

infrastructure and so on. That's been a substantial focus over years as governments have turned their minds to different aspects of how research is rolled out and funded. You can see that over time and across a number of reviews. There have been some things which are part of the framework of how higher education is regulated which got their genesis years ago. The provider category standards and the AQF have been the subject of discussion over years, including between Commonwealth and state and territory ministers, along with commitments to periodic review. The category standards and the Australian Qualifications Framework are two of the small number of reviews still unfinished, and they're not due to finish until later this year. The freedom of speech one is a shorter-term one. So there are certainly—

**Senator PRATT:** I've seen the list of reviews and what they're doing. I've read many opinion pieces about them, but I could not gauge how they all come together as a coherent—anyway, I'll go to a question. What is the secretary's assessment of what the internal costs of these reviews are?

**Mr Learmonth:** We couldn't capture that. We do not, in normal practice, capture time and materials expended internally for internal budgets on these. Even if we had the time to devote to it, we wouldn't have the information collected to enable us to answer that.

**Senator PRATT:** Okay.

**Dr Bruniges:** It would just become part of the work program of the responsible area, if it was international or—

**Mr Learmonth:** It is. Sometimes teams are stood up and down and people are moved about. We deal with the work as it ebbs and flows. What we don't do is capture and attribute. Where we spend it on externals, absolutely, and we've reported that.

**Senator PRATT:** I think you said there were two reviews that are yet to be finalised.

**Mr Learmonth:** Technically, there are four of significance that I can think of offhand. Mr English mentioned a couple, which were Justice French's review on freedom of speech and the rural higher education review, which is being led by Dr Naphthine. Then there are the two others that I mentioned, which were the provider category standards review and the Australian Qualifications Framework Review. And then there are a number of supporting discussion papers.

**Senator PRATT:** And they are the ones that are yet to be finalised.

**Mr Learmonth:** Yes.

**Senator PRATT:** If that's not correct or needs updating, could you take that on notice?

**Mr Learmonth:** No. I can tell you now that they are yet to be finalised.

**Mr English:** The only other one I'd add to that is we're currently consulting the sector on two other points—we've got one about the performance funding arrangement for universities and one about the allocation arrangement for designated places in the undergraduate and postgraduate funding system.

**Mr Learmonth:** That pretty much wraps it up.

**Mr English:** I think so.

**Senator PRATT:** So the papers in relation to performance funding and allocation of designated places—which of the reviews relate to those? I know you've got performance funding—

**Mr Learmonth:** They're not all reviews. You asked for discussion papers, so there will be some discussion papers that undoubtedly refer to those.

**Mr English:** The bottom of page 2 of four in that question refers to the expert panel for performance-based funding for the Commonwealth Grant Scheme, which is a panel that is being chaired by Professor Wellings. And there are a number of other individuals supporting him. We've produced a discussion paper that they have used to consult with the sector.

**Mr Learmonth:** You can see the Qualifications Framework and the category standards there as well on pages 2 and 3. They are the reviews themselves.

**Senator PRATT:** Can you tell me where we're up to with the performance funding and allocation of designated places.

**Mr English:** As I said, the performance funding review is being managed by a panel chaired by Professor Wellings. They issued a discussion paper and invited responses by mid-March—from memory the date was 14 March. We've received in the order of 50 responses to that discussion paper, and they're currently being considered through the department and the panel to inform the next stage of their work. We're effectively in an equivalent state with the designated places work, except we don't have an external reviewer doing that process.

That's being done by the department. We put out a discussion paper. We've had, as I said, in the order of 50, from memory, responses to that discussion paper, and we're considering those before we advise the minister further. I can find the number for you. I'm just going off—

**Senator PRATT:** When do you expect those to be finalised?

**Mr English:** The performance funding review is scheduled to be finished in the middle of the year, 30 June, I believe—I'm just trying to find my paper. The designated places process will be once we've briefed the minister and given the advice based on the consultation from the sector.

**Mr Learmonth:** The final's report is due on 30 June for performance based funding.

**Senator PRATT:** And the other one, sorry?

**Mr English:** As soon as we brief the minister on the results of the consultation and the minister has had a chance to consider the outcome from that.

**Senator PRATT:** Have you briefed the minister on the results of the consultation?

**Mr English:** We are still considering the consultations at this point. The requirement is to have an arrangement set for 2020, so if there was a deadline for the process it's in advance of those allocations being made for next year.

**Senator PRATT:** In advance of the allocations for next year using the performance funding piece or the other one, which is the—

**Mr English:** No, that's the—

**Mr Learmonth:** That's for both.

**Mr English:** It's for both, actually; yes.

**Senator PRATT:** What's been done with 2017 HEPPP evaluation?

**Mr English:** That's been considered by the minister. There were a number of recommendations about the way we manage the scheme that we've adopted. The most significant one is that we establish an advisory process to inform a research allocation program that would give us a strategic research agenda for the management of equity funding. We've now had that panel in place for about a year. They've considered our research project allocations for the last two years, and we are working beyond that to also set up an evaluation framework for the higher education equity programs as well. They'd be the main outcomes from that review.

**Senator PRATT:** In terms of future funding for universities, whether it's HEPPP or whether it's designated places or performance funding, when are you expecting to advise universities of those outcomes?

**Mr English:** Universities have three-year funding agreements in place that cover the period 2018, 2019 and 2020. The proposition was that the performance funding arrangements would be in place for 2020 to allocate the growth funding that is built into those funding agreements. The commitment we've made is that they will know that allocation well in advance at the beginning of 2020. There is—

**Senator PRATT:** In advance of the year 2020?

**Mr English:** That's correct.

**Senator PRATT:** But it's 2019 now, so, essentially, you would expect they'd need to know by the middle of this year for them to have any chance of adjusting for next year?

**Mr English:** In the period between 30 June, we will receive a report on performance pay from Professor Wellings's panel and, later in 2019, we'd expect to brief the minister, come to some final arrangements and advise the universities of the new arrangements.

**Senator PRATT:** What happens to funding agreements in the event of a change of government for 2020, in your view?

**Mr English:** The funding agreements are an agreement with the entity of the Commonwealth government. They're not with the current minister.

**Senator PRATT:** But, in that sense, adjustment to those policies in relation to performance and others essentially means—what—the status quo for universities?

**Mr English:** Sorry, I'm not sure I quite understand your question, Senator. The—

**Senator PRATT:** Well, I'm not quite sure I understand your answer.

**Mr English:** Right. We're even.

**Senator PRATT:** The funding agreements are between the department and the universities?

**Mr English:** Yes.

**Senator PRATT:** Would there be funding gaps if, for example, Labor were to dump the performance metrics?

**Mr English:** No, Senator. The funding agreement, which is publicly available on the department's website for all 40 universities—and we can certainly Google a copy for you if that is helpful—

**Senator PRATT:** I've read some of them.

**Mr English:** The funding agreements say that the universities will be entitled to additional funding at the rate of population growth on their current funding levels, subject to them satisfying the performance funding arrangements that the minister will define. If it is taken that a new minister decided to not proceed with that performance arrangement for 2020, the funding agreement still provides for the provision of that growth funding.

**Senator PRATT:** What's the difference between population growth and demand-driven funding in your mind, noting that some regions have high levels of population growth and others don't?

**Mr Learmonth:** By definition, population based growth applies a growth parameter based on the relevant population—in this case, the 18 to 24 population—so it imposes, if you like, a ceiling or an upper bound on growth. The question is then how do you distribute that. 'Demand driven' is simply a proposition that the government will pay a Commonwealth grant subsidy for any undergraduate place the university chooses to fill—

**Senator PRATT:** Yes, indeed it does. Would uncapping in 2020 require new funding agreements?

**Mr English:** Yes.

**Mr Learmonth:** Yes, it would, Senator, because they're all currently struck at the maximum basic grant amount. So there would be a revision, yes.

**Senator PRATT:** Have you considered the debates around this? We've gone from an uncapped system to a system that's recapped. Have you considered what it looks like to move back to that?

**Dr Bruniges:** There'd be previous funding agreements that would have been posted on the web in an uncapped system that would be a tangible look at that, but—

**Mr Learmonth:** There's a model there, Senator.

**Senator PRATT:** So the maximum grant would simply be removed?

**Mr Learmonth:** Well, subject to whatever other policy prescriptions or interests the minister and the government of the day had, but you're starting—

**Senator Cash:** The important part is 'the government of the day'. The agreements are there between the government and—

**Senator PRATT:** Of course.

**Mr Learmonth:** So your starting point would likely be to remove that maximum basic grant amount. What you put in place would be a matter for the government of the day.

**Senator PRATT:** Have you done, by chance, any budget modelling on uncapping from 2020?

**Mr Learmonth:** I don't think so, Senator. I think the modelling that we've done has all been about supporting decisions of the government, in this case applying the cap and then population parameters from 2020.

**Senator PRATT:** So you wouldn't have any idea, for example—in that there's been a cap in place; there has been therefore some unmet demand—what the spike in demand might actually look like, what an increased uptake might be and what the costs of that would be?

**CHAIR:** There's a big assumption in that question, Senator Pratt, but go ahead.

**Senator PRATT:** What assumption is that, Senator Brockman? Perhaps a change of government? Is that the assumption?

**CHAIR:** No, not that assumption. Read the question. I think you know what the assumption is, but go ahead, Mr Learmonth.

**Mr Learmonth:** We've done no detailed costing at this stage.

**CHAIR:** We are in—

**Senator PRATT:** Do you know what the pent-up demand is?

**Mr Learmonth:** Senator, I think we've had a few conversations on this over time.

**Senator PRATT:** Yes.

**Mr Learmonth:** There is no benchmark for what the demand is, and therefore the delta between supply and benchmark doesn't exist.

**Senator PRATT:** What would you say in an Incoming Government Brief, for example?

**CHAIR:** No—

**Senator Cash:** Now, we're really delving into areas that—

**Senator PRATT:** No, seriously, you've got to prepare yourselves for these things.

**Senator Cash:** But there is an agreement in place, and that is the agreement that is in place at this point in time.

**Senator PRATT:** There may or may not, depending on the outcome over the next few weeks, be some large policy parameter changes.

**CHAIR:** Don't get ahead of yourself, Senator Pratt.

**Senator PRATT:** We've got a lot of campaigning to do—we both know that—in the meantime.

**Senator Cash:** But, if there was a change, it would be a matter for the government of the day if they wish to break the agreement—if that is what you're suggesting—and advice at the time would be provided by the department.

**Senator PRATT:** I take it from that that you have done no modelling or any research or preparation for uncapping in 2020?

**Dr Bruniges:** Senator, it wouldn't be appropriate—

**Mr Learmonth:** That's a different question to the one you asked.

**Senator Cash:** Correct, quite a different question.

**Senator PRATT:** Okay, why don't you answer that question then?

**Mr Learmonth:** We have done no specific costing of any proposition other than the government's current policy. Beyond that, it is our job to think about all possible futures.

**Senator PRATT:** It is your job to think about all possible futures because, indeed, governments do ask you, 'What if we do this or that?'

**Senator Cash:** And, once asked, I assume that you would then undertake the necessary work.

**Mr Learmonth:** Absolutely.

**Senator PRATT:** So you haven't looked at—

**CHAIR:** Senator, we will come back to you after the break, but I want to clear up one matter before the break. Or will you finish up now?

**Senator PRATT:** I will finish this and you'll have enough time to clear your matter up. Has the department monitored, in any way, Labor Party policy?

**Mr Learmonth:** It's our job to be aware, as best we can, of all the statements made by stakeholders and by those in the political realm as well, to understand the context in which we operate and to help us think about the future.

**Senator PRATT:** So that means the government asked you to look at our policy and see what it would cost?

**Mr Learmonth:** No, that's a very different and specific question.

**Senator PRATT:** Labor has had a policy of uncapping places out there for a while now. Have you been asked to look at what our policies would cost to implement?

**Mr Learmonth:** We'll take it on notice.

**Senator PRATT:** You don't know the answer or you—

**Mr Learmonth:** No, I'd want to check.

**Senator PRATT:** You want to check whether you have or—

**Mr Learmonth:** I'd want to check before I answered your question.

**Senator PRATT:** No, I need to clarify: is it because you don't know the answer or is it because you need authority to give me the answer?

**Mr Learmonth:** No, I actually need to check what the answer is.

**CHAIR:** I would like to clarify that other matter, Senator Pratt. We will come back to you. Dr Bruniges, others on the committee—not me, because I thought you were clear—want to go back to your opening remarks about the responses to Senator Marshall's questions. Some people thought that you were putting some of those on notice.

**Dr Bruniges:** No, not at all.

**Senator O'NEILL:** My understanding was—I wasn't actually here; it was reported to me—that you will table—

**Dr Bruniges:** No. Could I repeat what I said, so it's clear?

**Senator O'NEILL:** Yes, please. Thank you.

**Dr Bruniges:** What I said was that we have officers here to answer each and every one of those questions today. Some of those are in table form. Indeed, four of the questions asked by Senator Marshall were exactly the same as questions that were asked on notice at the last hearing and, indeed, have been—

**Senator O'NEILL:** Would you identify those for me?

**Dr Bruniges:** Yes, I can go through them: SQ19—

**Senator O'NEILL:** Is this from the letter?

**Dr Bruniges:** This is Senator Marshall's letter. Question 1, regarding copies of the following documents referred, relates to SQ19-4015. Details of any briefings prepared for officers, which is Senator Marshall's question 2, was answered in SQ19-00081. For the third question, regarding copies of any notes from meetings between officers of the department, refer to SQ19-00081, the same as 2. And for question 4, it's the same: SQ19-00081. I think the answer to those questions was that there was no correspondence, so that's why the number is repeated. And then, for the remaining 15 questions for Senator Marshall, we have officers here to be able to answer those questions, and some of those require table information, which we're happy to table when the officer or the section is up.

**CHAIR:** When the question's asked.

**Senator O'NEILL:** To be clear, you will table documents for no. 15, only; is that correct?

**Dr Bruniges:** No, Senator. For the remaining 15 questions, we have staff here who can answer it, and, of the 15 questions that remain to be answered, some have extensive table form and we're happy to table those. Some are one-word answers; some are table form.

**Senator O'NEILL:** Would you be able to table now those documents you intend to table later?

**Dr Bruniges:** Absolutely.

**Senator O'NEILL:** If you can collate them and table them now, that would be helpful.

**Dr Bruniges:** We'll double-check on everyone and I'll bring those together, and we might even table them over the break.

**Senator O'NEILL:** That would be helpful.

**CHAIR:** Particularly, if you would agree, Minister, after the break, I think we should move to outcome 2, Skills and training.

