 1. We provide a whole range of resources—that are quite well used, actually—for newly appointed teachers. Equally, though, we partner with all of the jurisdictions, the employers
and, to a large extent, the university providers around making those graduate teachers aware of induction resources. We partner, where we can, with the employers around how their induction processes can be supplemented or better supplemented by AITSL resources. But we also recognise that, at the school level, there's a real role to play around induction support for beginning teachers—particularly by mentors. In our case, we would see the highly accomplished and lead teachers best positioned to be one of those mentors with their expertise.

Senator PRATT: Given the limitations of the data that you've said you've got about where attrition is happening and why, how do you target that? Do the states just pick it up?

Mr Grant: Essentially, the states are the delivery arm and do the matching between the beginning teacher and a coach or a mentor. Some of those employers actually have quite formal programs where they put in money to buy the time to allow that mentoring to work. In other cases, they do it through a connection process between the beginning teacher and somebody like a highly accomplished teacher.

Senator PRATT: It's recommended, I note, that teachers receive 20 hours of ongoing professional learning. However, AITSL's annual report shows that some teachers haven't received even 10 hours of professional learning. Does AITSL have a plan to address this?

Mr Grant: It's a very interesting point you make of the way in which some teachers report their professional learning—and some of this goes to the definitions of 'professional learning' versus 'training' versus 'compliance'. There's a series of discussions in those spaces. But equally, some jurisdictions, through the employers, have a different hourly requirement. You mentioned a figure, but in other parts of Australia, the figure would be different. We know there are many teachers who report much higher figures on professional learning.

One of the things we are looking to do is better generate some awareness from the jurisdictions across Australia about who does what in the professional learning space. One of the things we're working on is something called a high-quality professional learning approach to bring the best of those practices together to share across Australia.

Senator PRATT: I'm assuming that the teachers who do a lot more of that have enthusiastically put up their hand and sought it. So what's going on for the teachers that aren't getting adequate teaching?

Dr Bruniges: If I take Mr Grant's point, like compliance training, most jurisdictions will have mandatory child protection training for their teaching workforce. I know in some jurisdictions it happens at least annually. There'll be professional learning that's conducted on pupil-free days in some jurisdictions. They might dedicate some time in groups of schools, sometimes, to do teacher professional learning. There'll be teachers undertaking masters degrees and other courses of study through university. So it can be quite mixed out there depending on the school you're at, where your personal career trajectory is and what you choose to do. There'll also be the mandatory component of things that schools need to do for compliance purposes that are mandated. There's a whole section of those these days.

Senator PRATT: Mr Grant, you highlighted what happens. I'm unclear whether AITSL's got a role in trying to lift the level of professional learning for those and whether there's an assessment of who's not getting enough and how you see that.
Mr Grant: For an individual teacher, we would be working through the employers and the jurisdictions, because we have the national role rather than, if you like, the closer touchpoint that an employer would have. However, what we do is provide the necessary information and evidence base for things like highly accomplished and lead teachers, where the standards for teachers articulate in a very explicit way, through those 37 elements, exactly what best practice looks like, moving from graduate through to lead. That provision of information, the national language that teachers use—

Senator PRATT: Okay. In a general sense what I'm picking up is that you're responsible for the standards and the content but not who it's getting to and whether it's getting to the right people.

Senator Birmingham: One point that hasn't been raised is, of course, that the extent of professional development requirements is also often the subject of industrial negotiations at state and territory level.

Senator PRATT: I don't dispute that.

Senator Birmingham: So there are a serious of complexities there. If my recollection is correct—it is a little bit hazy now—I think the ministerial council had commissioned some work—maybe not necessarily directly from AITSL—about trying to look at what standard professional development should take, so what is acceptable in terms of professional development and high-quality work. I think a couple of jurisdictions were playing the lead role in that regard, trying to establish some more common benchmarks there. For example, the type of compliance training that Dr Bruniges speaks of may not be professional development in terms of wanting to actually achieve advancement of teachers' skills in impact of their teaching on teachers. What AITSL, I guess, are doing, in the type of benchmarks they provide for highly accomplished and high-impact teachers, is about being able to go beyond the minimum standards of professional development to provide career pathways that hopefully keep high-quality, high-impact teachers in the workforce with a career path for their high skills to be recognised.

Senator PRATT: In terms of the National Review of Teacher Registration reports, at the additional estimates this year AITSL was asked about an implementation strategy for the recommendations of the National Review of Teacher Registration report, and that was to the Education Council in December. That was in a question on notice that was provided. I'd like, please, an update on the implementation strategy for the review's recommendations. At the time you answered, you didn't present an implementation strategy.

Mr Grant: Just very quickly, there are three big buckets that cover those recommendations around strengthening children's safety, reinforcing teacher quality and streamlining teacher registration processes. On the strengthening children's safety piece, there's been a real focus on accelerated work across all of the jurisdictions to change legislation and other requirements to meet the intent from that particular suite of recommendations. But, as to your broader question about the recommendations and where they are up to, at the moment those recommendations are the subject of consideration across Australia, and they will ultimately go back to the Education Council for decision at the end of the year.
Senator PRATT: So it's not until the recommendations are accepted that there will be proper implementation?

Mr Grant: We are proposing implementation suggestions to assist senior officers and ministers to make a decision on those recommendations.

Senator PRATT: On principal certification, are you developing a process for certifying principals prior to their appointments? If you are, we'd love an update on the progress that's been made. When do you expect to be certifying principals?

Mr Grant: What we are doing is looking at the way in which standards for teachers and the standard for principals are operating, and in that gap for what I call 'middle' school leaders—assistant principals, deputy principals et cetera—what might be an explicit set of descriptions for their work. I am aware that the minister has recently received and approved a suggestion to formalise something that would fill that gap and therefore would go to—

Senator PRATT: That's interesting, but my question was about principals being certified, not 'middle' school leadership.

Mr Grant: As I was trying to say—and, therefore, it will go to your process in that there would then be a description in the layer prior to principal that would inform and allow workforce planning decisions to be made within jurisdictions about that. To the point of certification, AITSL does not certify principals.

Senator PRATT: So in order to do the competencies, qualities, descriptions and assessment for principals, you're doing both the senior leadership level and the level below it in order to make it comprehensive. Sorry for having misconstrued and interrupted your answer. Was there ever a policy from the government to certify principals?

Mr Misson: There certainly was discussion of that idea at some stage. There was an organisation called the Principals Australia Institute that ran some pilots of a certification process.

Senator PRATT: Is that what's evolved into what you're doing now? Is it a change of policy from the government or—

Mr Misson: I think they're related ideas—the question of how we best prepare people for the principalship. I'm not sure about the ins and outs of the government policy on that matter.

Senator PRATT: I've got some questions about highly accomplished and lead teachers, which I can put on notice. But, before we finish, I would like to briefly ask you about the outcomes of your 2018-19 stakeholder survey. What key areas of improvement were identified?

Mr Grant: We do have some data on that that we could share.

Mr Misson: Somewhere in this folder, Mr Grant, I'm sure we had, but I can't find it! We might take that on notice too, if that's all right?

Senator PRATT: Okay. Did it highlight areas for improvement? How does that survey relate to your key work plan at the moment?

Mr Grant: I know we've got some data here, so Edmund will look for it while I give you what I'm aware of. Ninety-seven per cent of the respondents—and I think there were something like 6,000 or 7,000 respondents—were aware of the AITSL standards. A huge proportion were talking about using those standards. The feedback I took away for us is that
there's never an endpoint to it. You're forever doing the work that you are with both teachers entering the profession, whether that be at the mid-career stage or graduate stage, as well as going through, with the jurisdictions and the employers, what the survey meant in both a jurisdictional sense and a national sense.

Senator PRATT: In a national sense, is it concerning to you that only 62 per cent of those who completed the survey were aware of the Professional Standard for Principals?

Mr Grant: That was for principals, not teachers?

Senator PRATT: That was my understanding, yes.

Mr Grant: For the principals group—I'm happy to say that I've been one.

Senator PRATT: I'm sure you're a good one.

Mr Grant: I think the difficulty for principal groups is that I think they've probably come later to the game around the standards. What I mean by that is that AITSL's work predominantly was pushed out to standards for teachers initially, and I think there's still quite a bit of work going on about the education process.