**Senator Cash:** If that assists the committee.

**CHAIR:** Then we can deal with your direct portfolio responsibilities immediately.

**Senator Cash:** That's fine.

**Senator O'NEILL:** Once Senator Pratt has completed—

**CHAIR:** And then Minister Birmingham—

**Senator Cash:** How long will that be in terms of timing?

**Senator PRATT:** I should need about 10 minutes.

**Senator Cash:** That's fine.

**CHAIR:** That works for everybody? We'll resume—

**Senator Cash:** Then you'll come back—

**CHAIR:** To cross-portfolio. On that note, we will suspend.

**Proceedings suspended from 15:31 to 15:45**

**CHAIR:** We'll resume this hearing. We will continue with Department of Education and Training, outcome 2, Higher education, research and international. Senator Pratt, you have the call.

**Senator PRATT:** Mr Learmonth indicated to me he had an addition to an answer.

**Mr Learmonth:** I do. Before, when we were talking about additional places, we talked about the tranche of five and three, in the budget and in MYEFO last year. There were some additions to that I might—

**Senator PRATT:** Other than the regional deals that had additional places—

**Mr Learmonth:** In addition to the answer to the question on notice, there were some additional ones that I'm sorry I didn't mention at the time. They were some additional places that were allocated in respect of the regional study hubs that were announced in November last year. So there were 185 extra places initially, which grew over time to an additional 500. They went to the universities. That partnered the auspices for each of those regional study hubs. We can tell you where they went now, if you like, or we could provide on notice where they went.

**Senator PRATT:** Please provide it on notice. There are 22 sites; is that correct? I'm happy for you to take that on notice. If you could give us a list of those sites and the number of places at each site and those added, that would be great.

**Mr Learmonth:** Yes.

**Mr English:** I think we can answer most of that off the bat. There are 16 hubs at 23 locations, and the places were evenly divided between the hubs, so there are roughly 11.5 in the first year for each hub, going to that equivalent share of 500.

**Mr Learmonth:** We'll give you the list.

**Senator PRATT:** If you can take that on notice, that would be great.

**CHAIR:** I'll just interrupt, Senator Pratt. I want to check with all senators because I believe we're the only ones left to ask questions. Are there any parts of the portfolio we can release now, or do we need all the remaining parts of outcome 1?

**Senator PRATT:** I have questions in relation to international enrolments and about Endeavour, and then I'm done on higher ed.

**CHAIR:** Early childhood and child care?

**Senator O'NEILL:** Yes.

**CHAIR:** Schools and youth?

**Senator O'NEILL:** Yes.

**CHAIR:** And skills and training?

**Senator O'NEILL:** Yes.

**CHAIR:** Sorry, we can't release anyone else then.

**Senator PRATT:** Was the sector consulted about the \$64 million cut to mobility programs in last year's budget?

**Ms Sandercock:** The cut you referred to in last year's budget was just announced in the budget process.

**Senator PRATT:** Can you update me about that? And was the sector consulted?

**Ms Sandercock:** It was a budget announcement. There wasn't any consultation in the lead-up to that.

**Senator PRATT:** Thank you for putting that on the record. How is the agreement with Cheung Kong being handled in the wake of cutting Endeavour?

**Ms Sandercock:** There's an ongoing dialogue with Cheung Kong as an important partner with government in mobility activity. Cheung Kong have been advised of the budget decision of last week about the cessation of the Endeavour leadership program, and we're working now on expenditure of remaining Cheung Kong funding.

**Senator PRATT:** You're working on what?

**Ms Sandercock:** Allocation of remaining Cheung Kong funding. Usually there's a process of unders and overs, so there's some residual funding to be used then.

**Senator PRATT:** There's \$27 million gone from the program this year. What funding is available for TAFE teachers and students to take mobility programs?

**Ms Sandercock:** With the cessation of Endeavour, there's nothing further available under that mobility program. It would be up to other programs.

**Senator PRATT:** What impact will these cuts have on relationships in our region then?

**Ms Sandercock:** The government has also announced the new Destination Australia program which is open to international students who wish to come and study in Australia with a focus on regionally based locations. So international students will be able to apply via an institution to come and study at a regional campus of a tertiary provider.

**Senator PRATT:** What's the ratio between domestic and foreign students in relation to that fund?

**Ms Sandercock:** You mean under the Endeavour program to date?

**Senator PRATT:** No, the new program.

**Ms Sandercock:** It's expected to be fifty-fifty: half domestic, half international.

**Senator PRATT:** What's the value of that program again?

**Ms Sandercock:** The Destination Australia program? It has been announced with \$93.7 million over the forward estimates.

**Senator PRATT:** In effect, it's a reduction in that participation. How many universities have written about their concerns about these cuts to the Endeavour program and the mobility program?

**Ms Sandercock:** I'm not aware of any correspondence from any universities.

**Senator PRATT:** There's the \$93 million for regional university campuses but there's no funding for VET students mobility anywhere across the whole of government. Is that correct?

**Ms Sandercock:** Certainly not under the Destination Australia program.

**Senator PRATT:** And no longer under Endeavour. Is there anything else?

**Ms Sandercock:** I'm not aware of that. That's probably best directed at other government agencies, but I'm not aware of anything.

**Senator PRATT:** To your mind, no. What other government agencies might? I can't think of any.

**Ms Sandercock:** The Department of Foreign Affairs and Trade has the mobility program, the new Colombo plan. It also has the Australia Awards. I believe there are some other small programs at various agencies.

**Senator PRATT:** In essence, there are no mobility programs funded through the Department of Education and Training for the VET sector?

**Ms Sandercock:** At this point, following the budget announcement, that's correct.

**Senator PRATT:** It's a \$93 million program in Destination Australia, of which half is for international students, which is less than \$50 million. Meanwhile, we have a \$64 million cut to the mobility program. That's correct, isn't it?

**Ms Sandercock:** In terms of the costs of the savings achieved from the Endeavour Leadership Program cessation, that's a \$97.2 million saving over the forward estimates.

**Senator PRATT:** Thank you for clarifying that for me. It was a \$64 million cut in last year's budget and now it's \$27 million this year, so the \$94 million is the cessation of it in total?

**Ms Sandercock:** That's correct.

**Senator PRATT:** I just briefly want to ask about international enrolments. You've given us answers to question on notice 146 in question SQ19. The answer was '19 universities had enrolments of 50 per cent international students or more in the broad fields of management commerce'. In recent years what has the trend been in international students? Has growth in international student load at regional universities differed from metropolitan universities?

**Ms Sandercock:** If I've understood your question, Senator, you're seeking information on the numbers of international student enrolments in regional locations?

**Senator PRATT:** I'm seeking to see where you've got a large increase in international students, where the flavour of the campus and a particular course becomes predominantly international rather than local in terms of the student numbers inside it and whether you're monitoring that.

**Ms Sandercock:** I don't have information available by institution and by course with me. I'd have to take that on notice.

**Senator PRATT:** Are you monitoring it and are you putting a policy lens over it?

**Ms Sandercock:** The department monitors, I suppose you'd say, those trends in enrolments. We do tend to look across the system and then sector by sector. There is no explicit policy around that, if that's what you're asking.

**Senator PRATT:** Okay. If you could outline for me growth in international in regional unis versus metro unis—what does that look like?

**Ms Sandercock:** It has been very stable, in that international student enrolments in regional locations have consistently been around three per cent. Growth of international student enrolments is concentrated in the major cities, particularly Sydney, Melbourne and Brisbane. I would have to take on notice more details.

**Senator PRATT:** If you can take on notice for me the 19 universities that do have enrolments of more than 50 per cent international students. I want to check that that is contained just to management and commerce, or whether there are in fact other courses that might be subject to that.

**Mr Learmonth:** It will absolutely be other courses. The proportions will vary but certainly the management and commerce is strong, particularly at some places, but it will be spread.

**Senator PRATT:** But I've heard anecdotal evidence about engineering and other courses also having—

**Mr Learmonth:** It will be spread.

**Senator PRATT:** Do you have any concerns about these kinds of enrolment practices in the sector?

**Ms Sandercock:** As I said, it's something we keep a close watch on. We are particularly interested in enrolment patterns that shift between sectors and from particular countries, and looking closely at that. Institutions, of course, make their own decisions about student enrolments and are responsible for having an appropriate student mix under the threshold standards.

**Senator PRATT:** Have any universities written to the department about concerns of any overenrolment practices in the sector, particularly in relation to international students?

**Ms Sandercock:** Not to my knowledge.

**Mr Learmonth:** I don't think so.

**Ms Sandercock:** We would take that on notice.

**Senator PRATT:** I've certainly had institutions raise it with me. Could you perhaps investigate whether the minister has had any approaches in relation to that?

**Mr Learmonth:** I could be fairly sure in saying there have been no universities saying there's a problem with another university. There tend to be two kinds of concern in the discussion amongst the council and with some of the sectors, one of which is about—and we've talked about it before—the diversification issue and how many of them, particularly in some universities, are taking a large proportion of their international students from, say, China. That remains a topic of discussion. To be fair, the other place where this gets discussion is in the work of the international council and its student experience working group. One of the aspects I think this goes to is the student experience and the extent to which the international students feel that they are integrated into the community or the country—that they're getting a broader experience of Australia, which is part of the reason people come here. That is an active topic of discussion, I think, amongst the institution.

**Senator PRATT:** The regional universities—that review that Denis Napthine has been chairing. Was any of this information included in a brief to him?

**Mr Learmonth:** I couldn't be specific. Mr English might know. Certainly he would have been provided with a range of data about what's happening regionally and otherwise.

**Mr English:** The panel has been given a range of information about growth in higher education in the sector. I don't believe that there has been detailed analysis of the international trends by course or by university, just of the broader trends of international students that Ms Sandercock has already outlined. We'll confirm and double-check that.

**Senator PRATT:** Mr Learmonth, you said that he would have been given a briefing. Is it possible to have a copy of that briefing material?

**Mr Learmonth:** I'll take that on notice. It would have been descriptive data about the sector.

**Senator PRATT:** That doesn't drill down into the enrolment profile of the universities—

**Mr Learmonth:** We'll take on notice what has been provided. It would have been system-level data.

**Senator PRATT:** Surely that would be core to a proper review of higher education in regional areas?

**Mr Learmonth:** It depends where you're going to. If you're going to data about individual institutions, not necessarily; but certainly he would have been given data that illustrates what is happening at a system level in terms of growth, enrolments and otherwise at regionally headquartered regional campuses and so on versus the system broadly in metropolitan. That would have been, undoubtedly, part of it.

**CHAIR:** Senator Pratt, I'm wondering how much more you have?

**Senator PRATT:** I think I'm just about done.

**Ms Sandercock:** Apologies—if I may clarify something through the Chair, Senator Pratt. When we talked earlier about VET-specific programs, I may not have made clear that when I was talking about the Destination Australia program, that is for tertiary, including vocational education and training providers in regional locations. International students can apply through institutions under that scheme.

**Senator PRATT:** It does include that?

**Ms Sandercock:** It does.

**Mr Learmonth:** It goes to certificate IV. Anywhere between certificate IV and doctoral on the AQF is eligible.

**Senator PRATT:** Thank you.

**CHAIR:** Thank you, Senator Pratt. We can release higher ed, research and international. You go with our thanks. Minister, we'll return to your portfolio. Back to outcome 2: skills and training.

[16:00]

**Senator O'NEILL:** How much new money has been allocated to the \$525 million skills package measure?

**Ms Williams:** The skills package is a package of around \$525 million. That funding is made up from a series of sources, including redirection of funding from the Skilling Australians Fund.

**Senator O'NEILL:** Before you go into the detail, can I get an answer to my question first?

**Ms Williams:** It's around \$55 million in new money.

**Senator O'NEILL:** I'm happy to have you table the elements at a later point of time.

**Ms Williams:** Of course.

**Senator O'NEILL:** If I go to the figures that are in the financial table for this measure on page 69 of budget paper 2, that is where we find that number. If we add it all up, it's \$54.5 million. My question is: am I in the right place in the budget paper, and can you confirm that the entire skills package only requires an additional \$54.5 million that has been previously budgeted?

**Dr Hart:** That is correct. \$54.5 million is the new funding. That outlines the overall elements on a year-by-year basis for the departments involved.

**CHAIR:** Can I just jump in there? Ms Williams, you were going to do a quick breakdown. If it's not going to take too long, could we please have that breakdown? I would like it.

**Ms Williams:** Certainly. The overall skills package is made up of that \$54.5 million that Mr Hart mentioned. There's also an additional \$463 million that has been redirected from the Skilling Australians Fund, as well as a further \$7.8 million redirected from the Commonwealth Scholarships Program for South Australia. That is the total of the package of \$525.3 million.

**Senator Cash:** Chair, the ability to redirect the funding was because Victoria and Queensland did not sign up to the Skilling Australians Fund.

**Senator O'NEILL:** Don't worry; we'll get to that.

**Senator Cash:** Just so you know. That money was therefore able to be redirected.

**Senator O'NEILL:** That might be your view. We'll have a different view.

**Senator PRATT:** The good people of those states also deserve contributions from the Commonwealth on training—

**Senator O'NEILL:** There's a reason why they didn't sign up.

**CHAIR:** Maybe you should talk to the state government.

**Senator PRATT:** If you did your job, they would sign up.

**Senator O'NEILL:** Exactly. Let's go to the budget paper, page 69, again. If we look at this and ignore all the cuts to the other skills programs in that table, which are significant and very concerning for people who care about skill development in this country, if we add it all up we get \$475.9 million. My question is: can you explain how

government can be claiming, as you have already today, that \$525 million has been allocated for the skills package? I can't see \$525 million there. The max I can see is \$475.9 million.

**Dr Bruniges:** In the text underneath, if you go to subheading 'The package includes', we've got \$132.4 million over four years for the first initiative and \$67.5 million over five years for the next initiative, which is the 10 national training hubs. There's \$62.4 million over four years, which is the second-chance learning. Across the page, there's \$200.2 million over four years; the \$34.2 million to follow, which is to support the six signatory states on Skilling Australians Fund; \$20.1 million over four years; and the \$8.5 million—that should land us at \$525.3 million. When we look at the table above, it rolls things up together in a way.

**Senator O'NEILL:** It doesn't calculate out in that way.

**Dr Hart:** And there's also a reinvestment in the Skilling Australians Fund in there. There's \$34.2 million that goes back into signatory states as well. If you refer to pages 56 and 57 of the Education and Training portfolio budget book, it does go through all of the measures in detail. There are also some measures that are part of the skills package, but they will be implemented in the higher education area in terms of the unique student identifier and a repository for tertiary transcript as well. So there are, in various different places, all of these elements that come together and they are largely represented in this document.

**Ms Williams:** In addition to that, I note that Senator Marshall requested quite a bit of detail around the breakdown of the budget figure—

**CHAIR:** Yes, I've just found that. So the 525.3 is actually broken in the document—I know you haven't had a chance to look at it, but it is actually broken down in that.

**Ms Williams:** Yes, that's correct.

**Dr Hart:** One further clarification to assist is that the various elements will be represented separately. You'll have administered, departmental operating and some more capital components, so they're actually not going to be aggregated all in the one spot to be able to add up to the \$525.3 million. But, as the chair indicated, we have broken that down in our response.

**Senator O'NEILL:** So one of the things that concerns me is we're on the cusp of an election, and this is the last chance I get to clarify what's been described as a massive spend by the government. We found out that the new money amounts to \$55 million which is—well, \$54.5—nothing in terms of the nation and the scale of need that's out there. We did send a letter requesting information to be provided on notice for us to have a look, and now I can't ask detailed questions because I'm trying to find out what's going on because these documents weren't provided to us when we requested them.

**CHAIR:** Senator O'Neill, the letter was received by the department yesterday.

**Senator O'NEILL:** But, yes, but the documents could have been provided—

**CHAIR:** That is a ludicrous assumption. Senator, O'Neill—

**Senator O'NEILL:** A lot of work gets done overnight in this place, you know, Senator.

**CHAIR:** That is a ludicrous assumption.

**Senator O'NEILL:** It would've been very helpful to be able to look at them and interrogate them. So I'm afraid I'm going to continue through my questions. I do appreciate the effort you made, Dr Hart, to try and give me some context but, in the absence of that information, I'm going to continue with my questions in the order that I've got them here. We might have to re prosecute some of the material you've already given me. How much has been funded by redirecting unallocated funding from the Skilling Australians Fund?

**Dr Hart:** \$463 million.

**Senator O'NEILL:** How much has been funded from other vocational education program portfolios?

**Dr Hart:** \$7.794 million. That was from a Commonwealth South Australian scholarship program. It was undersubscribed. That money was unallocated to scholarships, and so it is actually funding scholarships as part of the new package.

**Senator O'NEILL:** What's the year-by-year breakdown of the funding that's been redirected from unallocated funding the Skilling Australia Fund?

**Ms Williams:** I can read that out to you, if that assists. In 2018-19 it's \$134.8 million, in 2019-20 it's \$106 million, in 2020-21 it's \$110.9 million, and in 2021-22 it's \$111.3 million.

**CHAIR:** Again, this information is in the document provided by the department.

**Dr Hart:** That's correct, Senator.

**Senator O'NEILL:** You'll know what the next question is. What other vocational education portfolio programs have been used to fund this measure?

**Ms Williams:** As Mr Hart mentioned, it's the Commonwealth Scholarships Program for South Australia, which was unsubscribed, and, therefore had an underspend that has been redirected to this package.

**Senator O'NEILL:** That's the only one?

**Ms Williams:** That's correct.

**Senator O'NEILL:** Nothing else? Okay. So there is no other vocational education program that you can provide me a year by-year breakdown on, because there is nothing else that you've stolen the money from to put into this?

**Ms Williams:** I can provide you with the—

**Senator Cash:** Chair, it is late in the day and I'm happy for political points to be made, but I'm sure other senators may well have questions as to how the ability to redirect this funding actually occurred. It certainly wasn't, as you say, Senator O'Neill, stolen. It was actually rejected by Labor states.

**Senator O'NEILL:** We will get to that, Senator Cash.

**Senator Cash:** Good.

**Senator O'NEILL:** How much of the skills package is budgeted for the forward estimates?

**Ms Williams:** The overall package—the full \$525.3 million across the forwards?

**Senator O'NEILL:** But how much is budgeted to be expended after the forward estimates?

**Dr Hart:** The \$525.3 million is until 2022-23.

**Senator O'NEILL:** So, it's five years, isn't it, rather than—

**Dr Hart:** Including 2018-19.

**Senator O'NEILL:** Okay. Could you take me through that, and in what years.

**Ms Williams:** We're just checking on that information. We're happy to go to another question while we get the detail from the officers in the room.

**Senator O'NEILL:** Thank you very much. My next question is regarding the National Skills Commission. How much is actually budgeted for establishing a national skills commission, and can you tell me the year-by-year breakdown of that.

**Ms Williams:** \$48.3 million, or thereabouts, is budgeted for the National Skills Commission, and the funding for that commences in 2019-2020—that's \$12.1 million. 2000-2021 is \$12.1 million, 2021-2022 is \$11.7 million and 2022-2023 is \$12.3 million.

**Senator O'NEILL:** Okay. If I go to the program expenses, 2.8 Building Skills and Capability, as it's identified in subprogram 2.8.4, Support for the National Training System, and I look at National Skills Commission, I only see \$4.06 million, \$3.9 million, \$3.7 million and \$4 million—so, about \$16 million as opposed to the \$48.3 million that you're indicating. So, where's the rest of the budget allocated?

**Dr Hart:** Is this the National Skills Commission?

**Senator O'NEILL:** Yes.

**Dr Hart:** What you will see there is the accumulated amounts of \$15.815 million.

**Senator O'NEILL:** Sorry; I can't see that figure on the document that I have.

**Dr Hart:** Are we on page 57?

**Senator O'NEILL:** Program expenses 2.8, Building Skills and Capability, subprogram 2.8.4 is what I'm looking at. I've got a copy of the document without pagination.

**Dr Hart:** Okay. The National Skills Commission—

**Senator O'NEILL:** Yes. My document says 4, 3.9, 3.7 and 4.

**Dr Hart:** That adds up to \$15.815 million. There is additional departmental operational of \$32.497 million.

**Senator O'NEILL:** Where's that?

**Dr Hart:** That won't appear there. That will be part of the department's departmental allocation. And so, when you put the two figures together, you get \$48.312 million.

**Senator O'NEILL:** So why is it a departmental allocation rather than a program allocation?

**Dr Hart:** Because the establishment of the National Skills Commission was to be, firstly, done in house and to do further consultation with states and territories and other stakeholders about developing the model for the development of an independent authority. But there is actually particular work for the skills commission and the skills commissioner to do in the first instance. There was obviously the appointment of a skills commissioner and there was also some research work that would be undertaken by that commissioner in terms of moving down that path to implement the full commission.

**Senator O'NEILL:** So we know that that's in the department's budget now.

**Dr Hart:** The \$32.497 million is part of the department's operational budget, yes.

**Senator O'NEILL:** Okay. Do you have a breakdown of how you expect that to be spent?

**Dr Hart:** We can provide some further details.

**Ms Williams:** We have a breakdown in the information that we've tabled that allocates that expenditure across the financial years. We would be still working through the implementation details of that particular measure, so we wouldn't at this stage have figures that relate to how we break down that departmental expenditure.

**Senator O'NEILL:** But the secretary has just pointed out to me in your answer, which I do have now, that you've indicated roughly \$8 million per year for that task—

**Ms Williams:** in departmental expenditure; that's correct.

**Senator O'NEILL:** Right. That could be subject to variation as the task becomes clearer to you, but that's what the allocation is?

**Dr Bruniges:** The apportionment; that's right.

**Senator O'NEILL:** Can we go now to how much is budgeted for the National Careers Institute year by year?

**Ms Williams:** Absolutely. The total amount for the National Careers Institute is \$36.264 million.

**Senator O'NEILL:** I go again to subprogram 2.8.4, where my numbers are 1.4, 5.9, 6 and 5.9. They don't add up to—

**Dr Hart:** That adds up to \$19.401 million.

**Senator O'NEILL:** Yes.

**Dr Hart:** The additional funding is \$5.745 million for capital and \$11.118 million for operational. Similarly, the standing up of the National Careers Institute, which would occur from 1 July, would be done within the department and be resourced by the department. A national careers ambassador would be appointed from 1 September 2019. One of the initial jobs that the capital relates to is bringing together in a web portal information about careers advice and career guidance. So that's why there were three separate—

**Senator O'NEILL:** The capital is not a building in a particular place?

**Dr Hart:** No, it's not.

**Senator O'NEILL:** Capital is in an investment in web based presence?

**Dr Hart:** It would be a web based presence to bring together all information that is currently available and make it easier for students to identify and navigate the careers advice and guidance that is already available.

**Senator O'NEILL:** Okay.

**Dr Hart:** Those three figures should add up to \$36.264 million, and that is for the initial standing up of the Careers Institute and the ambassador.

**Senator O'NEILL:** All right. Thank you very much. The skills package refers to \$67.5 million being spent over five years from 2018-19 to trial 10 national training hubs. How much money is budgeted for the hubs year by year? Do you want to go into that or do you want to go back to the skills package one?

**Ms Williams:** No, that's fine. We can talk about the hubs. We're happy to do that. Again, this is the information that we have tabled for you already. It's \$50.5 million over the forwards. I'm happy to read out the funding year by year if that assists.

**Senator O'NEILL:** Okay.

**Ms Williams:** For 2019-20 it is \$1.8 million; for 2020-21, \$16.1 million; for 2021-22, \$15.2 million; for 2022-23, \$17.4 million.

**Senator O'NEILL:** Okay. So the portfolio allocation for the measure doesn't sum to \$67.4 million.

**Ms Williams:** That's correct.

**Senator O'NEILL:** Where's the additional funding located in the budget?

**Ms Williams:** In this instance, as we've indicated in the material we've provided, the figures on page 13 of the PBS also include an additional \$17 million which is subject to further announcement by the government.

**Senator O'NEILL:** Okay. Explain to me how that's going to operate.

**Ms Williams:** The hub or the additional funding?

**Senator O'NEILL:** The additional 17.

**Ms Williams:** So the additional \$17 million is an announcement by the government—

**Senator O'NEILL:** that we should expect—

**Ms Williams:** that you should expect—

**Senator O'NEILL:** in the course of the campaign period?

**Dr Bruniges:** That will be a matter for government.

**Senator O'NEILL:** Okay. Could you take me through the next statement: 'In addition, as page per 56 of the Department of Education, this measure sums to 41.7, which is administered funding only. This difference is \$8.8 million, which is for capital and interdepartmental administration costs.' How are they allocated? Where's the 8.8?

**Dr Hart:** So \$0.947 million is for capital and the operational is \$7.875 million.

**Senator O'NEILL:** Okay, so those two amounts sum to that.

**CHAIR:** Senator O'Neill, can I get an indication from you so we can, hopefully, have Minister Birmingham on stand-by? How long do you think you've still got in skills and training? I'm sure his office is watching.

**Senator O'NEILL:** I've really not got that much to do.

**CHAIR:** So we'll be finished approximately on time?

**Senator O'NEILL:** No, longer than that.

**Senator PRATT:** Half an hour?

**Senator O'NEILL:** Yes.

**CHAIR:** Okay.

**Senator Cash:** Thank you—just to manage.

**Senator O'NEILL:** With regard to the hubs, what will be the process for deciding where the hubs are going to be located?

**Dr Hart:** That is subject to a decision and announcement by government. They will target areas of high youth unemployment and they're targeted around developing pathways between industry and schools, providing support for students who find themselves unemployed at quite a young age and providing opportunities for them to find a career and/or training to pursue that career. In terms of the locations, that's yet to be decided and agreed by government.

**Senator O'NEILL:** Okay, but you've done work on that, clearly; otherwise, you wouldn't have been able to answer the question do that level. So—

**Dr Hart:** We have done some work around areas of high youth unemployment.

**Senator O'NEILL:** Work has occurred on this and you've made recommendations to government?

**Dr Hart:** We've provided a range of options around areas where there is high youth unemployment.

**Senator PRATT:** How many locations did you—

**Dr Hart:** There will be 10 locations.

**Senator PRATT:** No, how many locations did you provide advice regarding that would meet the criteria?

**Dr Hart:** I'd probably have to take that on notice, but I think it's around the order of 15 to 20 from what I recall.

**Senator O'NEILL:** And 10 are to be announced.

**Senator PRATT:** How recently did you provide that advice?

**Dr Hart:** We would have done that as part of the budget process.

**Senator O'NEILL:** Can you confirm that no decisions have been taken about where these hubs are located yet, or have the decisions been made?

**Senator Cash:** The government is considering the locations.

**Senator CASH:** Still considering?

**Senator Cash:** Yes.

**Senator O'NEILL:** The skills package refers to \$62.4 million over four years from 2019-20 to expand second-chance learning in language, literacy, numeracy and digital skills, and for four Indigenous pilots. I note the statement about the establishment of new language and literacy programs—\$52.5 million and \$9.9 million. How much money is actually budgeted for the language, literacy, numeracy and digital skills program year by year?

**Ms Williams:** For the entire package?

**Dr Hart:** For the full \$62.3 million?

**Ms Williams:** For the full \$62.3 million?

**Senator O'NEILL:** Yes.

**Ms Williams:** As I noted previously, this has been tabled as well. For 2019-20, it's \$10 million. For 2020-21, it's \$18.8 million. For 2021-22, it's \$18.8 million. And for 2022-23, it's \$14.7 million.

**Senator O'NEILL:** Is that money that you've just been identifying for me there across the forwards allocated as a program expense for the department?

**Dr Hart:** There are two parts, obviously. There's the foundation skills for the future and the pilots. In terms of the first part, the foundation skills for your future, \$49.988 million is administered for the program and \$2.474 million is departmental operational. That adds up to \$52.462 million. For the regional pilots, \$8.248 million is for the pilot and \$1.663 million is for the departmental operational. That adds up to \$9.911 million. So it's about \$58 million for the program elements all up.

**CHAIR:** Again, that's broken down in the tabled document.

**Senator O'NEILL:** Yes. I was trying to read and hear at the same time. How much money is budgeted for the four Indigenous delivery projects?

**Dr Hart:** That's the \$9.911 million. They're the pilots.

**Senator O'NEILL:** \$0.5 million, \$0.4 million, \$0.6 million?

**Dr Bruniges:** The total—just the line underneath that—for the Indigenous—

**Senator O'NEILL:** Plus the \$1.6 million, \$3.2 million and \$3.3 million?

**Dr Hart:** Correct.

**Senator O'NEILL:** That's right.

**Dr Bruniges:** Yes.

**Senator O'NEILL:** The gap between the \$8.2 million that appears as a program expense in the portfolio paper doesn't quite match with that budget allocation.

**Dr Hart:** It's \$8.248 million and then \$1.663 million for departmental operational, which adds up to \$9.911 million.

**Senator O'NEILL:** The skills package refers to \$200.2 million over four years from 2019-20 and \$147 million in 2023-24 for what's identified as a new, additional identified skills shortage payment. How much money is budgeted for the initiative year by year?

**Ms Williams:** That's for the skills shortage.

**Senator O'NEILL:** Do you want to take me through this table?

**Ms Williams:** Yes, of course. For 2019-20, it's \$1.620 million. For 2020-21, it's \$18.689 million. For 2021-22, it's \$49.484 million. For 2022-23, it's \$86.498 million. And that totals to \$156.291 million.

**Senator O'NEILL:** What are the changes in the Australian Apprenticeships Incentives Program that are proposed as a consequence of simplifying and streamlining?