Senator PRATT: If they hadn't turned into a bureaucrat like you, they might not have known about it. Is that what you're saying?

Mr Grant: I think the 62 per cent reflects the fact that there hasn't been the same emphasis on the professional learning for principals about the standards as there has been for the workforce of teachers about the standards.

Senator PRATT: You've got an operating surplus in 2018-19 of $4 million. What is the reason for that?

Mr Grant: Yes. We received some money late in the 2018-19 financial year, just before I started. So it's a timing issue. That money will be the subject of approved future deficit forecasts of both $2 and $3.7 million respectively. It's purely a timing issue. That's been approved through both the Minister for Education and the Minister for Finance.

Senator PRATT: So it's for your ordinary business, not for special projects or anything like that.

Mr Grant: The targeted use of the funds, do you remember what—

Senator PRATT: Is it targeted funding or is it just the timing of the funding for your day-to-day operations?

Mr Grant: It's just the timing, when we received it, and our ability to spend it is best met over two financial years.

Senator PRATT: Thank you. Happy World Teachers' Day to teachers everywhere tomorrow!

Senator DAVEY: I have a couple of very brief questions. On the eve of World Teachers' Day, I apologise to all my former teachers. I made it through! And I do thank my children's teachers, who are doing an outstanding job. Thank you for raising that.

Learning and teaching is an ever-evolving methodology, as we all learn through life. I know that during the federal election a lot of the education and curriculum issues were top of mind. One was phonics and developing teachers' skills in the area of phonics. Can you please
provide an update on the work that you're doing to help strengthen the capacity of graduate teachers to teach phonics?

Mr Grant: Our clear remit here is to utilise some advice from experts around the way in which the standards that are used to accredit for the initial teacher education programs across Australia reflect, explicitly, the place of phonics within the reading program that is taught to those graduate teachers. We'll have some advice on any changes that may be required to the explicit nature of those standards at the end of the year.

Senator DAVEY: Thank you. The other area that was raised, particularly in my interest area, at the time of the election—and we talked about the need to increase students' food literacy and understanding where their food comes from—came on the back of multiple studies over the years that show young children and students have lost a connection of where their food comes from. They don't realise that yoghurt is an animal based product or that cotton is a plant based product. Are you looking at ways we can do a similar thing—to what we're doing for phonics—for food and agricultural literacy in that young phase?

Mr Grant: No, we're not. The remit is specific to phonics, as I described earlier.

Senator PRATT: Is there a curriculum—

Mr Grant: It would be a curriculum if it's teaching to students, but if it's for graduate teachers—

Dr Bruniges: I thought that was a very powerful story. I saw that story myself. But in jurisdictions, I think, there is a lot of work being done around teaching and learning materials to address some of that, in a curriculum sense. It's both pre-service education and, more so, classroom teachers designing activities, given that was front and centre, to be able to expand the knowledge base of students. But Ms Gordon might also have something to say.

Ms Gordon: Only that the initial teacher education is really around how to prepare teachers to teach the curriculum. They don't necessarily cover all the detail of the curriculum, but they develop the skills to be able to teach the content. I guess it is around the resources, what Dr Bruniges was talking about, available to teachers when they are teaching the different learning areas at different levels, about the resources available to help them to teach those effectively.

Senator DAVEY: And I am aware that the New South Wales government, for one, is looking at this from the curriculum side of it. I'm just trying to work out, federally, how we assist that to be rolled out adequately across the board so that it is actually happening instead of just being piecemeal.

Dr Bruniges: Sometimes there can be a series of lesson plans developed and put on a website—ACARA has that, and they're coming later today—that will often provide a lot of teacher support materials, and that might include lesson plans for teachers to teach or activities or videos and a whole lot of things. That's probably the road in that teachers would take—"What are the resources, what do I know and what can I use to be able to work with students?"—right from a young age through.

Senator DAVEY: There is just one last topic, and it's one that I think is particularly pertinent in regional and remote areas. What work are you doing to help address teacher and school leader abuse and make sure that our teachers are safe in their workplace?
Mr Grant: This is the second of the three pre-election commitments that have come AITSL's way. Mr Misson leads it personally; he might comment in a moment. Essentially, it's in the early stage as well, in the sense that it's probably, in truth, about six weeks into some of the collaboration stages with jurisdictions—very early, in fact; we haven't finished a round of those at this point. But the intention is to see what's in play around Australia, not just for teachers, but school staff more broadly. It will look at abuse in any form—it could be social media; it could be physical—whatever it might happen to be. We're mindful, as mentioned earlier, around where the industrial relations matters might sit here between employer and union representatives, so our role will be to bring together a collaborative approach and put visibility on these issues as opposed to determining anything that might get in the space of those industrial relations laws.

Senator DAVEY: So it's a good question for me to ask again at the next estimates. You'll have more to tell me.

Mr Grant: We will absolutely have some milestones to report to you, but it's literally six, maybe eight weeks at the most—very early days.

Senator DAVEY: I do look forward to following it up at the next estimates, because it's a very important issue.

Mr Grant: Absolutely.

Senator O'SULLIVAN: On indulgence, if I may, Chair—

CHAIR: Yes, very briefly.

Senator O'SULLIVAN: My mum is a teacher. She's been a teacher in the same primary school since 1998; she's still there. So, Mum, a shout-out to you on the eve of World Teachers' Day.

CHAIR: This is just shameful and shameless—my mum was also a teacher! So, hello, Beth, if you're listening.

Senator Birmingham: Chair, just at the risk of my children feeling they might be missing out, a shout-out to my kids' teachers, but more particularly to my eldest's teacher, who is in the middle of year 3 school camp and is probably feeling quite sleep deprived at present.

CHAIR: Isn't that sweet and nice—I mean that sincerely, Minister. We are now going to break for afternoon tea. We'll resume with ARC. Those from the Australian Institute for Teaching and School Leadership, consider yourselves released. Thank you, Mr Grant, and your senior officers, for coming along today.

Proceedings suspended from 16:28 to 16:45

Australian Research Council

CHAIR: Good afternoon, everybody. I welcome Minister Duniam to the table, replacing Minister Birmingham, who has left us.

Senator Duniam: Thank you.

CHAIR: I welcome the Australian Research Council—in particular, Professor Thomas. Do you wish to make an opening statement?

Prof. Thomas: No, I don't.
Senator FARUQI: Thank you for coming in to provide evidence. I'll start with a line of questioning on the future fellows program. I understand that there were 100 future fellows announced last week. There were five Indigenous focused projects in those announcements. But there are no fellows, as far as I understand it, who are Indigenous. Is that correct?

Prof. Thomas: We have seen that report in the media, and I have no reason to dispute that. It is important to say, though, that since 2016 the ARC has supported 121 chief investigators who identify as having Indigenous heritage.

Senator FARUQI: Is there a particular reason why Indigenous projects don't have Indigenous fellows? Is there a lack of support that is needed in universities to support Indigenous researchers? I just want to understand what the situation is.

Prof. Thomas: That would be a matter best addressed by universities. In our programs, we support both chief investigators who identify as having Indigenous heritage as well as researchers of a variety of backgrounds who may be working on research related to Indigenous matters.

Senator FARUQI: So the ARC really does nothing to consider support for Indigenous researchers? That's not something that you do?

Prof. Thomas: Yes, we do. In addition to Indigenous researchers being able to apply across all of our schemes, as with other chief investigators, we have a specific scheme called the Discovery Indigenous scheme to build capacity and support researchers of Indigenous heritage.

Senator FARUQI: Did you say you've had 150 Indigenous investigators in the last two years?

Prof. Thomas: Since 2016 there have been 121 chief investigators who identify as having Indigenous heritage.

Senator FARUQI: Was that in the future fellows program or separate programs?

Prof. Thomas: It's across a number of the ARC programs.

Senator FARUQI: How long has the future fellows program been going on?

Prof. Thomas: I would need to defer to one of my colleagues.

Senator FARUQI: Sure. You can take that on notice. In particular, if you could let me know how many researchers in that particular program in the last five years have identified as Indigenous, that would be great.

Prof. Thomas: Certainly.

Senator FARUQI: Thank you very much.

Ms Emery: It's important to note that, up until now, it's been optional for people to identify as Aboriginal or Torres Strait Islander in the research management system. So we're able to give information about who has, but that's not necessarily a complete picture of who is an Aboriginal person or a Torres Strait Islander.

Senator FARUQI: Just what information you have would be great. Moving on to other ARC topics, has Minister Tehan rejected or vetoed any ARC research grants in his time in that role?

Prof. Thomas: No.
**Senator FARUQI:** Has any evaluation been done on what impact the new national interest test is having on the types of research proposals the ARC receives and those that are approved?

**Prof. Thomas:** No.

**Senator FARUQI:** There is no assessment done of that? I ask because the sector was quite concerned when it was announced that the test would actually narrow the kinds of research approved. The Innovative Research Universities commented that 'if all research funding is narrowly targeted at an immediate problem or outcome, we will undercut our future as a clever country'. I am wondering if any assessment was done, because there was quite a bit of concern around.

**Prof. Thomas:** The national interest test will apply to selection rounds for applications that opened after the minister's announcement. To date, none of those selection rounds have been finalised.

**Senator FARUQI:** Will you do an assessment?

**Prof. Thomas:** Certainly.

**Senator FARUQI:** Great. Will that report be made public in any way, shape or form?

**Prof. Thomas:** We're anticipating that after this year's experience with the national interest test we will engage with universities and have a conversation about what they've found, what we've found, et cetera. We do think that would be a useful thing to do.

**Senator FARUQI:** Is there anything at all that stops a minister from vetoing ARC grants without a reason or for ideological reasons, for instance?

**Prof. Thomas:** Under the ARC Act, the minister is and, as I understand it, always has been the final decision-maker for all grants.

**Senator FARUQI:** So the minister can veto any ARC grant that he likes?

**Prof. Thomas:** The minister is the ultimate decision-maker.

**Ms Emery:** I might just clarify that the wording of the ARC Act is quite specific. It allows the minister to not accept a recommendation from the CEO. So it's not actually a veto.

**Senator FARUQI:** Yes but in effect it is. Any grant could be rejected just because the minister wants to, at the end of the day?

**Ms Emery:** I'm just advising what the act actually says.

**Senator FARUQI:** Sure, that's the language, but in effect the minister can reject any grant. That's the reality of it. Am I right?

**Prof. Thomas:** The minister is the decision-maker.

**Senator PRATT:** Have there been any further ministerial vetoes or interventions in ARC grants?

**Prof. Thomas:** No.

**Senator PRATT:** There haven't been any directives to the ARC in 2018-19 from the minister in relation to grants?

**Prof. Thomas:** No.
Senator PRATT: That's the same question. Any ministerial directives since the end of the last reporting period?

Prof. Thomas: No.

Senator PRATT: Have there been any grant funding rules proposed by ARC that the minister didn't approve?

Ms Emery: No.

Prof. Thomas: No.

Senator PRATT: I'd like to ask now about the timing of grant outcome announcements. I understand there've been delays in informing applicants and releasing outcomes for a number of grants. What are the reasons for those delays? Was the hold-up in the minister's office?

Prof. Thomas: There is no specific date for announcement of ARC grants. The advice we always give is general in nature and all announcements are at the minister's discretion.

Dr Bruniges: Was there a particular grants program that you were interested in?

Senator PRATT: I don't seem to have the right attachment here, so perhaps I'll seek some advice about that. Can I ask when the Future Fellowships 2019 outcomes were provided to the minister's office?

Prof. Thomas: That would be on 28 June this year.

Senator PRATT: And they were publicly announced on 17 October. Is that correct?

Prof. Thomas: Yes.

Senator PRATT: When were the Future Fellowships outcomes provided to universities?

Prof. Thomas: Under embargo, they were provided to universities on 26 September.

Senator PRATT: How long did those fellowship outcomes sit with the minister's office before their announcement?

Prof. Thomas: I think the key dates are the ones we've just discussed—when we briefed the minister and when they were announced.

Senator PRATT: Applications for the Discovery Early Career Researcher Award opened before the 2020 results were publicly announced. What was the reason for that delay?

Prof. Thomas: We aim to open new rounds of all of our programs to give sufficient time for researchers to write an application to be submitted. As I've said previously, all announcements are at the discretion of the minister.

Senator PRATT: Does the ARC have concerns, or has it had concerns expressed to it, that the minister's embargo on releasing outcomes has been so strict that universities were not able to inform the applicants of the results before they were announced?

Prof. Thomas: We are aware that those concerns have been expressed. As we said, we provided information to administrative organisations under embargo because we fund administrative institutions rather than individuals. But certainly the nature of the embargo was on publication of those results, rather than notifying individuals.

Senator PRATT: What's the source of the concerns that have been expressed to you? What's the nature of the concern? Were there individuals who hadn't been notified, because of the nature of the embargo?
Prof. Thomas: We have seen that in the media. I don't have any more direct knowledge than that.

Senator PRATT: But that would be up to the—in terms of the universities announcing those grants—?

Prof. Thomas: Yes. We provide the information to institutions, as administering organisations. How they choose to deal with that information is up to them.

Senator PRATT: You don't guide universities to make sure they tell the applicants before they make it? It would seem common courtesy to do that.

Prof. Thomas: What may be relevant at this point is that we have determined a process going forward that will enable us to notify universities under embargo soon after ministerial decisions are made. That, we hope, will give researchers earlier access to their information and it will start to allow grant agreements to be executed going forward.

Senator PRATT: In other words, the minister won't be able to sit on it and then announce it. It'll have to have been decided by the minister and then have a further embargo period on it to resolve that problem?

Prof. Thomas: If I can put it a different way, the process going forward will separate notification from public announcement.

Senator PRATT: Yes. That's essentially the same thing, but thank you for clarifying that. Grant applications are subject to strict closing deadlines. Why are grant outcomes not being released on a clear time frame by the ARC, and will this process give clear time frames? How will you manage the time period in which they sit with the minister?

Prof. Thomas: All announcements are at the discretion of the minister, as I've said before. Going forward, we will continue a discussion, but we always are able to give provisional announcement dates only, at this stage.

Senator PRATT: In other words you can tell the institutions that the ARC's approved it, but you're waiting to see if the minister will interfere with the approval?

Ms Emery: If I may just clarify—the CEO makes recommendations to the minister. The minister makes the decision.

Senator PRATT: I have been through this before.

Ms Emery: What we were just talking about was that the minister will have made a decision before the ARC notifies institutions under embargo of the outcome. So there's—

Senator PRATT: But the minister has no time frame for which this is the case?

Ms Emery: That's correct.

Senator PRATT: Rather than rejecting applications, as the minister has done in the past, if a minister didn't like an application they could just let it sit on their desk?

Dr Bruniges: I think that's speculation, Senator.

Senator PRATT: But, technically, it would be true, wouldn't it?

Dr Bruniges: It's speculation—hypothetical.

Senator PRATT: It's not a hypothetical; it's procedural. You've told me that there is no required time line for the minister to approve them in. Is that correct or not?
Dr Bruniges: I think the linkage that you just made between the minister's discretionary time line and not wanting to release is a very arduous one.

Senator PRATT: I can understand that ministers have different work habits. Some are very good at getting these things done and some might want to macerate on it while they're deliberating on it and make a proper decision. But there has to come a point at which the minister deals with it.

Dr Bruniges: Yes, but that's within his or her discretion.

Senator PRATT: Does the ARC have concerns about the impact of uncertainty in relation to time frame announcements and implementation of these grants on research-only universities?

Prof. Thomas: As we've said, there are not now, and there have never been, specific dates for announcement of ARC grants. We do understand that researchers are keen to know their results and that they are pinning their hopes on the success of those.

Senator PRATT: But it's a bit more than that, isn't it? They might get poached by another country or they might have to find another job because they're waiting for an ARC grant.

Prof. Thomas: Yes.

Ms Emery: I think Professor Thomas already talked about our new process for announcing under embargo. We anticipate that would alleviate those concerns.

Senator PRATT: Minister Duniam, can I ask how long you think these grants should sit on the minister's desk for?

Senator Duniam: I think that any minister will work as assiduously as they can to get their work done, as you outlined before in the various scenarios you put to the officers at the table. I'm not going to set down a time line for other ministers about how they do their work at all, but I have absolute faith in all of my colleagues that they do it in a timely fashion.

Senator PRATT: So you can't consider fixed dates for grant announcements because, essentially, everything is within your control other than the minister's sign-off process.