**Ms Williams:** There are quite a number of changes that have been proposed. They are set out in the table that we've tabled for the committee. But, essentially, what this does is that it streamlines it and it reduces the number of payment categories that currently exist. I'm happy to work them through for you—

**Senator O'NEILL:** Yes, if you can.

**Ms Williams:** but it is quite extensive, like I said, so it will take some time.

**Senator O'NEILL:** It will be helpful to hear what you say as I follow through the program that you've provided.

**Ms Williams:** Absolutely. We'll just get the appropriate officers to the table as well for more detail. While the officers are coming, I'll just work through some of this, perhaps, for you. Basically, what we've done with the simplification process is that we've reduced the current number of categories from around about 31 categories of payment down to 14 categories of payment, and we've streamlined the eligibility criteria, which essentially will make it easier for employers to understand and claim the incentives. The list that you should have with you—and, sorry, the officers are still coming to the table—goes through what those changes to the incentives look like.

**Mr Palmer:** Is it helpful if I go through each of the incentives in the old program, or the combination of the merging from the old program, and talk about the incentive in the new program that is comparable?

**Senator O'NEILL:** I think we don't need to go through the previous ones. The table you've provided indicates the streamlining; that's what I'm interested in.

**Dr Bruniges:** The second column in the table articulates the changes.

**Senator O'NEILL:** What those changes are.

**Dr Bruniges:** Yes; what they've changed. And the reason that we've put the left-hand column in is so that you can look back and have a look at what the previous incentive was and, then, how it has been streamlined or simplified in the right-hand column.

**Senator O'NEILL:** Is there anything you think you can add to the explanation that's provided in the table, Mr Palmer?

**Mr Palmer:** The only thing I would add is that this table doesn't refer to the additional incentives measure. This is only the streamlining measure. There was also an additional incentives measure. If you can just give me a moment I'll get some more notes. The additional incentives measure relates to additional incentives that would be provided in respect of the 10 priority skills areas. It's an additional commencement incentive and an additional commencement incentive of \$2,000 that would be received by the employer at 12 months and a completion incentive that would be received by the employer of \$2,000. As well as that, there is an incentive for the eligible apprentice of \$1,000 at the 12-month point and \$1,000 at completion. The 10 occupation areas were carpenters and joiners, plumbers, hairdressers, airconditioning and refrigeration mechanics, bricklayers and stonemasons, plasterers, bakers and pastrycooks, vehicle painters, wall and floor tilers, and arborists.

**Senator O'NEILL:** If you could table that, that would be quite helpful.

**Mr Palmer:** I don't have it in a form that can be readily tabled, but it is available in the media material for the measure.

**Senator O'NEILL:** In terms of the incentives, over the forward estimates what predictions do you have about when they'll be provided?

**Mr Palmer:** Let me just get the start dates for these two.

**Dr Bruniges:** While Mr Palmer's doing that, I might just note, at the bottom of that table, the list of additional identified skills support incentives. We take the occupation as currently in the national skills shortage, as determined by the skills research that the Department of Jobs and Small Business do—we don't do our own; we go there. The occupation has an Australian apprenticeship as the main pathway—so we make sure that's intact—through which skilled workers enter the occupation. And, indeed, the occupations—which Mr Palmer read out—are assessed as facing a potential shortfall of qualified workers over the next five years.

**Senator O'NEILL:** Over five years.

**Dr Bruniges:** Jobs over the five years.

**Senator O'NEILL:** In terms of the incentives, my sense is: when's the money coming in? What are you anticipating, Mr Palmer?

**Mr Palmer:** The simplified incentives arrangements will commence on 1 July 2020. The additional identified skills shortage payment will begin on 1 July 2019.

**Senator O'NEILL:** Do you have any indication of the expenditure over the forwards?

**Mr Palmer:** Expenditure over the forwards?

**Senator O'NEILL:** Year by year.

**Ms Williams:** Again, that's in the table that we've tabled with you.

**Senator O'NEILL:** Do you want to take me to the page?

**Ms Williams:** I'm more than happy to run through that for you.

**Senator O'NEILL:** Which is it?

**Ms Williams:** That's in response to question 16, if you've got that in front of you—the additional identified skills shortage payment.

**Senator O'NEILL:** The first row?

**Ms Williams:** That's the first row, or the first three rows. Then the streamlining follows.

**Senator O'NEILL:** There is very little at the beginning: \$1.1 million. Is that correct?

**Mr Palmer:** That's correct, but that's because a person must be in an apprenticeship for a year before those incentive payments are able to be claimed. There are some costs associated with delivery as well that are included in that first year, but the payments would begin from the second year as a result of having commenced and been in the apprenticeship for 12 months before the payment can be paid.

**Senator O'NEILL:** Mr Palmer, I'm not sure if you're the right person for this one, but how was the figure of 80,000 new apprentices as a result of the Australian Apprenticeships Incentives Program arrived at?

**Mr Palmer:** We worked with our colleagues in the Department of the Treasury and the Department of Finance on this. What we looked at was what sort of uplift factors we've had in programs over the last 10 years, particularly the Kickstart program. What we saw was that over time, either when those programs were commenced or when they ceased, it was reasonable to look at an 80 per cent over-time increase in the number of people commencing in an apprenticeship that would be affected by the incentive payment. What we have done, though, is also allow that to ramp up. So we haven't assumed it moves to 80 per cent immediately, but it ramps up. The 80,000 is a number over five years, not over four years, so it continues on to 2023-24 in terms of getting to the 80,000.

**Senator O'NEILL:** Would you be able to provide this modelling that you did with Treasury?

**Mr Palmer:** I'd have to take that on notice. I obviously don't have any of that material here.

**Senator O'NEILL:** Would it be difficult for you to get it today and get it to us?

**Dr Bruniges:** I think we'd have to check.

**Senator O'NEILL:** You've described it quite clearly, so clearly it's well known to you. It can't be too hard to get your hands on it. We'd appreciate it if you can.

**Dr Bruniges:** Can I just check that that modelling didn't form part of advice to the government in deliberations. So we're taking it on notice. If we didn't use it for that, I think that will be fine. If we did, I think that becomes a bit of a problem for us.

**Senator MARSHALL:** Whether it's advice to government or not matters nil.

**Dr Bruniges:** I think we've taken it on notice.

**Senator MARSHALL:** 'Advice to government' is not a reason why you can't provide something to the Senate.

**Dr Bruniges:** I understand.

**CHAIR:** The question's been taken on notice.

**Senator PRATT:** It's modelling. It's not advice in that sense, is it?

**Senator O'NEILL:** It's not an announcement of what's coming down the line—that's for sure.

**Dr Bruniges:** I was being very cautious in saying that. Mr Palmer had taken the question on notice. I want to support that and make sure that we do the right thing by the Senate.

**Senator O'NEILL:** So, hopefully, we can get it this evening. Before I go on to the next question, can I return to the question I asked about how much of the skills package is budgeted for the forward estimates and how much is expected to be expended after the forward estimates.

**Dr Hart:** There was nil beyond the forward estimates. For the \$525 million, I've got that year-by-year breakdown over the forwards, Senator. I think you asked before about that.

**Senator O'NEILL:** Yes, please.

**Dr Hart:** In 2019-20, \$96.389 million; in 2020-21, \$105.799 million; in 2021-22, \$145.319 million; and, in 2022-23, \$181.80 million. That will add up to slightly more than \$525 million, and that's because in 2018-19 there is a slight spend but there is also an underspend from other measures in that year, so it's minus \$4.004 million. So, if you subtract \$4.004 million from those other years, you should end up with \$525.303 million.

**Senator O'NEILL:** Thank you very much. I will go on to the skills package, which refers to the \$34.2 million in 2019-20 to further support the six signatory states and territories to the SAF. Does that include special national partnership payments made to Tasmania?

**Dr Hart:** That is for the six jurisdictions that signed up to the Skilling Australians Fund. What it does, because there is an expected reduction in the levy, is that it restores that reduced levy amount for 2019-20 for those six states, which would have been determined on a per capita basis. So it is only for that amount. It's a top-up to replenish what would have come through the levy.

**Senator O'NEILL:** Thank you for that explanation. If I can get an answer to my question: does it include the special national partnership payment made to Tasmania?

**Dr Hart:** Is that the yet-to-be-announced payment that we referred to?

**Senator O'NEILL:** I don't know. Is it?

**Dr Hart:** It's not a special partnership. Tasmania's a signatory to the SAF, so they would be receiving a top-up just like the other effective jurisdictions.

**Senator O'NEILL:** So it's not a special national partnership payment?

**Dr Hart:** It's not a special national partnership—

**Senator O'NEILL:** There's a differentiation for the treatment of Tasmania with regard to this fund, isn't there?

**Dr Hart:** It's replenishing what they would have expected to get through the levy, and that is the same for Tasmania and any other jurisdiction. So it's just topping up that amount that's been reduced. They would have been allocated that amount on a per capita basis. Tasmania will get a top-up, as will New South Wales and South Australia and WA, and it will all be based on what they would have expected to get through the levy but hasn't been met.

**Senator O'NEILL:** I might have another question on that because that's not quite clear to me.

**Senator PRATT:** That's not my understanding of it.

**Dr Bruniges:** There's the drop in the levy, and this actual amount of money fills that gap. Then it was distributed across the six signatory states, according to the bit that they needed to be topped up. It only relates to payments under the SAF national partnership agreement, not to any other national partnership agreement or any other measure.

**Senator O'NEILL:** I may well still have to come back to that. What will the states and territories have to do in return for this money?

**Dr Bruniges:** The Skilling Australians Fund?

**Senator O'NEILL:** Yes.

**Dr Bruniges:** We can go through that with Mr Palmer.

**Mr Palmer:** Certainly. Six states have signed up to the Skilling Australians Fund National Partnership Agreement. That money relates to expenditures. The 34.2 relates to expenditures in 2019-20. What they will need to do is enter into a bilateral agreement with the Commonwealth government with respect to the projects they plan to deliver. They need to identify and agree with the Commonwealth's targets and performance benchmarks for those projects, and then they need to achieve those performance benchmarks in order to be paid that component of the money.

**Senator O'NEILL:** Is there a sample of such an agreement that you could table?

**Mr Palmer:** There are samples on the federal financial relations website of such agreements—yes.

**Senator O'NEILL:** The sample is quite close to the actual?

**Mr Palmer:** The purpose of the \$34.2 million was to ensure that the amount in Budget Paper No. 3 for this budget was the same as in last year's budget for the 2019-20 year. So, yes, the sample is exact.

**Senator O'NEILL:** Thank you, very much.

**Dr Bruniges:** Could I go back to your question about the website? I think the senator was asking: is there a template or is there a real one?

**Mr Palmer:** The WA agreement includes material on that website for the 2019-20 financial year.

**Senator O'NEILL:** Is this money included in the budget allocation for national partnerships on the Skilling Australians Fund?

**Mr Palmer:** Yes, it is.

**Senator O'NEILL:** Which is in the budget paper, on page 35?

**Mr Palmer:** It's in Budget Paper No. 3 on page 35. Yes, you are correct.

**Senator O'NEILL:** Budget Paper No. 3, not Budget Paper No. 2. Is that correct?

**Mr Palmer:** I've brought Budget Paper No. 3 with me which goes to Commonwealth-state financial relations. I'm not sure that it appears in Budget Paper No. 2 as well.

**Dr Hart:** It is reflected on page 34 of Budget Paper No. 3, with the Skilling Australians Fund. The \$34.2 million is included in that line item.

**Senator O'NEILL:** Thank you very much. I thank the secretariat very much for getting me a copy. My question arising from that is: how much of this funding is going to each of the signatories, year by year? Is that in any of the documents you've given me?

**Ms Williams:** That is in the response to question 17, which we tabled in relation to Senator Marshall's letter.

**Senator O'NEILL:** New South Wales—do you want to put it on the record?

**Ms Williams:** New South Wales, \$20.3 million; Western Australia, \$6.6 million; South Australia, \$4.3 million; Tasmania, \$1.3 million; ACT, \$1.1 million; the Northern Territory, \$0.6 million.

**Senator O'NEILL:** Thank you. Can I go to the Skills Package, as it's described. In Budget Paper No. 2, on page 70, there's an amount of:

\$20.1 million over four years from 2019-20 to better identify emerging skills needs ...

If you then look at page 13 of the department's portfolio statement, it says that \$15.8 million is for an extension of the unique student identifier.

**Ms Williams:** That's right.

**Senator O'NEILL:** So what's the rest of the \$20.1 million going to?

**Ms Williams:** It covers a range of measures, including extension of the Jobs and Education Data Infrastructure, or JEDI, project—that's an existing project which is being extended for a further period—as well as new funding for a new initiative, a tertiary learning repository, and funding for the unique student identifier that you identified there. There are details on this in response to question 18 in Senator Marshall's letter.

**Senator O'NEILL:** So this indicates money budgeted for each initiative year by year?

**Ms Williams:** Yes; that's correct.

**Senator O'NEILL:** Where do these allocations appear in the budget?

**Ms Williams:** They can be found on page 13 of the PBS.

**Dr Bruniges:** There's a full list on pages 12 and 13 of the PBS with a description and a quantification.

**Senator PRATT:** We've touched on the Skilling Australians Fund in some of our questions. In terms of what the budget papers say on page 35 of Budget Paper No. 3, can you break down year by year over the forwards the funding for New South Wales, WA, South Australia, the ACT, the Northern Territory and Tasmania?

**Ms Williams:** We can do that. I might ask Mr Palmer to do that.

**Mr Palmer:** It's at the bottom of page 35 of Budget Paper No. 3. I'm happy to read that table out, if that's—

**Senator PRATT:** No, I'm just trying to work out the scale of what looks like a cut in it compared—

**Mr Palmer:** There have actually been no cuts to the Skilling Australians Fund. What's happened is there's been an estimates variation because the revenue from the Skilling Australians Fund levy has been lower than expected.

**Senator PRATT:** But that's still a cut in terms of what states were planning on.

**Mr Palmer:** The arrangement has always been a hypothecated revenue arrangement. That's set out in the national partnership agreement—that the amount that will be available from 2019-20 onwards is the amount that has been collected in the revenue.

**Senator PRATT:** Can you break down for me the difference between the projected revenue and the adjusted revenue over that forward estimate, please?

**Mr Palmer:** Certainly. If you look at last year's budget paper, it had a value of \$1.2 billion over the four years 2018-19 to 2021-22. The levy estimates variation is minus \$0.2 billion. We've talked about Queensland and Victoria not signing up being an adjustment of \$463 million. We've talked about the additional budget funding being \$34.2 million, which gets you to a total of \$574.3 million—

**Senator PRATT:** A difference of \$574.3 million—

**Mr Palmer:** over the forwards.

**Senator PRATT:** More than half a billion dollars over the forward estimates. If you could give us those figures state by state over the forward estimates, that would be great.

**Mr Palmer:** Which figures would you like state by state?

**Senator PRATT:** The difference in the revenue, state by state.

**Mr Palmer:** In 2018-19—I'll read these down the page—the difference for New South Wales is zero; the difference for Victoria is \$76.1 million; the difference for Queensland is \$58.7 million; the difference for WA is zero; the difference for South Australia is zero; the difference for Tasmania is zero; the difference for the ACT is zero; and the difference for the Northern Territory is zero. If we move now to 2019-20, the difference for New South Wales is zero; the difference for Victoria is \$76.6 million; the difference for Queensland is \$58.7 million; the difference for Western Australia is zero; the difference for South Australia is zero; the difference for Tasmania is zero; the difference for the ACT is zero; and the difference for the Northern Territory is zero. If we move now to—

**Senator PATERSON:** I'm sensing a bit of a theme there, Mr Palmer.

**Senator PRATT:** Please continue. I want it confirmed that it stays the same in those states where there's a zero, but keep going, thank you.

**Mr Palmer:** The difference in 2020-21 for New South Wales is \$31.5 million; for Victoria, it is \$88.8 million; for Queensland, it is \$67.6 million; for Western Australia, it is \$10.1 million; for South Australia, it is \$6.7 million; for Tasmania, it is \$2.0 million; for the ACT, it is \$1.6 million; and for the Northern Territory it is \$0.9 million.

**Senator PATERSON:** Chair, I wonder if it's the best use of the committee's time to have officials read out tables which are available for senators to read—

**Senator PRATT:** We don't know when this election is going to be called, and the information is very clear.

**CHAIR:** Is it publicly available or not?

**Senator PATERSON:** Is it really necessary to have them reading out numbers that we can look at with our own eyes?

**Senator PRATT:** Is there a website that I can get this information from?

**Senator O'NEILL:** We're nearly there.

**Senator PRATT:** We're nearly there.

**CHAIR:** Let's finish it up.

**Mr Palmer:** If we move to 2021-22, the difference, the reduction, for New South Wales is \$18.6 million; the reduction for Victoria is \$78.7 million; the reduction for Queensland is \$59.6 million; the reduction for Western Australia is \$6 million; the reduction for South Australia is \$3.9 million; the reduction for Tasmania is \$1.2 million; the reduction for the ACT is \$1 million; and the reduction for the Northern Territory is \$0.5 million.

**CHAIR:** Just to be clear: this is reduction in expected revenue? Nobody is cutting anything? That is what we're talking about?

**Senator Cash:** That is correct.

**Senator PRATT:** The Skilling Australians Fund was announced as all of this new funding. States have been asked to plan around that.

**Senator Cash:** Perhaps the official could take the committee through the actual clauses in the agreement that clearly outline the basis upon which the funding is provided, which the states themselves, after years or months of negotiation, signed up to. The states are completely aware—they signed the partnership agreement—of the basis upon which the revenue is raised. As the officials have stated, it is hypothecated.

**Senator PRATT:** But certainly it would have been an option for the government in this budget to have put more money on the table to fix the gap.

**CHAIR:** On Friday afternoon at 5 pm, let's avoid having conversations across the room.

**Senator Cash:** Poor Senator Birmingham is dying to come on.

**CHAIR:** Absolutely, he is. I will not ask Mr Palmer to do that, because I am conscious of time and I'm conscious of the fact that we still have a significant amount on the agenda to get through.

**Senator PRATT:** You could have prioritised more funding.

**CHAIR:** We are beyond the time we had said we were going to try to get skills done in.

**Senator PRATT:** Yes. It appears to me, very clearly, that states that signed up to the national agreement are also experiencing a loss of expected revenue from this change.

**Mr Palmer:** Senator, when they signed up to the agreement, the states understood the hypothecated revenue arrangement, and the agreement makes it clear in clause 35 that the contribution will be based on the actual revenues from the fund levy collected in the previous financial year. Clause 21 allows for the targets and benchmarks to be adjusted on a pro rata basis as a result of any changes that occur in revenue estimates, up or down.

**Senator O'NEILL:** As I recall, Mr Palmer, there were a lot of concerns raised that this was exactly what would happen if this design advanced, and the concerns that were raised at the time by Labor have been well proven by the numbers that you've just indicated to us. They started off with zero, zero and zero, and, as soon as we pushed on past Senator Paterson's point, we started talking about tens of millions of dollars disappearing from skills.

**CHAIR:** Senator O'Neill, move to a question.

**Senator PRATT:** I think we've got the information that we wanted on this issue.

**Senator O'NEILL:** Yes—the money that the magic pudding didn't deliver.

**CHAIR:** Senator O'Neill! Are we ready to move back to cross-portfolio?

**Senator PRATT:** That information was very helpful, thank you.

**CHAIR:** Have we finished with skills and training?

**Senator O'NEILL:** We have.

**CHAIR:** Thank you very much, Minister Cash. We will suspend briefly, but all officers from skills and training are released.

[17:04]

**CHAIR:** We will resume this hearing. I welcome the Minister representing the Minister for Education and Training, Senator the Hon. Simon Birmingham. We've already welcomed the officers, so I won't do that again. Minister, do you have any opening statement to make?

**Senator Birmingham:** Good afternoon, Chair. Happy Friday.

**CHAIR:** Extraordinarily happy. That was the opening statement? Excellent.

**Senator PRATT:** In the last estimates, Minister, you took on notice, and indeed you did too, Dr Bruniges, about whether you had received information verbally or in writing about the alleged incident regarding Karen Andrews throwing a stapler at a member of staff. I have answers to those questions and they amount to a refusal to provide that answer. How can telling us whether you had received information in a written or verbal form possibly increase the risk of the individual being identified?

**Dr Bruniges:** Senator, I think when you refer to my answer, the department has maintained that the disclosure of further information, including the form and manner of how the information was provided, increases the risk of the individual being identified. As outlined in the response to question 695, the provision of further detail 'not only risks betraying the confidence of the individual but also increases the reluctance of people to provide information in future'.

**CHAIR:** I would also note that this matter has been extensively canvassed before, Senator Pratt.

**Senator O'NEILL:** It has been extensively asked but responses have failed to arrive and the responses that have been provided on notice are as profoundly disrespectful of the transparency that we really deserve in the Senate as the evidence we received last time, and that is why we'll continue to ask questions to get some transparency around this.

**CHAIR:** Senator Pratt, let's go.

**Senator PRATT:** Thank you. Can you please tell us now about the basis on which providing information in a verbal or written form changes the risk to the individual?

**Dr Bruniges:** It is my view that continuing to disclose further detail about a matter, even where the detail itself seems to be innocuous, increases the risk of that detail being able to be combined with other information known to others to allow the identification of individuals. I considered the risk very carefully. I have ultimate respect for this Senate. The fact that I've assured the committee that the information received about the assistant minister was dealt by the department in an appropriate manner, the department remains of the view that it is proper not to disclose any further information on the matter.

**Senator PRATT:** At the last estimates, you said that you would take these questions on notice. You gave us the same information this time as you did last time. Was the statement 'I'll take that on notice; I'll take that on notice'—you said it over and over again—really just to avoid answering the question?

**Dr Bruniges:** No. If you read *Hansard*, I referred back to my response of question 695 and indicated I had nothing further to add.

**Senator PRATT:** These are serious questions in relation to an alleged assault on a staff member which we are seeking answer to. It couldn't be more serious. We have, in a few weeks time, a real chance of there being a change of government in which the circumstances around this might, in fact, come to light. So what kind of responsibilities do we have as a government and as a parliament to your staff and to the Australian people, who want to know the truth about this issue?

**Dr Bruniges:** Senator, I have nothing further to add.

**CHAIR:** Senator, she has disclosed her responsibilities. Minister, if you want to add anything, feel free.

**Senator PRATT:** The issue is that we have candidates in this election who have had allegations made about them in this regard. If someone had thrown a stapler, which indeed we think has happened, and is a candidate at this election—

**CHAIR:** Senator Pratt, you can throw things around under parliamentary privilege, but I really think we need to move to questions—

**Senator O'NEILL:** I'm more concerned about a stapler that was thrown rather than the debate.

**CHAIR:** I think we need to move to questions.

**Senator PRATT:** Are you going to confirm or deny that a stapler was thrown at a member of the staff by Minister Andrews?

**Dr Bruniges:** Senator, I have nothing further to add.

**Senator Birmingham:** Senator, I would refer you to the answer to question on the notice that was canvassed extensively at the last estimates that made clear that no such complaint has been made.

**Senator O'NEILL:** Senator Birmingham, you gave a good answer earlier in the week so I ask for a good answer this time too on a matter of a completely different nature. Last time, we had a very difficult conversation without enough transparency, in my view, around an alleged assault on a staff member. It couldn't be a matter of more seriousness—going to work in a minister's office and having an allegation that a stapler has been thrown at an individual. The people who could be coming into work in the parliament need to be reassured that if such a thing happens there will be a process in place that is transparent and open. We talked about power and how it operates the last time we were here.

**Senator PRATT:** That's right.

**Senator O'NEILL:** We talked about the effective silencing of reports. We know that you know. We know that you received information. Everybody knows that you received information. That's not disputed. But the choice that you seem to be making, Dr Bruniges, for protection of a person's identity—we don't want to know the person's identity. That's not what we're asking. We've never asked for that. There are ways in which you could be absolutely transparently standing up for the protection of the entire staff who are looking to you for leadership here.

**Senator PRATT:** We want to know what action you took.

**Senator O'NEILL:** There are documents that exist—

**CHAIR:** Let's stop making speeches and start asking questions, please.

**Senator O'NEILL:** Let's get some answers.

**Senator PRATT:** What steps were taken by you, Minister Birmingham, to ensure that such violence does not occur again?

**Senator Birmingham:** Senator, in the last estimates the secretary went through the assurances that she could provide this committee in relation to the processes that had been followed. I stand by—

**Senator PRATT:** No, this question is to you, Minister.

**Senator Birmingham:** the information that has been provided to the committee, and there's nothing further to add.

**Senator PRATT:** This is your junior minister. I will direct these questions to you one step at a time. We know that your office took a media inquiry about this issue—correct?

**Senator Birmingham:** I refer you to the answers to questions on notice.

**Senator PRATT:** Would you not have a responsibility, as a minister, to ensure the truth or otherwise of that conduct personally?

**Senator Birmingham:** I refer you to the fact that the assurances the secretary has given on the public record to this committee—and, through that, to all—about the processes that have been followed.

**Senator PRATT:** So did you entirely rely, in those processes, on the actions of the secretary, or did you, because you were a senior minister worried about the conduct of a junior minister, make your own inquiries personally or through your office to Minister Andrews herself?

**Senator Birmingham:** The secretary is the appropriate authority in relation to any employees of the Australian Public Service.

**Senator PRATT:** No, that was not the question. The question was: did you make your own personal inquiries? Surely it would have been appropriate for you to do so.

**Senator Birmingham:** Not in relation to matters that relate to employees of the Public Service.

**Senator O'NEILL:** We're talking about the minister.

**CHAIR:** Senator Pratt has the call.

**Senator PRATT:** In relation to activities in the public service, sure, fine. But if you have a colleague that is behaving in ways that are a threat to other people, what actions need to be taken in order to ensure that that conduct is seen to be unacceptable and ruled out in all places and in all workplaces? Surely you must have taken some action.

**Senator Birmingham:** I refer you to the assurances the secretary has placed on the record in terms of the actions that were taken.

**Senator PRATT:** No, I'm not interested in the secretary's assurances and actions. I'm interested in whether you sought assurances from your junior minister and whether you discussed that with the Prime Minister.

**Senator Birmingham:** The matter relates, insofar as there is one—I again highlight the fact that the answers provided quite some time ago now make clear there was no official complaint in that regard—

**Senator PRATT:** Let me frame it this way: did you contact anyone other than the secretary about this issue?

**Senator Birmingham:** I simply refer to all the previous answers in these matters.

**Senator PRATT:** You're refusing to answer the question, Minister. Did you speak to the Prime Minister about this issue? Did you speak to Karen Andrews herself?

**Senator Birmingham:** These matters have been handled appropriately, and the secretary has placed those processes on the record.

**Senator PRATT:** No, she hasn't.

**Senator O'NEILL:** Senator Birmingham, you're not answering the question. You're making a statement and you're repeating it over and over, like you're building some sort of wall of protection around yourself. You're not answering the question that has been asked. The context is that the media contacted you—this is when you were the minister for education—and said, 'Senator Birmingham, we believe your junior minister, Minister Andrews,' who's up for re-election when we come to whatever date is set in May, 'has thrown a stapler at one of her staff.' That's the allegation. The media made you aware of that. That is correct. You didn't deny that the last time we were here.

**Senator Birmingham:** If you look at the answer to the question on notice—if you could trouble yourself to do so—you would find I was not the minister for education at the time.

**Senator O'NEILL:** She was your junior minister at the time this occurred.

**Senator PATERSON:** Chair, I just might note there are other candidates up for election whom serious allegations, not proven in the public domain, have been made about that we could also name here with the protection of parliamentary privilege.

**CHAIR:** Thank you, Senator Paterson.

**Senator O'NEILL:** Were you aware of this issue, this matter? You were made aware of this issue; is that correct?

**Senator Birmingham:** Those questions have been asked and answered at the previous estimates, and in answers to questions on notice. I refer you to those.

**Senator O'NEILL:** I don't believe so. The question was:

Minister, given that there was a media inquiry about an alleged assault by a minister on a public servant, did you raise this with the Prime Minister?

You said:

I'll take that on notice, Senator—

the answer.

**Senator PRATT:** And you haven't yet provided us with an answer, despite saying you would take it on notice.

**Senator Birmingham:** All questions on notice have been answered, I think.

**Senator O'NEILL:** SQ19-000004 was the one we were seeking information on this morning.

**Senator PRATT:** That's the answer of Dr Bruniges. The answer to SQ19-000005 says, 'See answer to SQ19-000004.' It directs us back to the statement in relation to receiving a media inquiry. It doesn't actually answer the question in relation to raising it with the Prime Minister. Is that not correct, Minister Birmingham? To the question where you were asked, 'Did you raise it with the Prime Minister?' the answer is, 'See answer to SQ19-0004.' That was the question about the media inquiry:

My office received a media query on 23 October 2018. My office referred the query to the Office of the Minister for Industry, Science and Technology on the same day

Does that provide an answer to the question about whether you raised it with the Prime Minister? Does that answer the question?

**Senator Birmingham:** Yes, Senator.

**Senator PRATT:** How does it answer it? You might care to answer the question again for us now.

**Senator Birmingham:** Well, my office received a media inquiry on 23 October 2018. My office referred the query to the office of the Minister for Industry, Science and Technology on the same day.

**Senator PRATT:** That is your answer to the question that reads:

Minister, given there was a media inquiry about an alleged assault by a minister on a public servant, did you raise this with the Prime Minister? Senator Birmingham: I'll take that on notice, Senator.