Prof. Thomas: The minister is the decision-maker, and announcements are at his or her discretion.

Senator PRATT: Okay. Has the National Interest Test begun to be applied? If not, when will it begin to be applied?

Prof. Thomas: Yes. The National Interest Test is applying to a number of selection rounds that opened post the minister's original announcement, but none of those selection rounds have been finalised yet.

Senator PRATT: None of those—sorry?

Prof. Thomas: None of those selection rounds have been finalised yet. Sorry, my apologies—

Senator PRATT: So the National Interest Test will kick in after the—sorry, I'm a little bit confused by that answer. If the round hasn't been finalised, is it an embedded into that round?

Prof. Thomas: On the pathway to a ministerial decision is when the National Interest Test—

Senator PRATT: At which point is it being implemented?
Prof. Thomas: Under the process at the moment, the ARC CEO considers the National Interest Test statements of all applications that are recommended to me by the selection advisory committees. I recommend applications that meet the NIT and which are highly recommended to the minister for his decision.

Senator Pratt: Okay, so you have begun to apply them?

Prof. Thomas: Yes, Senator.

Senator Pratt: Does the minister have any of those applications before him, which have the National Interest Test included?

Prof. Thomas: Yes.

Senator Pratt: How many? How many ARC grants currently sit with the minister awaiting approval? And how long have they been there in his office?

Prof. Thomas: I'm not able to give you a number. The items in the process include the Discovery Projects; Discovery Indigenous; the Linkage Infrastructure, Equipment and Facilities projects; and the Special Research Initiative in Excellence in Antarctic Science. They're at different stages; I certainly didn't mean to suggest they are all sitting with the minister.

Senator Pratt: No, no. So they are the ones that have the National Interest Test on them?

Prof. Thomas: Yes.

Senator Pratt: Can you take on notice, please, what grant streams are with the minister, and the day on which they were given to the minister.

Prof. Thomas: Yes.

Senator Pratt: Would any of the projects the ARC has funded previously not be successful under the test thus far, in your assessment, Professor Thomas?

Prof. Thomas: That would be speculation on my part. The minister is the decision-maker.

Senator Pratt: In terms of the process and what you put up to the minister, how has the National Interest Test changed what gets to the minister's desk?

Prof. Thomas: It has not changed. As to my role: I am not a disciplinary expert; I look at the statements to see if they are logical and that they apply to the project being proposed.

Senator Pratt: So there's no definition of 'national interest' in that? Essentially, therefore, you make sure it meets the criteria for a statement around the National Interest Test, but it's then up to the minister to apply it, as to whether it meets the minister's values of what the National Interest Test is?

Prof. Thomas: The definition of the National Interest Test written into our guidelines is that it could be in the form of economic, commercial, social, environmental or cultural benefits, and the minister may or may not use the National Interest Test text in coming to a decision.

Senator Pratt: Okay. That makes sense. But clearly you've got to rate other parts of the proposals, in terms of them having made it through to the minister's desk for approval, because you weed out a vast number of them—and break many hearts along the way. What's
the difference between what you do with the National Interest Test and the other ARC assessments that you do?

**Prof. Thomas:** The cornerstone of the ARC process is about peer review or expert review from academics who are within a specific discipline or cognate disciplines, so that's the basis of our review and quality ranking. The National Interest Test sits separate to that and is a text that the minister may choose to use, or not, in coming to his decision.

**Senator PRATT:** So you don't evaluate it? You are, if you like, just working out whether the statement as provided ticks the boxes—that makes sense. Okay. Thank you. Do you expect to see a change in the number or type of projects that receive funding under the test?

**Prof. Thomas:** This is our first year of applying the test. We have engaged closely with universities about how the test may be met in different ways by different disciplines without providing them with template text, and what we'll be looking at, after we've had some experience in its application, is the various ways in which people express that.

**Senator PRATT:** Does the ARC have concerns that this test will justify the minister picking and choosing individual research projects on political whims, like we saw under Minister Birmingham?

**Prof. Thomas:** That would be a question for the minister. Since the time that the grants were declined to be funded by the previous minister, there has been a new process put in place where, if a minister declines to fund something that is recommended by the CEO, that will be something that we will notify institutions of.

**Senator PRATT:** Are you concerned that this test will make it more difficult to achieve your target of increasing international collaboration in research?

**Ms Emery:** No.

**Prof. Thomas:** The ARC is concerned at all times to balance good value and good investment for the Australian public with the need, as a research funding organisation, to have researchers that are part of the international community of scholars because in research you build on the work of others that have gone before you.

**Senator PRATT:** But those are research collaborations that are taking place internationally now have a statement attached that the research is in Australia's national interest but, clearly, your concern might go to what is in the international interests and where the research trends are going. They are not necessarily mutually exclusive statements but they could be if the minister were to not recognise that an international collaboration also met a national interest test.

**Ms Emery:** International collaboration will, I think, remain a key feature of the ARC's granting programs. Australia's research sectors do collaborate internationally. So I don't see that there will be a decline in the number of international collaborations.

**Senator PRATT:** Thank you. I think I can put on notice my questions about your annual report. I will briefly ask about the ANAO's review into the effectiveness of the ARC's administration, which was published this year. Could you please provide us with an update on the recommendations?

**Prof. Thomas:** Yes, Senator. In broad form, the ANAO found that the ARC has mature and effective processes in place to assess grants and manage conflict of interests. I'll defer to
my colleague, Ms Emery, to talk about the three recommendations that came out of that review.

Ms Emery: The first recommendation related to the ARC reviewing its practice of issuing our grant guidelines annually. We have just released two new sets of guidelines. They will be in place for at least two years before they're renewed. So we have already completed the first recommendation.

The second recommendation was about the ARC ensuring that its key performance indicators for the granting program are reliable and include an efficiency indicator. The ARC had put out its corporate plan, and the KPIs which were concluded in the corporate plan were well under development by that stage. We will undertake a process from here until the next corporate plan to review our KPIs and in accordance with any changes that are issued by the Department of Finance to try and include efficiency KPIs as well as improving their reliability in the terms in which the ANAO made that comment. I would also note that, in terms of efficiency, the ARC has been looking internationally for other funding bodies and what efficiency type KPIs they have, and there hasn't been a great deal available internationally. So we probably won't have an efficiency one in there, but we're still looking to see what we can include on that front.

Recommendation three was that the ARC ensures that its monitoring and assurance activities—in particular institutional reviews—are risk based and contribute to the ARC's assurance that the granting programs' objectives are being achieved. As a result of that recommendation, the ARC is undertaking some further work in relation to its compliance and assurance activities. We're doing an internal audit in that respect, which will be finalised by the end of the year. When we get into the new year, we'll consider what our assurance program and compliance program might look like for granting programs. So it's well underway.

Senator PRATT: Thank you; that's very helpful. How many of your staff are employed as contractors, and what was the rate of staff turnover in the ARC in 2018-19?

Prof. Thomas: I might need to take that one on notice. I got a staffing breakdown, but I don't have in front of me how many—

Senator PRATT: I probably don't need to drill down too much into the statistics. I understand it was about 25 per cent.

Prof. Thomas: Sorry. My correction: we've got 20 contractors compared to 17 at the same time last year.

Dr Willis: On separation rates, last year it was at 21 per cent.

Senator PRATT: Are you concerned by that figure? It seems relatively high.

Dr Willis: No. We're a small agency, and turnover occurs at that sort of level in small agencies.

Senator PRATT: In the sense that people tend to move around larger agencies—

Prof. Thomas: Yes.

Senator PRATT: How do you manage high levels of turnover? Do you need to reduce it or are you currently actively managing it and it's okay?
Dr Willis: It's a program of ongoing management. There are no specific activities. As I said, our rates are within the range for comparable small agencies.

Senator PRATT: There does seem to be a drop in the number of applications since 2016-17. What's the reason for that?

Ms Emery: Applications for?

Senator PRATT: Applications to the ARC for grants.

Ms Emery: For funding?

Senator PRATT: Yes.

Ms Emery: Thank you. We were talking about staffing a moment ago, so I was—

Senator PRATT: Sorry, I'm going through all the adminstrivia.

Prof. Thomas: Yes, there has been a drop. It's difficult to identify any one reason for that, but certainly it's something we look at carefully, and we always try to work on what we can do better to meet the needs of the sector.