I'm therefore assuming—and you can clarify this if it's wrong—that, essentially, that answer denies that you ever spoke to the Prime Minister about it, because it says that the action taken in response to that query was to refer it to the Minister for Industry, Science and Technology. So can you confirm that you did not speak to the Prime Minister? That's my reading of that question.

**Senator Birmingham:** The answer is complete.

**Senator O'NEILL:** Which answer? To which question?

**Senator PRATT:** No, no—but can you confirm that you did not speak to the Prime Minister about this incident?

**Senator Birmingham:** The action that was taken is outlined there in the answer.

**Senator O'NEILL:** It still doesn't answer the question. Did you talk to the Prime Minister?

**Senator PRATT:** Did you speak to the Prime Minister about it or not? Am I right? Okay, so—

**CHAIR:** You asked the minister a question and the minister's answered the question.

**Senator PRATT:** No, he hasn't answered the question.

**Senator O'NEILL:** He's answered another question, the one he wants to answer. He hasn't answered the question he's been asked. There's a difference.

**Senator PRATT:** This is nothing but a cover-up. This is an absolute avoidance—

**CHAIR:** Senator Pratt, do you have any questions?

**Senator PRATT:** So you're telling me that an appropriate answer to 'Did you raise this with the Prime Minister, given there'd been a media inquiry?' was: 'My office received a media inquiry and referred the query to the Minister for Industry, Science and Technology on the same day'? How does that answer relate to any potential conversation or otherwise, yes or no, with the Prime Minister? Please explain that for me.

**Senator Birmingham:** The answer outlines the action that was taken.

**Senator PRATT:** Okay. The action that was taken was in relation to referring the matter to the office of the Minister for Industry, Science and Technology. Is the Minister for Industry, Science and Technology the Prime

Minister? No, I don't think that's the same portfolio, is it? The Prime Minister doesn't hold the office of Minister for Industry, Science and Technology, does he?

**Senator Birmingham:** I think you know the answer to that. I sense that it's a rhetorical question, but if you would like me to say, 'No, the Prime Minister is not the Minister for Industry, Science and Technology,' I'm happy to confirm that the Prime Minister is not the Minister for Industry, Science and Technology.

**Senator PRATT:** How does that referral to that office answer the question about whether the—

**Senator PATERSON:** I have some ministers I just want to make sure the Prime Minister isn't as well. Is the Prime Minister the Treasurer?

**Senator Birmingham:** The Prime Minister was the Treasurer but is not the Treasurer.

**Senator PATERSON:** Good point, Senator Birmingham.

**Senator PRATT:** Again I return to my question about how the answer—

**CHAIR:** Order! Let's get back to questions please.

**Senator PRATT:** I return to my question.

**Senator O'NEILL:** Let's get some answers so we can move on to other questions. That would be a good start.

**Senator PRATT:** How does the referral of the matter to the office of the Minister for Industry, Science and Technology answer the question that you were asked about whether you raised it with the Prime Minister? Please explain how that is. The fact is it doesn't, does it?

**Senator Birmingham:** It answers what action was taken.

**Senator PRATT:** So you are now stating on the public record that the only action you took was—

**Senator Birmingham:** in relation to a media inquiry.

**Senator PRATT:** to refer it to the office for industry and that you didn't speak to the Prime Minister about it?

**Senator Birmingham:** In relation to the media inquiry, yes.

**Senator PRATT:** In relation to—

**Senator Birmingham:** In relation to the media inquiry, it was referred to the relevant minister.

**Senator PRATT:** So, in relation to the media inquiry, you didn't speak to the Prime Minister. In relation to the alleged assaults, did you raise this with the Prime Minister?

**Senator Birmingham:** You're the one making allegations. There's an answer on the record that there was no complaint.

**Senator PRATT:** Minister Birmingham, I'm not asking you about whether you raised a media inquiry about the alleged assault with the Prime Minister. I'm now asking you whether you raised the issue of an alleged assault by Minister Andrews with the Prime Minister?

**Senator Birmingham:** You're the one making allegations. You asked previously about my awareness of this issue, and I said that I recalled there was a media query at some stage. I've answered how we handled a media query.

**Senator PRATT:** No, but that's not the question before you now—

**Senator O'NEILL:** If I can, Senator Pratt—

**Senator Birmingham:** If it needs to be made abundantly clear, although I would have thought that it was already, the answer the secretary provided quite some months ago now—that there is no complaint in relation to such matters—is also reflected in the fact that no complaint has ever been made to me in relation to such matters either.

**Senator PRATT:** Are you claiming public interest immunity on this matter? What grounds would you have to do that?

**Senator Birmingham:** I'm not sure in relation to what you think I would be claiming public interest immunity.

**CHAIR:** I didn't hear a claim of public interest immunity.

**Senator PRATT:** No, no. Okay: were you aware of this allegation as at 23 October 2018?

**Senator Birmingham:** My office received a media query.

**Senator PRATT:** So, yes, you were personally aware of the allegation as at that point?

**Senator Birmingham:** My office received a media query on 23 October 2018.

**Senator O'NEILL:** Yes, you can restate that many times, but answer the question: were you personally aware? After your office received the media inquiry, did they talk to you about it?

**Senator Birmingham:** At some point, because, in the last estimates when you asked me, I said I recalled that there was a media query on the matter at some stage.

**Senator O'NEILL:** So you were aware of the allegation.

**Senator Birmingham:** Sorry; a media query, Senator O'Neill.

**Senator O'NEILL:** Of an allegation of assault by a minister on one of her staff. That was the allegation.

**Senator Birmingham:** No. A media inquiry about something anonymous and unsourced—let's be very clear in that regard—

**Senator PRATT:** You're refusing to answer the question.

**Senator Birmingham:** that the secretary has subsequently confirmed that there is no complaint relating to.

**Senator O'NEILL:** That's not true. Dr Bruniges is refusing to provide documentation to reveal to us exactly what it is that she did. She has told us that there was no formal complaint, but we know there was documentation that has not been revealed to us. You're talking about this as if it's an incident that has nothing attached to it. Dr Bruniges has confirmed, with her answers, that she has dealt with the matter. So the matter exists. It is not a figment of somebody's imagination. The matter exists. So you cannot deny it by saying it was just a media report. There has been an action taken, which we consider inadequate, by the head of the department, and you're relying on an implication that no action occurred. The action occurred—

**CHAIR:** That's your characterisation entirely, Senator O'Neill

**Senator Birmingham:** You're making that allegation, Senator O'Neill. There has been no complaint.

**Senator O'NEILL:** But there has been a response to the matter that was raised with a media inquiry that you received information about.

**Senator Birmingham:** As the secretary has again, some months ago now, already assured this committee—

**Senator PRATT:** What do you think an appropriate response is to a minister throwing a stapler at staff?

**CHAIR:** Senator Pratt! Order!

**Senator Birmingham:** That's an allegation you're making, Senator Pratt. Again, there's been no complaint.

**Senator PRATT:** You're denying it happened?

**CHAIR:** Senator Pratt! Order!

**Senator Birmingham:** It's an allegation you're making, Senator.

**Senator PRATT:** Are you denying it happened?

**CHAIR:** Senator Pratt! Order! Minister, you've got the call.

**Senator O'NEILL:** Dr Bruniges, I can understand you're probably—

**CHAIR:** Senator O'Neill! Order! Minister, were you finished?

**Senator Birmingham:** Yes.

**CHAIR:** Senator O'Neill.

**Senator O'NEILL:** Dr Bruniges, I understand you might be in a very unenviable position right now, because clearly Senator Birmingham, who is representing the government here today, is not being forthcoming with his answers. For all intents and purposes, it would appear that you're being leant on not to provide information to this committee.

**CHAIR:** Senator O'Neill! Let's try—

**Senator O'NEILL:** This is the concern that I have, Dr Bruniges. Can you please reassure me that, as public servants are watching this and giving consideration to this, they won't be ambiguous or uncertain about the sort of support they're going to get if they contact you—

**Senator PRATT:** Or a political cover-up.

**Senator O'NEILL:** too frightened to say—'Somebody through a stapler at me. I don't want to put in a report but I want to let you know this happened.' Is this an indication of what you're going to do if this happens to another person?

**Senator Birmingham:** Senator O'Neill, as you move from making one allegation to another, I would stress that the statements the secretary made only a short while ago placed extreme emphasis on protecting the rights of individuals to be able to make any complaints if they wanted to, or to raise any other issues if they wanted to—

**Senator O'NEILL:** But is she going to protect anybody from having a stapler thrown at them?

**CHAIR:** Senator O'Neill!

**Senator Birmingham:** with complete confidence that such matters would be dealt with confidentially if they so wished or, more importantly, that at least their privacy would be properly protected.

**Senator O'NEILL:** I'm not asking for privacy to be protected.

**Senator Birmingham:** The secretary's statements have been incredibly clear in that regard. You should not be extending the allegations you've already been making to make further allegations in that regard. But, if the secretary wants to address, in relation to the substance of your question, the confidence that APS employees in her department should have to be able to raise issues with her and the processes that exist for them to do so, then of course I'm more than happy for the secretary to do that and to address that area of substance in relation to your question.

**Senator PRATT:** Dr Bruniges, can I ask you—

**CHAIR:** Dr Bruniges, did you wish to add anything to the minister's response?

**Dr Bruniges:** Yes. Thank you, Chair. Of course, as the employer of all staff, I have responsibilities to all staff to ensure that they're working in a safe and secure environment. And I would hope that all of the staff that I have under my area of responsibility know how importantly, first and foremost, I treat their wellbeing, safety and security. We have a series of policies to ensure that's in place, and I would be very surprised if staff were not confident to come to me and raise any issue that they chose to.

**Senator PRATT:** Dr Bruniges, did you do anything to ensure that this issue was followed up not only internally, with your staff and in the department, but with the colleagues of Minister Andrews?

**Dr Bruniges:** As I've said before, I have nothing further to add than the statements I've made today, the response to question 695 and the response I gave to question 3.

**Senator O'NEILL:** Can you talk me through this. This afternoon, Dr Bruniges, you get a phone call from somebody who says, 'I don't want to make an official report, but my boss just threw a stapler at me.' Tell me what you do next.

**Dr Bruniges:** Senator, I'm not going to answer hypotheticals.

**Senator O'NEILL:** But this is not a hypothetical.

**CHAIR:** It is entirely hypothetical.

**Senator O'NEILL:** This is an incident about which you have said that we should be reassured that you have dealt with it in an appropriate manner. So it's an incident that occurred. What I'm asking you is: what is the appropriate manner that you would implement in that context?

**Dr Bruniges:** Senator, let me repeat: I can confirm that no complaint or incident report has been lodged by any departmental staff member, and I did that in response to question 695.

**Senator O'NEILL:** But you said that the department has received information about the assistant minister's interactions with staff. You put that on the record—

**Dr Bruniges:** I did.

**Senator O'NEILL:** which was provided on the basis it remained confidential. You received information. You tell us to be assured that you've dealt with the information in an appropriate manner.

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

**Senator O'NEILL:** So let's change the stapler and make it a coffee cup.

**Senator PRATT:** Is it appropriate not to lodge incidence reports if staplers are thrown?

**CHAIR:** I think that's still a hypothetical.

**Senator O'NEILL:** Yes, but if you don't want to accept it was a stapler, let's turn it into a coffee cup. If it's a coffee cup that gets thrown this afternoon, Dr Bruniges, talk me through what's going to happen. Reassure me.

**Senator Birmingham:** Senator O'Neill, if you want an answer in relation to such matters, don't frame them as a hypothetical question. Ask the secretary what steps are taken into relation to a complaint made by a staff member.

**Senator O'NEILL:** Senator Birmingham, what about when somebody is too frightened to make it an official complaint because they fear for their job or they fear for their advancement down the track?

**Senator PRATT:** What steps do you take then?

**Senator O'NEILL:** When it's not an official complaint. This is what you've told us. It wasn't an official complaint, but you did something in response to something that you're telling us we should be reassured about.

**Dr Bruniges:** Senator, I said that no complaint or incident report had been lodged by any departmental staff member.

**Senator O'NEILL:** That's correct, but information about the assistant minister's interactions with staff was provided to you on the basis that it remained confidential. Something happened, Dr Bruniges.

**Senator PRATT:** What do you do, Dr Bruniges, if something happens in the workplace where no complaint is made, but you consider it serious?

**Dr Bruniges:** We can ask to go through our policy in regard to that. I think we spoke briefly about that before. So, do you want me to go through the appropriate policy?

**Senator PRATT:** If you could perhaps highlight, in going through that policy, what was implemented in this particular case.

**Dr Bruniges:** As I said before, I'm not going back to the particulars of any case. I've provided responses to the questions you've asked. I've spoken today about my reasons and justifications for not disclosing any further information based on the risk.

**Senator PRATT:** Okay. But is it reasonable for me to assume that, had this incident occurred, given this is your policy for serious incidences that may not have been formally reported, you would need to apply such a policy?

**Dr Bruniges:** I won't go into the extent to which the policy was applicable or otherwise to the matter at hand, because of the reasons already stated, but I'm happy to go through the policy. I can confirm the matter was dealt with, as I said before, in an appropriate manner, consistent with the principles underpinning the policy.

**Senator PRATT:** Okay. Let's hear what the policy is.

**Ms Medley-Brown:** The department has a 'managing discrimination and harassment in the workplace policy'. This policy outlines our commitment to providing a safe, flexible and respectful environment which is free from all forms of discrimination and harassment as well as bullying. The information provided in the policy gives practical assistance to employees who believe they may have suffered discrimination or harassment.

**Senator PRATT:** Are you able to jump to the part that tells us what you're expected to do when an incident is observed to have occurred?

**Ms Medley-Brown:** Yes. I can speak about the relevant parts of our policy. We always try to resolve concerns promptly and at the local level, wherever possible. We attempt to resolve the concern directly with the person and have a discussion with them about what they would like to happen and give them the opportunity to resolve the matter in an informal way, which gives them the comfort that they've been heard, gives them the support to resolve the issue. And, they, of course, always have the option to proceed directly to a formal complaint. If they give us a formal complaint, one of my branches—the People, Culture and Capability Branch—will make sufficient inquiries of the person and determine the best way to resolve the issue.

**Senator PRATT:** If there were an incidence of violence within that, how do you make a judgement about whether dealing with it in an informal way is appropriate?

**Ms Medley-Brown:** Our policy is a principle based policy and we would take conversations with the employee to determine what was the best way to proceed. Every matter has different circumstances and background to that, so I can't speculate as to what would be done in the hypothetical case.

**Senator PRATT:** I ask Minister Birmingham, again: did you discuss this allegation with Minister Andrews?

**Senator Birmingham:** The only allegations have been made by the likes of yourself.

**Senator PRATT:** That doesn't answer the question.

**Senator Birmingham:** Nobody else has made such allegations to—

**Senator PRATT:** Yes, I'm alleging that Karen Andrews threw a stapler within the department. Did you discuss such an allegation with Minister Andrews herself?

**Senator Birmingham:** I've not discussed your allegations with Minister Andrews, no, Senator Pratt.

**Senator PRATT:** Did you discuss with her whether or not she threw a stapler within the department?

**Senator Birmingham:** Senator, I'm not going to the ins and outs of all of my conversations with my colleagues. But I've been quite clear that this allegation, as you put it, has only been made by yourselves to me. Nobody has ever made an allegation to me other than those of you who are sitting here deciding to undertake such slurs.

**Senator PRATT:** Did you discuss the allegation with the Prime Minister?

**Senator Birmingham:** We've already addressed that question.

**Senator PRATT:** No, you didn't answer the question. You said that you referred it—

**CHAIR:** That question's been extensively addressed, Senator Pratt.

**Senator Birmingham:** And the same answer applies, Senator Pratt.

**CHAIR:** Senator Pratt, let's move on.

**Senator PRATT:** You haven't answered the question. You've essentially refused to answer it.

**CHAIR:** Senator Pratt!

**Senator PRATT:** Do you want to claim public interest immunity? What grounds have you got for refusing to tell us—

**CHAIR:** The minister has not mentioned public interest immunity, Senator Pratt; only you have done so.

**Senator Birmingham:** We're not refusing to answer, Senator Pratt. I've made clear that no such allegation has been made to me, aside from by you. And, no, I don't make it a habit to take the opposition slurs and discuss them with the Prime Minister.

**Senator PRATT:** Therefore, you didn't discuss it with the Prime Minister.

**Senator O'NEILL:** We're calling it an allegation, but I think Dr Bruniges calls it 'the matter'. 'The matter' is how you keep referring to it. You dealt with 'the matter' 'in an appropriate manner'. What exactly is 'the matter'? How would you characterise it, Dr Bruniges?

**Dr Bruniges:** I didn't use 'matter', Senator. My response to 695 said that the department can assure the committee that it has dealt with the information in an appropriate manner.

**Senator O'NEILL:** Dealt with the information in an appropriate manner—how can people in the department be confident they're going to be protected when something such as this looks like it's been covered up?

**CHAIR:** That question has been asked and answered.

**Senator Birmingham:** I think the secretary has answered that.

**Senator O'NEILL:** Alright, so let's go with what we know because it's pretty hard to get a straight answer this afternoon. Minister Birmingham received an allegation that Minister Karen Andrews, then assistant minister, threw a stapler at a staff member on 23 October 2018. He referred it to Karen Andrews.

**Senator Birmingham:** Sorry, a media inquiry, Senator—

**Senator O'NEILL:** He refuses to disclose what steps he took from then—

**Senator Birmingham:** Senator O'Neill—

**Senator O'NEILL:** despite being asked several times.

**Senator Birmingham:** I dispute your characterisation.

**Senator O'NEILL:** He refuses to disclose if he discussed it with Prime Minister Morrison.

**Senator Birmingham:** Receiving a media inquiry is—

**CHAIR:** Senator O'Neill, that—

**Senator O'NEILL:** We know that the department received information about the alleged incident.

**CHAIR:** There is nothing that can be answered in this.

**Senator O'NEILL:** They refused to disclose anything about that—

**CHAIR:** This is a speech, Senator O'Neill.

**Senator O'NEILL:** and they claimed privacy reasons—

**CHAIR:** There is no question.

**Senator O'NEILL:** on a complaint that they refused to confirm.

**CHAIR:** Senator O'Neill, come to order! Ask a question.

**Senator O'NEILL:** Is that correct? Is that list—

**Senator Birmingham:** Barely any of it, Senator O'Neill, is correct.

**Senator PRATT:** Which bit's correct?

**Senator O'NEILL:** So answer some of the questions then.

**CHAIR:** There was no question.

**Senator O'NEILL:** There was an incident though.

**CHAIR:** There is nothing—Minister!

**Senator Birmingham:** The date of 23 October, being of some note is correct.

**CHAIR:** There is nothing to be answered in that.

**Senator O'NEILL:** There was an incident, and the incident is described in question on notice No 4:

The department has received information about the Assistant Minister's interactions with staff which was provided on the basis that it remain confidential and that it was neither a complaint nor to be treated as a complaint. The department can assure the Committee that it has dealt with this information in an appropriate manner.

There was certainly an incident. It was an incident that was reported to your office on 23 October, and you have refused to answer questions, Senator Birmingham, about who you told and what action you took. This is a cover-up.

**CHAIR:** Senator O'Neill—

**Senator O'NEILL:** This is a cover-up.

**Senator Birmingham:** Earlier—

**CHAIR:** You read out the answer.

**Senator Birmingham:** I spent some time explaining to other senators who were seeking a cheap grab in a news bulletin. I'm not going to rise to take the bait, Senator O'Neill. I know that—

**Senator O'NEILL:** People subjected to violence in their workplace is a matter of concern.

**Senator PRATT:** Dr Bruniges, why do you need to claim privacy—

**Senator Birmingham:** Senator, you're again making a slur.

**CHAIR:** Order!

**Senator Birmingham:** You've got zero—

**Senator PRATT:** on a complaint you refuse to confirm even occurred?

**CHAIR:** Order! Senator Pratt, let's not talk over each other. Senator Birmingham, were you finished? Senator Pratt?

**Senator PRATT:** Thank you, Chair. What we know is this: Minister Birmingham, you received an allegation that Karen Andrews threw a stapler at staff—

**CHAIR:** I received a media inquiry.

**Senator PRATT:** A media inquiry on 23 October—correct?

**Senator Birmingham:** My office received a media inquiry to be precise.

**Senator PRATT:** You won't say whether you spoke to or referred it to Karen Andrews. You've refused to disclose—

**CHAIR:** No—sorry, Senator Pratt—the answer provided on notice is very clear: the media inquiry indeed was referred to the office of the Minister for Industry, Science and Technology on the same day.

**Senator PRATT:** That's right. You refuse to disclose what steps you took.

**Senator Birmingham:** No, the answer provides that my office referred the media inquiry to the office of the Minister for Industry, Science and Technology on the same day.

**Senator PRATT:** But you've used that same answer to that same question as an answer to whether you discussed the issue with Prime Minister Morrison. Correct? It doesn't make sense.

**Senator Birmingham:** The steps my office took were to refer the media inquiry to office of the Minister for Industry, Science and Technology on the same day.

**Senator PRATT:** Yes, but did you also take the personal step of speaking to the Prime Minister?

**CHAIR:** This area has been canvassed. Senator Pratt.

**Senator Birmingham:** We have addressed that, Senator Pratt.

**Senator PRATT:** You've essentially refused to answer it. The department received information about the alleged incident, and yet you refused to disclose that information and you claim privacy reasons on a complaint that you refused to confirm even occurred.

**Senator Birmingham:** The department provided a thorough answer months ago, Senator Pratt.

**Senator O'NEILL:** By what method did you refer the matter to the assistant minister?

**Senator Birmingham:** My office received a media inquiry and my office referred the media inquiry to the other minister's office.

**Senator O'NEILL:** By what method did they do that, Minister Birmingham?

**Senator Birmingham:** I don't know, Senator.

**Senator O'NEILL:** Have you not bothered to look and find out?

**Senator Birmingham:** This is getting really silly, Chair.

**Senator PRATT:** If we got straight answers, it wouldn't be.

**Senator Birmingham:** I don't tend to ask my staff by what means they've received the media inquiry that they've got and what mode of communication they've used.

**Senator O'NEILL:** It goes to: what did you do about it?

**Senator PRATT:** The minister, clearly, doesn't—

**CHAIR:** Could you ask a question that hasn't already been asked 20 times?

**Senator Birmingham:** I just received a media inquiry on 23 October 2018 and referred it to the office of the Minister for Industry, Science and Technology on the same day.

**Senator PRATT:** I think we can move on, because the minister won't—

**Senator O'NEILL:** I've got one more question for the department. These questions on notice that we received answers to, that we have clearly indicated we think are inadequate and do not shed any light on the questions that we've asked, were they discussed with the minister before we received them?

**Dr Bruniges:** They're my responses to the questions.

**Senator PRATT:** So the minister didn't have anything to do with the answers we received from you?

**Dr Bruniges:** No.

**Senator PRATT:** He didn't have to tick any of them off to release them?

**Dr Bruniges:** No, not at all.

**Senator Birmingham:** Aside—for thoroughness, Senator O'Neill—to the answer in relation to my office, which, obviously, my office had to provide information on.

**Senator O'NEILL:** Yes.

**Senator Birmingham:** Just to be clear.

**Senator PRATT:** All right. Thanks.

**CHAIR:** Do we still have cross-portfolio?

**Senator PRATT:** Yes. Outcome 1.

**CHAIR:** If we could deal with cross-portfolio.

**Senator PRATT:** No, I think we're straight onto outcome 1 now, aren't we?

**CHAIR:** Can you just check, because if there are people we can release it would be better to release them.

**Senator O'NEILL:** No, we've still got questions for this—

**Senator PRATT:** That's fine.

**CHAIR:** Okay.

**Senator MARSHALL:** I want to talk about advertising questions. I think this committee, not me, asked some questions last—if we can go to budget papers and portfolio budget related paper No. 1.5, Education and Training Portfolio—can we look at the program expenses 1.5 on page 35?

**Dr Bruniges:** In the PBS?

**Senator MARSHALL:** Quality Schools communication.

**Dr Bruniges:** I don't think that's PBS, Senator.

**Senator MARSHALL:** I'm only as good as the information in front of me, I'm afraid.

**Dr Bruniges:** Page 35, was it?

**Senator MARSHALL:** That's what I've got. I can't vouch, totally, for the accuracy. There are a lot of pages in that budget; far too many words.

**Mr Markovic:** Do you know which budget papers you're referring to? It would help us out. Are you referring to last year's budget papers or the budget papers just issued now?

**Senator MARSHALL:** I'm assuming it's the ones right now.

**Mr Markovic:** I don't think there was any reference in this year's budget.

**Senator Birmingham:** Either in the top-left or top right-hand corner, does it give any descriptor?

**Senator MARSHALL:** I've got the questions just in front of me and I'm not—

**Senator Birmingham:** I can see, on the other side, you've got a photocopy of a table. I don't know whether that was the whole page or not.

**Senator MARSHALL:** That might be—I normally don't do double sided! So I should always just turn over, shouldn't I. I've got attachment 1. It's got program expenses 1.5, 'Early learning and schools support', and it starts at 2018-19.

**Senator Birmingham:** I think it's page 34.

**Senator MARSHALL:** Page 34, you're right. Thank you for your assistance, Minister, and if you keep up this level of cooperation, we'll get through this very quickly!

**Senator Birmingham:** You don't need to rush, from my perspective. The foreign affairs and trade committee has something on at 10.00 pm tonight, I gather.

**Senator MARSHALL:** I see, on Quality Schools communication for 2018-19. At last hearing you confirmed \$9,392,730.72 for expenditure on Quality Schools communication. Has there been a change?

**Mr Markovic:** I think, at the last testimony, that was the value of the contracts that we had issued, and how the \$10 million number that's referred to in the PBS documentation is the budget that was allocated through—in fact, this figure is the estimated actual expenditure—the portfolio budget statements. I'll let Ms Charles confirm that the contract figures remain at \$9.3 million.

**Ms Charles:** The contract values for the quality schools campaign are at \$9,408, 847.

**Senator MARSHALL:** What are the details of that additional expenditure?

**Ms Charles:** Versus the number that you quoted?

**Senator MARSHALL:** Yes.

**Mr Campbell:** There has been some variation in some of the contract amounts. I can go through each individual contract if that makes it easier.

**Senator MARSHALL:** Yes. It's not going to take forever, is it?

**Ms Charles:** No. There was a contract amount for media which was \$6,840,627. For market research, we had benchmark tracking and evaluation research of \$172,899. The creative contract was \$1,595,000. Then we had market research for developmental research at \$571,120.

**Senator MARSHALL:** I'm actually after where the additional expenditure has been made. You're now just taking me through the breakdown of the \$9 million.

**Ms Charles:** I don't have that comparison, but I can quickly do that calculation.

**Senator MARSHALL:** All right. That would be good.

**Ms Charles:** I have worked that out. The amount that was quoted at last estimates didn't include the full contracted amount. So we had one contracted amount that was done for Hudson. We had two other contracted amounts which were for Randstad. So that had made up the difference. There was one variation of approximately \$11,000 on the benchmark tracking and evaluation.

**Senator MARSHALL:** So none of the additional expenditure goes to any new programs?

**Ms Charles:** No.

**Mr Markovic:** There were some individual contractors that we used to help support delivery of the program and those weren't included in the \$9.3 million. That makes up the bulk of that \$100,000

**Ms Charles:** That's correct.

**Senator MARSHALL:** All right. We also asked for copies of the documents provided to the Independent Communications Committee in relation to this advertising and you took that on notice. I understand we have an answer from you saying that you won't disclose them on the basis that they informed a deliberative process of government. As you should know, that is not grounds for refusing to provide information to this committee. So why have you made such a claim?

**Mr Markovic:** We certainly have sought to provide all the information that we can in relation to that. The department's view was that certain components of that content informed deliberative process of government as the campaign was still underway. There was the opportunity for it to change based on advice and conversations with government and so we did not provide that. That's consistent with an approach that's previously been taken in tabling material with this committee.

**Senator MARSHALL:** That's simply wrong, and you're not allowed take that position. The only way you can withhold answers to questions from this committee is to make a public interest immunity claim and for that to be accepted by this committee. So I now ask you to provide that information. I suspect your justification which you were just arguing—that it was something still being considered—has come and gone. So there should be no reason for you not to provide that information to us now.

**Dr Bruniges:** We will take it on notice.

**Senator MARSHALL:** The problem I have with that is that it gives me the impression that you're going to give us something and then, when we get the written answers, we actually quite often get some gobbledegook and people saying no again. If you're saying you don't have those documents here and you will provide them to us, that's fine. But, if you're saying you're actually going to consider the question of whether you will provide the documents, that's not fine and I'll want you to make a public interest immunity claim.

**Senator Birmingham:** Senator, those deliberative processes do, for such matters, sometimes involve the cabinet subcommittee. It's for officials as what they do or don't have to hand, but beyond that there is also the question, at least, as to what are cabinet documents and what are not.

**Senator PRATT:** The fact of this debate is about such a public interest immunity claim and its grounds. You need to specify the grounds.

**CHAIR:** Senator Pratt and Senator Marshall, you have made your point. I do encourage officials to listen to it. Certainly, a public interest immunity claim would be required if you are refusing to disclose. However, you are within your rights to take the question on notice, which you have done.