Senator PRATT: Do you expect the number to further decrease or to remain stable?

Ms Emery: That's a bit hard to predict. If I can just add to what Professor Thomas has been talking about, you might appreciate that there's been, over a number of years, a push for institutions to take a greater role in the applications which are made to the ARC to make sure that they are truly quality applications. As you pointed out before, we do knock back a number of applications which are worthy of funding, so, in some of our schemes, we might have a success rate sitting in the low twenties. It's really important for institutions to take a leadership role and to consider which applications should be coming forward. A decline of where we sit at the moment is not necessarily a bad thing.

Senator PRATT: Okay. Do you expect the number to decrease further?

Ms Emery: I wouldn't be able to predict that.

Senator PRATT: I can understand that, if the quality is lifted, it doesn't matter if there are fewer going in because there are fewer for you to assess and you'd expect the same ones would come through anyway, but I'm concerned that it does appear that there's a substantial drop in the number of projects that have actually been funded by the ARC. Since 2016-17, we've gone from 315 to 173 in 2018-19. What's the explanation for that?

Prof. Thomas: Could we have the numbers you quoted again, please?

Senator PRATT: What I've got before me is your annual report. It went from 315 in 2016-17 to 173 in 2018-19.

Dr Bruniges: Do you have the page reference for the annual report?

Senator PRATT: I can give you the page.

Ms Emery: For 2018-19 I have that there were a total of 1,155 applications funded.

Senator PRATT: Okay. The figures I've been given are for the linkage grants.

Prof. Thomas: The linkage projects, okay.

Senator PRATT: That's a large drop. Discovery looks like it's increased slightly, and NCGP has declined a little bit as well. Was the linkage grant the subject of a funding change?
**Prof. Thomas:** What we did change in the linkage projects process was that we went to a continuous scheme from a single deadline scheme. As a result of that, as has been the experience of funders worldwide, the number of applications dropped.

**Senator PRATT:** Do you expect the number of applications and grants approved, and the value of those grants, to decrease or remain stable?

**Ms Emery:** As we have just been talking about, we will not be able to predict how many applications are received. In terms of the number of applications which are funded, that is really dependent on the amount of funding which they're seeking. So if, in one year, we have researchers seeking to fund at the maximum level which is available, then clearly there'll be fewer projects which are able to be funded. I don't believe there is any reduction of funding by the ARC. All other things being equal, we would probably continue to be funding around the same number of projects each year.

**Senator PRATT:** Thirty per cent of grants were awarded to women in 2018-19. What's the ARC's plan to increase this number?

**Prof. Thomas:** We have some specific measures that we're looking at. One key thing that we have done recently is put out a piece of post-ERA analysis on the structure of the research workforce, and that has a lot of information about gender in it. We are planning, as measures to increase our gender representation, to start to shape the applications with an expectation that we will go to 50 per cent of applications from institutions for Discovery Early Career Researcher Awards for women by 2023; that we will attain gender parity for the membership of the ARC College of Experts, which is our inner sanctum of selection panel people, by 2023; and by publicly reporting by institutions on the proportion of women included in applications for ARC funding. It's very important to note that success rates of women and men who apply for ARC funding are, to all intents and purposes, equal. What we're looking at is a participation gap by women.

**Senator PRATT:** In the same way that only 30 per cent of grants are awarded, approximately 30 per cent of applications have come from women.

**Prof. Thomas:** Correct, Senator.

**Senator PRATT:** Could you take me through the same issues in relation to Aboriginal and Torres Strait Islander people? You have it currently at about one per cent of researchers.

**Ms Emery:** That's correct. I think in the last calendar year Aboriginal and Torres Strait Islander researchers made up about one per cent of the grants that were allocated. That's fairly close to their representation in the academic workforce, which, I think, according to the last statistics I saw, was sitting around 1.2 per cent. Clearly there are a number of measures we still need to do to increase our Aboriginal and Torres Strait Islander representation.

**Senator PRATT:** Is it up to universities to get more Aboriginal and Torres Strait Islander people doing their PhDs to get to the research grant level? Where do you intervene in that?

**Prof. Thomas:** Broadly, when it comes to the research workforce, as you rightly pointed out, we are not the employer. We fund a limited number of fellowships through institutions, hence the need for us to constantly engage with universities about what the data looks like. It's a very data driven sector. Then there's a complex conversation about what we can do going forward.
Senator PRATT: The government's level of investment in research and development—are you able to tell us what it is as a percentage of GDP or how it compares with investment five years ago and 10 years ago?

Ms Emery: I think we would need to take that on notice. That might be a question better directed towards the department of industry, which is responsible for the development of the science research and innovation tables.

Dr Willis: There was a line of questioning on that earlier today that we're aware of, and I think some of those questions were taken on notice.

Senator PRATT: Okay. How do you manage the reputation of Australian research—clearly, you uphold high standards of research—in the face of declining investment of the Commonwealth in research and development?

Prof. Thomas: The level of investment is a matter for government. What we aim to do as a funding agency is have internationally-recognised processes that are rigorous and use expertise from the disciplines to select those most highly ranked applications for funding. Our legislative remit is to fund on the basis of excellence.

Dr Bruniges: I don't think anyone said there was a decline in research funding. In fact, this morning we did take on notice to do that for a five-year period—to have a look at generating numbers against GDP in similar countries.

Senator PRATT: Thank you. Do you have a plan to ensure Australia continues to attract and retain the best researchers worldwide?

Prof. Thomas: The majority of ARC funding that is provided to institutions is about projects and programs that have international links. In our fellowship programs, we are conscious of the balance needed to have internationally excellent people come onshore to Australia for the benefit of Australia but also to ensure that Australian researchers are able to perform in Australia at the highest levels as well.

Senator PRATT: On research areas that have been commonly rated at or below international standards in the report on excellence in research for Australia: does the Australian Research Council have a plan to address those issues?

Prof. Thomas: I will defer to my two colleagues, Dr Willis and Ms Sarah Howard, whose group was responsible for the research evaluations.

Dr Willis: I think it's important to understand that there were strong performances across all disciplines. Commentary suggesting that groups of disciplines are doing better than other groups of disciplines perhaps obscures that strong performance across the various fields of research.

Senator PRATT: My question was about those rated at or below—it sounds to me like you have just averaged it out and said, 'We're doing fine because most of it is great.' But what are you actually doing? Do you have a plan to address the other issues for the areas where it isn't as strong?

Prof. Thomas: We are the evaluator and one of the funders. Our funding regimes fund everything beyond clinical medicine, and all Australian universities can apply. Our role then doesn't move into the regulatory space, as it might with TEQSA.
Senator PRATT: But does it become of national concern if—I don't know which areas have had this issue, but clearly you don't let the research in if it's not going to meet your standards and the research in those areas will drop away. What actually happens in those low-rated areas of research?

Dr Willis: I might add some comments, and I invite my colleague Ms Howard to augment any comments I might make. Of course, the national report on excellence in research for Australia, ERA, that you're referring to reports on the quality of research across the spectrum among our higher-education institutions. It's not narrowly about ARC programs; that's very important. What we do through that exercise is collate the data and report on it so that policies and other programs can be built upon it. Our role is to prepare and publish the report based on the process.

Senator PRATT: Would you expect, in terms of ARC grants announced, to ultimately see certain areas of research drop away because of those kinds of findings in those reports?

Prof. Thomas: That would be speculation, and that would be difficult. What I can say is that we have a very good system for tagging and following the data that's in our system, so we're alert to any major changes in funding between institutions or across disciplines. Then it would be a matter for government if they wanted to instruct the ARC on particular flavours of research.

Senator PRATT: Thank you, and thank you to the ARC for your attendance today. I'd be happy to now move to the curriculum authority.

CHAIR: No problem. I've just got a couple of questions, before everybody rushes out the door. On your website you've got Jeremy Moss of the University of New South Wales listed as the lead researcher for five grants with an accumulated value of over $1.5 million. He's also listed as a researcher under a number of other grants. On 26 September 2018 Mr Moss wrote an article for The Conversation titled 'When it comes to climate change, Australia's mining giants are an accessory to crime'. As chair I will table that, if there are no objections from the committee.

Senator PRATT: Well, if you really have to.

CHAIR: Thank you. Professor Thomas, are you aware of this article?

Prof. Thomas: No.

CHAIR: That's okay. In this article Professor Moss likened mining companies to murderers and said of the sale of coal:

… morally it is comparable to selling uranium to a failed state or dumping medical waste unsafely.

These are quite fiery comments, I suppose. Are you aware of those comments?

Prof. Thomas: No.

CHAIR: One of my concerns is that we've got someone here who is effectively funded by grants through the ARC and funded by taxpayers, miners in my home state of Queensland—

Senator PRATT: Mine too.

CHAIR: and WA and New South Wales. Is it appropriate that someone is making comments like that, someone who is being funded by the ARC?
Prof. Thomas: I think that's probably more an issue for that person's employer and whether they are comfortable with that, but we heard earlier today the whole discussion around academic freedom, so I wouldn't venture into that territory.

CHAIR: We've also got a Mr Christian Downie from the Australian National University. He's listed on the website as a lead researcher. He's written an article for the Daily Bulletin, and I'll table this, if it's the will of the committee to accept that.

Senator Pratt: Selective freedom of speech!

CHAIR: Freedom of speech is very important. The article is titled, 'Politicians must mine the divide between coal lobbies and energy companies'. I take it you're not aware of this article either.

Prof. Thomas: No.

CHAIR: It's just that I'm concerned on behalf of the good taxpayers of Queensland to make sure—we've got some academics here who like to live on the taxes paid by miners and those associated with the mining industry but are very happy to also attack that. I'm just a little bit worried that the ARC, through its grants process—and I accept the changes that the former minister put in place—the resource sector is very important to my home state, and I hope that these academics take that into account. I don't know whether that's something Senator O'Sullivan and co would agree with.

Senator O'Sullivan: Absolutely. It's very concerning.

CHAIR: Minister, would you have any particular views on this?

Senator Duniam: Well, I think, as Professor Thomas said, in terms of the ARC's work, funding's devolved out to external entities. But certainly we do need to me mindful of these things. And noting Senator Pratt's point around freedom of speech, we need to ensure that people who are using taxpayer funds use them judiciously and appropriately.

CHAIR: And not liken mining companies to murderers. Thank you to the ARC for coming along.

Senator Pratt: And a shout-out to philosophy departments at universities all over the country because they do very important work.

CHAIR: That is the opinion of Senator Pratt, which she is entitled to in exercising her freedom of speech. I've been reminded that the CEO of the Australian Institute for Teaching and School Leadership, Mr Grant, tabled his opening statement and, unless I hear otherwise, it is the will of the committee that that be so accepted as tabled.

Australian Curriculum, Assessment and Reporting Authority

[17:35]

CHAIR: I welcome officers from the Australian Curriculum, Assessment and Reporting Authority. Do you wish to make an opening statement?

Mr de Carvalho: I do. Given that this is the first time I've appeared in Senate estimates in this role, I'll keep this brief.

CHAIR: Welcome.

Mr de Carvalho: I would like to take the opportunity to introduce myself to the committee. I've been the CEO at ACARA now for not quite eight months. Prior to ACARA, I
was CEO of the New South Wales Education Standards Authority for just over two years and, in that capacity, was on the board of ACARA and, as a result, I am very familiar with its federated governance framework within which it works. This federated framework is built into the ACARA act and its charter, with strategic direction for ACARA's work provided only through the unanimous agreement of the COAG Education Council. This means that all decisions relating to ACARA's work on national initiatives such as MySchool, the Australian Curriculum and NAPLAN are made by all Australian ministers of education and we are jointly funded by all governments. I hope that, in my time at ACARA, the organisation can continue to work with stakeholders to effect positive change for all Australian students, but particularly for those who are most disadvantaged, in our nation. I'd like to conclude by commending all teachers on the eve of World Teachers' Day tomorrow and thank them for their great work.

CHAIR: Thank you for that. I was remiss before not to mention not only was my mother a teacher but so was my grandmother.

Senator PRATT: I do remember that from your first speech, Chair. I understand ACARA's not funded beyond 2021. Would a longer funding cycle assist you with forward planning and delivering better outcomes?

Mr de Carvalho: As you indicated, our funding cycle is a four-year cycle and the current cycle concludes in a couple of years' time. We have absolute confidence that that cycle will continue and we're continuing to plan according to a four-year plan of work beyond what's in the forward estimates.

Senator PRATT: So you forward plan beyond 2021, is what you're saying?

Mr de Carvalho: Yes.

Senator PRATT: So you're not terminating all your projects then?

Mr de Carvalho: No.

Senator PRATT: There seem to be a lot of agencies in that boat just because the government doesn't want their future funding needs on its books, but I guess that's a question for the government.

Mr de Carvalho: As indicated in my opening statement, we're jointly funded by all governments, not just the Australian government.

Senator PRATT: I'm going to ask some questions about NAPLAN. How many schools will be transitioning to NAPLAN Online in 2020?

Mr de Carvalho: At this stage, we're not clear on that. Those decisions are made by jurisdictions. They will inform us of the schools that are transitioning to NAPLAN Online early next year. We do know that it will likely be an increase on this year's, where we had around 5,200 schools participating in NAPLAN online. We know that the Victorian minister has indicated that there will be no more schools transitioning to NAPLAN online in 2020. At this stage, we've had no indications from other jurisdictions that they will be following that route. A number of jurisdictions already have almost all their schools online.

Senator PRATT: Which are they?

Mr de Carvalho: Tasmania and ACT. WA are at 80 per cent. We expect movement in New South Wales and Queensland but, at this stage, we don't—
Senator PRATT: So do you expect WA to increase above the 80 per cent?

Mr de Carvalho: We don't know. They will be advising us in the new year.

Senator PRATT: How many schools had problems on testing day this year with the online test?

Mr de Carvalho: On the first day of testing, there were, as you would be aware, significant connectivity issues around the country. The exact number of schools is a matter for jurisdictions to report to us—unless Peter's got them, I don't believe that we have the exact number of schools.

Senator PRATT: If you could take that on notice.

Mr de Carvalho: We could take that on notice, Senator. We do know that, on the day itself, there were over 400,000 students logged into the system and over 380,000 tests were completed on the day. So, on the day, around seven per cent of tests were not completed. That distribution of impact was differential across the country with some jurisdictions being affected more than others. WA, in particular, had a higher incidence of impact than in other jurisdictions.

Senator PRATT: In terms of being completed on the day, were they completed at the time that students sat down to do their tests, or did they have to return to their tests afterwards?

Mr de Carvalho: The vast majority of those tests completed on the day were completed in the normal way. Of those who were affected by the connectivity disruptions, there were contingency plans and protocols in place that schools were prepared and trained to observe. Some schools switched to pen and paper, as is allowed for under the arrangements in the event of connectivity issues. Many of those schools would've switched to pen and paper. Others would have completed the tests in another time frame.

Senator PRATT: So, in terms of the percentage that you said completed it on the day, did that include those who switched to pen and paper; or were they included as outages?

Mr de Carvalho: I'll have to take that exact question on notice in terms of the numbers of tests that were completed on the day. I know that, as I said, between 380,000 and 390,000 tests were submitted to the online platform on the day—I can find the exact number if you give me a minute.

Senator PRATT: Do you know how many attempts to start the test happened on the day?

Mr de Carvalho: No, that would have been various across the jurisdictions, and we don't have that information, Senator.

Senator PRATT: So you can't quantify, if you like, more specifically how people resolved the disruption, and how many of them moved from the online test to the paper test?

Mr de Carvalho: We can have some indication of the impact by an indication of how many students chose to undertake the resits that were offered two weeks later. We had a number of students who were allowed to resit the test. That was an agreement that was reached by AESOC in consultation with ministers. And around 50,000 tests were resat on 28 May
Senator PRATT: Thank you. I just want to be clear in the statistics of how many students were affected by the outage and whether you've counted those students that completed their test on paper—in the online cohort or in the other cohort, if that makes sense.

Mr de Carvalho: I can get that information for you, to the extent that it's available. We rely on jurisdictions to provide that information to us.

Senator PRATT: What was the cause of the connectivity issues? How many were caused by issues in the school and how many were connectivity issues with a third-party provider?

Mr de Carvalho: We don't have the information on the breakdown of how many were caused by issues at the school level or the system level. What we do know is that, as a result of an investigation that was commissioned by AESOC into the cause of the widespread connectivity disruptions on the day, the Education Council have, on their website, issued a statement about what was found. I will just read that to you:

At Education Council's 13 September meeting, Ministers were briefed on of the technical issues relating to NAPLAN Online 2019 connectivity disruptions. Parts of the technical infrastructure inadvertently flagged some content as a threat to the NAPLAN Online platform. The platform protected itself from this perceived threat. This slowed web traffic and led to the issue which degraded the overall experience for some students during NAPLAN Online 2019 testing.

Senator PRATT: In terms of students who completed the test, would they have experienced the test as degraded, in terms of its processing time or its time to change pages or its time to submit an answer? Did you do any assessment of whether it affected the result, in terms of how students might have clicked a button or because the screen wasn't refreshing in the right way?

Mr de Carvalho: We did do that analysis, and I might hand over to Mr Titmanis to explain the statistical analysis of the results that was done.

Mr Titmanis: The platform that delivers the assessments does collect information about the extent of what's called the 'disruption'. It's important to remember that those disruptions are measured in seconds, and students may not have even realised that there was a disruption. What we did was we collected the information out of the platform and analysed it to see whether or not it actually had an impact on the students who did writing. We did that by comparing what their expected performance would have been from previous information we had about those students. We looked at years 5, 7 and 9 students. The analysis that we actually did showed that students' results weren't affected by the disruption.

Senator PRATT: So you didn't have to change the results or adjust them because of the disruption?

Mr Titmanis: No, we didn't. Part of the reason that is the case is that, with writing, there's sweet spot in the time frame for students. You need to be able to write a reasonable amount of text, but, beyond that point in time, writing more text doesn't always advantage the student, in terms of improving their score.

Senator PRATT: So that student would have been affected, but, in terms of not being able to input more text, there was a limit on how much text you could put in? What was the nature of the disruption, in terms of a student's experience, if they were disrupted? Can you take me through the interface of a student sitting in front of the test and what happened?
Mr de Carvalho: It was quite variable. The most common experience was the one that you described, where they may be working and then the screen goes blank and then they get a circle going around and around saying: 'Connectivity has been interrupted.' That could have lasted a couple of seconds; it could have lasted a few minutes; if it lasted a couple of seconds, it may have been repeated. So they may have—

Senator PRATT: Are these tests timed, or have you got as much time as you like to complete them?

Mr Titmanis: There is a nominal time that's provided for the tests. But, equally, teachers supervising the students on the online platform, and for other circumstances as well, have the capacity to extend the time. So, if students are disrupted during the course of the testing, they can add in additional time to overcome the disruptions.

Senator PRATT: Would all schools have known they were experiencing a disruption and kept the test going?

Mr de Carvalho: Again, that varied from school to school. Most schools would have had very few students or some students. Again, the experience was quite varied across different schools. For example, you wouldn't have had necessarily a whole class going out at exactly the same time for the same period. There may have been just a few of the students in there for varying periods. Therefore, it made the task of managing the platform in the school quite difficult for the teachers because, while they were dealing with one student and trying to support them and adding time, another student was being disrupted. The other thing we became aware of was even some students who didn't experience any technical disruption were sitting next to a student who was quite distressed and that was also distracting for them.

Senator PRATT: Because of the waiting?

Mr de Carvalho: Yes, because of the waiting. That student was getting upset and their own concentration was being affected. There were impacts not just for those students who experienced technical difficulties but for other students.

Senator PRATT: I would be distressed if I were doing a timed test and I found that even a fraction of my time was being chewed up waiting for a computer to think about—

Mr de Carvalho: Absolutely. We understand that that was the experience for many students.

Dr Bruniges: That's why the senior officials made the decision for a resit for those students. That was a really important thing to happen—to acknowledge that disruption was caused and a resit was available.

Senator DAVEY: Has any analysis been done to evaluate whether the resit had any impact on student outcomes? Many students find the NAPLAN process quite stressful and they found out that they had to do it again. Have you looked at the results of the students who did the resit to evaluate whether they might have come out a little bit—

Mr de Carvalho: The offer of a resit was intended to be given to those students who felt that they had been significantly disadvantaged by the original experience. We found that, for various logistical reasons, some students who didn't actually wish to undertake a second test were asked to retake it, because the whole class was doing it et cetera. We found that, in some states, it meant that certain students submitted writing in their second attempt which generally
didn't reflect their ability. It was a relatively small number. Nevertheless, the agreement was
that the second result would be taken but, because of logistical reasons, some students resat
the test who were not initially willing and that affected their approach to the test. As Peter has
indicated, while there would be variation in individual students, the results seem to be fairly
consistent. There doesn't seem to have been a negative impact overall on the writing tests. The
idea was that you would do better—and that was the reason that you chose to do the resit—
than you would have done the first time around.

Senator PRATT: When is it expected that all schools will have transitioned to online
NAPLAN?

Mr de Carvalho: The Education Council decided at the June meeting this year that the
time frame for full transition to NAPLAN Online would be pushed out a year to 2021.

Senator PRATT: There are reports that there's a freeze on more South Australian schools
coming onto NAPLAN Online. Are you aware of that? How are you responding?

Mr de Carvalho: The number of schools who come onto NAPLAN Online between now
and 2021 is completely a matter for jurisdictions. As I indicated before, Minister Merlino has
already indicated that there will be no new schools coming onto the platform in 2020.

Senator PRATT: I understand that it is for the jurisdiction. How are you responding to
that?

Mr de Carvalho: We're continuing to prepare for NAPLAN Online to make it the best
possible experience for all those students who are coming onto the platform next year.

Senator PRATT: So clearly you're focused on trying to build confidence back up in the
online system?

Mr de Carvalho: Yes.

Senator PRATT: That's what you mean by the 'best possible experience', irrespective of
the fact that some states have had a freeze and some schools et cetera will opt out?

Mr de Carvalho: That's right. The time frame for transition is a matter for jurisdictions.
What we're focused on is working with our partners in the delivery of NAPLAN Online to
ensure that next year is a good experience and that those jurisdictions—for example,
Victoria—which have decided that they don't want to move forward at this stage will have
confidence in moving to full cohort in 2021 as a result of a good experience next year.

Senator PRATT: On 9 October, the education minister said that the Morrison
government is open to consideration of a review of NAPLAN to ensure it's fit for purpose for
the next decade, once it has fully and successfully transitioned to online. Do you have any
indication in which year a national review might occur?

Mr de Carvalho: Exactly as you've said, 2021 is the year when everybody would move to
online. At that point, according to Minister Tehan's statement, the issue of a full, nationally
endorsed review would become a live issue.

Senator PRATT: Would that involve South Australia overcoming its freeze or do you
consider that temporary?

Mr de Carvalho: If South Australia are undertaking a freeze for next year, I'm not aware
that they've indicated that that will mean that they won't be moving online in 2021. That's just
an indication.
Senator PRATT: It's a freeze in terms of more schools.
Mr de Carvalho: Yes.
Senator PRATT: So it's a freeze in terms of the number of schools for next year; it's not a freeze over time?
Mr de Carvalho: Correct.
Senator PRATT: Thank you for clarifying that. How are you responding to the broader NAPLAN review that's being undertaken by Queensland, New South Wales and Victoria? How will you respond to the results of that review?
Mr de Carvalho: Those jurisdictions are bringing their interim findings to council in December. They've signalled that they intend to bring a final report to council by the middle of next year. It will be up to council to make a decision about how they respond to that review. We'll take our lead from council.
Senator PRATT: I see what you're saying—they're part of the council, so you have to respond irrespective of the fact that it's not your own review or a Commonwealth review?
Mr de Carvalho: What I'm saying is that the review will be presented to Education Council. Whatever decision Education Council makes in response to that review, I'm sure will have implications for our work. But we will have to await those decisions.
Senator PRATT: And whether there are competing agendas between a Morrison government review or this state review, the council will have to sort that out, and then you'll deal with it at the end?
Mr de Carvalho: Just to be clear, my understanding is that Minister Tehan is not referring to a Morrison government review; he's referring to a review that would be sanctioned by all members of council, as opposed to a subset of members.
Senator PRATT: So that subset of members review isn't mandated by the whole yet?
Mr de Carvalho: Correct.
Senator PRATT: The My School website: has the federal education minister made a decision to reduce the NAPLAN content on the My School website? I note that recommendation 1 of the COAG Education Council NAPLAN Reporting Review recommended that the number of displays be reduced.
Mr de Carvalho: Again, this is not a decision that the Commonwealth minister can make on his own. These are decisions made by council. Professor Louden presented his report to the June council meeting, and there was initial discussion. At that meeting of council, ACARA was tasked to come back to council with some options for consideration to change the data presentations. We came back with some broad propositions in September, seeking approval from council to undertake further consultation with stakeholders on those proposals and with a view to coming back in December for options for final decision.
Senator PRATT: Are you able to give us any information about what's under consideration for removal from the website?
Mr de Carvalho: We can give you some broad indications of the kinds of matters that have been raised with us, and we're consulting. You will have seen from the Louden report that there was concern about comparisons with statistically similar schools and that there
should be a greater focus on student gain. So we are experimenting with changes to the way the NAPLAN data is presented to reflect those directions, in terms of a stronger focus on student gain—as opposed to simply overall achievement results—and to come up with better measures to reflect that, and to reduce the focus on school-versus-school comparisons, which seems to be the thing that is causing most angst and is raising the most concern amongst stakeholders.

**Senator PRATT:** I think that's what parents and communities value about the website. How will you ensure that the information remains meaningful?

**Mr de Carvalho:** We've actually been doing some focus groups with stakeholders—with real parents, if I can put it that way, as opposed to the pre-presenter groups—

**Senator PRATT:** I like to check up on the My School website every now and again.

**Mr de Carvalho:** For example, the screen that often people point to as the screen that is supposed to be the one that parents might find most useful is what we might refer to as the 'similar schools screen' or the 'bubble screen'. That's a screen where you can compare the performance of a selected school, their overall results, with the results of the 60 schools that are closest to it in terms of socioeducational advantage. The issue with that screen is that it doesn't actually limit the number of schools for comparative purposes to ones that parents might actually be interested in, because they take those 60 schools from right across the country.

If I can just give an example of a focus group that we were at recently that I sat in on. This screen was shown, a parent said, 'This looks really interesting, where are these schools?' And the facilitator said: 'They're from all over the country.' And she hovered over a couple of the bubbles and they said: 'But that school's in Perth,' and the facilitator said: 'Yes, that's true,' and the parent said: 'Well what's the use of that?' That was the response, and that's a common response in the focus groups. What we're trying to do in this is balance these competing principles around transparency on the one hand with other principles about what's educationally valuable. What we're hearing, and what Professor Lowden found in his review, is that the way the data is currently presented is having unintended effects, in terms of creating a degree of pressure on principals to focus on improving NAPLAN results, which may be actually having unintended consequences in things like focusing too much on NAPLAN preparation and not enough on teaching the curriculum, broadly. Those were the kinds of things that Professor Lowden was pointing to as the downsides of too much information out there in the domain, if I can put it that way.

**Senator PRATT:** As I understand it, from annex B, the secretary of the department of education and training, and I'm assuming that's you, Dr Bruniges, has said—and you'll be able to correct me if I'm wrong—that: 'The department was not aware of NAPLAN data being a big issue in terms of shopping around for schools'. I'm not expecting you to remember. I've got the release here and I'm just scanning it to see which department we're talking about.

**Dr Bruniges:** It's highly unlikely I'd be quoted in a press release!

**Senator PRATT:** I think it's been misquoted here, because the only person I can see quoted in here is you, Mr de Carvalho. But I guess my question remains. As a parent I like to be able to look at the NAPLAN data, but that's separate from comparison with other schools.
Mr de Carvalho: What we're working on is trying to make the data presentation meaningful, with a stronger focus on gain. I can briefly explain why that focus on gain, or student progress, is so important.

Senator PRATT: Yes.

Mr de Carvalho: You can look just at a school's raw achievement data, the raw scores, and say, 'The higher the score, the better the school must be.' Now, that would be an incorrect conclusion to draw because we know that between 70 and 80 per cent of the difference between two schools' performances on the raw achievement data is explained by the socioeducational background of the students. So, once you control for that, you're then looking at what difference this school has made between where the students were, say, if it's a primary school, in year 3 and where they are in year 5. But you've got to control for that socioeducational advantage in the first place for that to be a fair comparison. You could, for example, make very large gains between year 3 and year 5, but that's because you started off really low in the first place and so you've been able to show, in a relatively short period of time, a big gain.

Senator PRATT: I know that this is the agenda of state education departments to argue—that that's the way the data for school performance is done. You want to be able to look at what the school is achieving, and it's got nothing to do with the socioeconomic status of the parents, or it's got everything to do with it. But parents are concerned about what kind of school their child will do best in.

Mr de Carvalho: Yes, that's absolutely right, and that's why controlling for the things that the school has no control over is important. What you want to try to do is isolate the impact that the school is making, and you do that by measuring where the school was two years ago with where they are now, and taking into account the socioeducational profile of the student population.

Dr Bruniges: I think there are a lot of other factors too that parents will take into account while selecting the best fit for their children. While literacy and numeracy are absolutely fundamental, there are probably a whole range of other factors that are incredibly important to consider if you're talking about the school choice.

Senator PRATT: Can I just be clear, though. Under 'choice between schools', you will still be able to see your school's NAPLAN data in the context of overall Australian data on the site, won't you?

Mr de Carvalho: Compared to all Australian schools?

Senator PRATT: Yes.

Mr de Carvalho: Yes. That's certainly an option that will be—

Senator PRATT: And schools of like socioeconomic status—all Australian schools and schools of like socioeconomic status.

Mr de Carvalho: Those issues would be matters for decision by council, but they are certainly options that are under consideration. Can I just point out that one of the issues with the all schools comparison is that that does not take into account socioeducational background. You can have a school that might be looking quite good compared to its peers in terms of socioeducational advantage, but, when you click on the button that says 'Compare
with all schools', if they're a low SES school or a low SEA school, their colour coding is going to change. As some principals have described it to me, 'We turn into a sea of red.'

**Senator PRATT:** I'm going to invite you over here after estimates to look at the site with me so that you can teach me these things. I've got just a couple more questions. Recommendation 3 is 'That a technical review of ICSEA be undertaken.' When will that recommendation be implemented?

**Mr de Carvalho:** That was a recommendation of the Louden review. Council's direction to us in response to that review was to have a look at whether a better index than ICSEA could be constructed—that is, one that has more predictive power than ICSEA. Depending on the outcomes of those inquiries, then we are to provide advice on whether or not ICSEA should continue to be used in the construction of the NAPLAN site.

**Senator PRATT:** Does ACARA currently consider that these scores for schools do not accurately reflect the community, socioeconomic educational advantages of the school?

**Mr de Carvalho:** That's exactly why we have screens that allow you to click on 'compare with similar students'. That's how you take it into account so that you're not comparing, unfairly, a low SES school with a high SES school. The current arrangements allow that, and that is going to be a focus going forward as well.

**Senator PRATT:** Has there been feedback that the current scores aren't accurate or is it just as you've described it, the issues with the comparison?

**Mr de Carvalho:** No, we haven't had feedback that the current scores aren't accurate. The main issue is with the way the data is presented around school-versus-school comparison—is there a better, more meaningful way to present the information that is intelligible?

**Senator PRATT:** So you haven't had to take any steps to address concerns about the accuracy of the scores for each school?

**Mr de Carvalho:** No. That wasn't a matter that was a focus of the Louden review.

**Senator PRATT:** Thank you. I have no further questions.

**CHAIR:** That concludes your appearance before us here this evening. Thank you very much for coming along.

**Senator PRATT:** I'd like to thank the secretary of the department and all the officials and all the agencies that have appeared.

**CHAIR:** Thank you. This concludes the committee's examination of the Education portfolio. I thank Minister Birmingham, Minister Duniam, Secretary, all your officers, all the people in the building, all the people out of the building and all the witnesses who have come along today, as Senator Pratt said. Thank you to Hansard, broadcasting and the secretariat.

**Senator PRATT:** And I'd like to thank the chair.

**CHAIR:** I'd like to thank the chair also and the deputy chair and my colleagues for their collegiate behaviour. I also particularly thank those people who have been looking after coffee and biscuits outside.

**Senator PRATT:** Thank you, Jane and the secretariat.

**CHAIR:** Thank you, Jane and everyone.

*Committee adjourned at 18:12*