**Senator MARSHALL:** With the stuff that you've provided to us that's heavily redacted, is that an internal document?

**Dr Bruniges:** Sorry, can you give me the question on notice—

**Mr Markovic:** Senator Marshall, I think you're referring to the document that we provide to the ICC. I think that was the document that Senator O'Neill was waving just a second ago. I caught a glimpse of it. This is a document we provide to the ICC to help them inform their decisions about whether or not they can certify the campaign as complying with the principles of—

**Senator MARSHALL:** Again, why have you redacted that? What public interest immunity claim have you made to redact sections of that internal document, which clearly is not a cabinet document?

**Mr Markovic:** I haven't made a public interest immunity claim. In providing our response to the committee, we indicated why we had removed certain information. I have simply taken it on notice for us to have a look at providing that information. The reason why—

**Senator MARSHALL:** We have had to come through two processes of estimates to get answers to questions that we're entitled to have. This is not good process; it is not good process. Where did we land in terms of you taking my first question on notice? Are you going to provide it? Will we get it?

**Dr Bruniges:** I said I would take it on notice.

**Senator MARSHALL:** As to what question?

**Senator Birmingham:** Senator, I think we've been subjected—

**Senator PRATT:** Point of order, Chair. Senator Marshall is right. You can't take a question on notice without—taking a question on notice is about going away to find the answer or about going away to find out if you can provide an answer or whether you will make a public interest immunity claim. You can't just say, 'We'll take it on notice,' as a way of avoiding answering the question. We have seen that over and over again in this committee.

**CHAIR:** Senator Marshall has asked a question, and it has been taken on notice.

**Senator PRATT:** But on what grounds has it been taken on notice?

**CHAIR:** You do not need to say—

**Senator PRATT:** You either take it on notice because you don't know the answer or you're going away to make a public interest immunity claim about it—or to work out whether you have one. They are the only two reasons why you would take a question on notice.

**Senator PATERSON:** On the point of order, Chair. Senator Pratt is making a sterling effort but is inventing a totally new process for how to take questions on notice.

**Senator PRATT:** No, I'm not.

**Senator PATERSON:** There is no criteria for the minister or officials to have to meet in order to be able to take a question on notice. They can take a question on notice, and they have done so.

**Senator MARSHALL:** Chair, can you make your ruling, and we'll move on?

**CHAIR:** I'm not even sure I can rule on this, because they have taken it on notice. Let's move on.

**Senator Birmingham:** The question is on the documents and information.

**Senator MARSHALL:** I want to clarify what you think my question is.

**Dr Bruniges:** Senator, I have taken it on notice. I now have the response in my hand. Your question related to the redactions in this document of the question that we tabled. I have said I will take on notice whether or not we can supply all of the non-redacted document. I just need to take advice. The reason I have taken it on notice is that—we have tried to give a reason and we tried to minimise the redactions. But, as the answer says, sections of the advice would reveal cabinet deliberations. You've questioned that and drawn it to my attention. I have said I will take it on notice.

**Senator MARSHALL:** We are very marginally wiser, not very much.

**Senator O'NEILL:** We're back at seven o'clock. Aren't we taking a break?

**CHAIR:** You have 30 seconds left, Senator Marshall.

**Senator MARSHALL:** Where will the ads be placed, and what will be the target audience?

**Ms Charles:** The campaign is currently in market. It started on 27 January. It is a national campaign and it is on TV, radio, out of home and digital in all states and territories.

**Senator MARSHALL:** And what's the purpose of it?

**CHAIR:** Well, let's come back with the purpose at 7 pm.

**Proceedings suspended from 18:00 to 19:01**

**CHAIR:** We will resume these hearings. Senator Marshall, you have the call.

**Senator MARSHALL:** Why was so much of the statement against the principles of the *Guidelines on information and advertising campaigns by non-corporate Commonwealth entities* redacted? In principle 4 you've redacted 1 to 8 and 12 out of a total of 17, so more than half of your claims to address those principles. How can so many of those be redacted?

**Dr Bruniges:** I think I said to you before that I'm happy to take that on notice, given your previous comments about the advice that we had supplied on the front—that advice that would reveal cabinet deliberations had been redacted. I take your point about having reasons and the conversation we had before the dinner break, so I have taken that on notice.

**Senator MARSHALL:** Sure. I have a bit more to ask because I want to know how you got to this point. Who actually provided advice on redaction and on what to redact? Where is Mr Pattie? Not here? I thought he was going to join us. He signed off on this document.

**Dr Bruniges:** Mr Pattie would have signed off on the original statement.

**Senator MARSHALL:** Mr Pattie, did anyone consult with you about what to redact?

**Mr Pattie:** I was acting at the time, but subsequent to the question being asked, no.

**Senator MARSHALL:** Could it be that the justification against the principles didn't actually make an argument to support the position?

**Ms Charles:** The department made a determination on the content to redact. It was based on the fact that the content contained information, opinions or advice that we provided to a cabinet process.

**Senator MARSHALL:** We know it's not a cabinet process, and that part of the question has been taken on notice. How was the decision made? Who was consulted about what was to be redacted? Take me through that. Ms Charles, were you in charge? Were you the person who ultimately did the redacting?

**Ms Charles:** Yes. We made a determination reviewing the content. The content was excerpts or extractions from other documents that were submitted as part of the cabinet process for campaigns. A determination was made to redact that content.

**Senator MARSHALL:** Did you take legal advice?

**Ms Charles:** We consulted in relation to content that was related to cabinet information; yes.

**Senator MARSHALL:** Who did you consult?

**Ms Charles:** Our internal legal area.

**Senator MARSHALL:** Did they take advice from any external providers?

**Ms Charles:** I'm not aware.

**Senator MARSHALL:** Are they here? I think we specifically asked for your chief legal adviser.

**Dr Bruniges:** He's here.

**Senator MARSHALL:** Good.

**Dr Bruniges:** I was consulted as well. I had a conversation with Ms Charles.

**Senator MARSHALL:** Were you provided with legal advice when you—

**Dr Bruniges:** No, I didn't see the legal advice on the redaction. I had a conversation regarding the redactions and the reason that we specified in the question on notice.

**Senator MARSHALL:** Mr Gotzinger?

**Mr Gotzinger:** That's right.

**Senator MARSHALL:** You provided advice to Ms Charles about what to redact?

**Mr Gotzinger:** I provided some advice on the operation of public interest immunity and what may and may not be available.

**Senator MARSHALL:** But no public interest immunity claim was ever made?

**Mr Gotzinger:** No, but—

**Senator MARSHALL:** It was an oversight, was it? You meant to.

**Mr Gotzinger:** No. As has been stated, parts that were redacted related to a cabinet process, and that's the stuff that basically was redacted. I didn't give any legal advice on it. As you'd know, the operation of public interest immunity isn't a legal issue; it's a political process essentially.

**Senator MARSHALL:** Let me just be clear: you didn't provide any advice on about what to redact?

**Mr Gotzinger:** No; I provided advice as to the operation of public interest immunity and how it works.

**Senator MARSHALL:** Ms Charles, you didn't know how public interest immunity worked and you needed Mr Gotzinger to tell you?

**Ms Charles:** Provide further clarification; yes.

**Senator MARSHALL:** Was the advice that in order to redact such things you needed to make a public interest immunity claim, or was that not part of your advice?

**Mr Gotzinger:** The advice that I gave was basically—as you know, only a minister can make a claim for public interest immunity and, really, when a department is redacting things in an answer I think the correct way to characterise it is that they're putting to the committee that there may be reasons that it's not proper to provide the information.

**Senator MARSHALL:** Yes, and then provide the committee with a justification to the harm that it will cause?

**Mr Gotzinger:** That's right.

**Senator MARSHALL:** That never happened. So that was your advice to Ms Charles, but she ignored that?

**Dr Bruniges:** As I said before, I take your point that you raised before the dinner break. I've taken it on notice, and I think, as Senator Pratt pointed out, if there are, indeed, two ways forward about public interest immunity and consultation of the minister, that's one path. We had put up the reason that we thought in response to the QON was the reason for the redactions.

**Senator MARSHALL:** That's all very well, Ms Bruniges, but I do want to explore it a little bit further. You should, and I think you probably do, understand my concern, because this is rather blatant, naked, political, partisan advertising being paid for by the taxpayer—right?

**Senator O'NEILL:** Exactly.

**Senator MARSHALL:** I'm a little bit peeved about it, to be honest, because it's pretty blatant. And then we get the justification about meeting the internal document and about meeting the principles which people are obliged to, and there are whole swathes of it redacted. We now know you had advice about how to make a public interest immunity claim to the Senate, but you then didn't make it. It occurs to me, because I've seen this and it actually—let me say now, I have the utmost respect for you, Ms Bruniges. I've dealt with you over many, many years in different capacities so please don't take this personally, but we do see a tendency across many committees where, as I made the point earlier, we seem to always need to have two goes at it before we actually ever get an answer, and I don't think that is an appropriate way for Senate committees to be treated. Let me leave it there—well, not the whole issue. I want to come back and explore it still a little bit further. Mr Pattie, you've signed off on the statement that the campaign will not influence public support for a political party, a candidate for election, a minister or a member of parliament. Do you stand by that?

**Mr Pattie:** Yes.

**Senator MARSHALL:** Is it just a coincidence that this huge spend was increased in time to occur just before the election, promoting the position of the incumbent government?

**Dr Bruniges:** The timing of the campaign was at the commencement of the school year. I think Ms Charles went through this dates before—

**Ms Charles:** Yes, that's correct.

**Dr Bruniges:** It started to run at the commencement of the school year. That fitted with the objectives. The first was to increase the awareness and understanding of the record school funding through the Quality Schools Package. The second was to increase awareness and understanding of the Quality Schools Package and the potential positive impact it would have for students, teachers and parents. At the commencement of the school year—

**Senator MARSHALL:** It is early February—

**Dr Bruniges:** Yes—

**Senator MARSHALL:** When did you learn that the election was in May? I think the Prime Minister told us that last year—

**Mr Pattie:** I don't know that the election is in May.

**Senator MARSHALL:** The Prime Minister told us there would be an election in May, I think, last year. He said there would be a May election. You did not know that?

**Mr Pattie:** I didn't know that he said it or I didn't know that there was an election in May?

**Senator MARSHALL:** You didn't know that he said that? Do you think there won't be an election in May?

**Mr Pattie:** I suspect there will be.

**Senator MARSHALL:** It's a coincidence that a spend at the start of the school year is also just a couple of months before—

**CHAIR:** No. The secretary has said it was coinciding with the start of the school year.

**Senator MARSHALL:** the election.

**Dr Bruniges:** As explained in the previous year's budget, we had phase 1 and phase 2 and this constitutes phase 3 of the campaign.

**Senator O'NEILL:** Can I clarify, because, Mr Gotzinger, you have given advice around public interest immunity—and I have to confess I've really never interacted with it in any significant scale in the hearings that I've been in. Somebody else has been always close to that. You gave advice with regard to this matter. What advice did you give?

**Mr Gotzinger:** As I said, I basically gave advice on the circumstances in which it is appropriate to propose that material not be provided to the committee and when you do need to provide it to the committee.

**Senator O'NEILL:** I don't want to ask for an opinion, but why I am wrong in thinking that effectively Dr Bruniges has taken a public interest immunity claim by her action?

**Mr Gotzinger:** I think, from a technical perspective, because only a minister can make a public interest immunity claim, when a department puts forward an answer that in effect declines to provide some information, what in effect it's saying is putting a proposal to the committee that there is a public interest reason for not providing the information.

**Senator MARSHALL:** I think the chair might want to correct your legal view on that at some point in time.

**CHAIR:** We have advice that it is open to an officer to claim public interest immunity. It can then be referred to a minister but an officer can claim PII.

**Mr Gotzinger:** Public interest immunity is an executive power belonging to the government. So I think a departmental employee can raise the possibility that a claim might be appropriate to make but if one actually has to be made it's for the minister to make that.

**Senator MARSHALL:** Well, that's not the Senate's view, and we make our rules here.

**Mr Gotzinger:** All I can say is what my understanding is. But I take your point.

**Senator MARSHALL:** Was the minister's office involved in the redaction process?

**Ms Charles:** The redaction process was undertaken within the department. So, no.

**Senator MARSHALL:** There was no consultation with the minister's office?

**Ms Charles:** No, we made the determination.

**Senator MARSHALL:** Did the minister's office clear the redacted version before it was disclosed as part of the question on notice?

**Mr Markovic:** The minister's office is involved in reviewing the material but the responses for all questions on notice are finalised and submitted by the department. This was handled in no different way to any of the other 197 questions on notice that we received and—

**Senator MARSHALL:** I understand that's what you're saying. Tell me what that process is?

**Mr Markovic:** The department drafts a response to a question on notice. We make that available to the minister's office, who will review that and from time to time provide feedback. We will then be responsible for finalising and submitting a response to this committee.

**Senator MARSHALL:** What was the feedback from the minister's office?

**Mr Markovic:** I can't tell you on any individual QON—as I said, we took 197 at the last hearing.

**Senator MARSHALL:** You must have ticked it though, because you then sent it to the committee?

**Dr Bruniges:** Yes, well we—

**Mr Markovic:** Tick is an interesting word.

**Senator MARSHALL:** Well, tell me, what terminology do you use?

**Mr Markovic:** We all say commentary—as I said, all questions on notice are—

**Senator MARSHALL:** If the minister's office had any concerns about it, you wouldn't have then sent it to us, would you? You'd wait for approval from the minister's office?

**Mr Markovic:** No, not—

**Senator MARSHALL:** All right. Explain to me how it works again.

**Mr Markovic:** Exactly what I said—

**Senator MARSHALL:** So, if the minister's office is unhappy with it, us you just send it to us regardless. Come on?

**Mr Markovic:** The responsibility for finalising questions on notice, and submitting them, rests the department.

**Senator MARSHALL:** I know. How often have you submitted an answer to a question on notice that the minister's office is unhappy with? Out of the many thousands, tens of thousands of questions, how many?

**Mr Markovic:** Unhelpfully, I'll probably need to say I need to take that on notice—

**Senator MARSHALL:** I'll give you the answer: none.

**Mr Markovic:** Actually, that's not correct. We have had instances where we've received feedback and made decisions about what we would submit.

**Senator MARSHALL:** How many?

**Mr Markovic:** I couldn't tell you off the top of my head.

**Senator MARSHALL:** Give us a hint.

**Senator O'NEILL:** Thousands? A handful?

**Mr Markovic:** It wouldn't in the thousands. It would probably be closer down to the handful. What I can assure you is that we have had instances where we haven't agreed—

**Senator MARSHALL:** Is this one of those occasions?

**Mr Markovic:** No, on this occasion—this is in my area of functional—

**Senator MARSHALL:** So, the minister's office ticked it off?

**Mr Markovic:** This is a response that was settled and finalised within my area of responsibility. I was satisfied, for the reasons I said about an hour ago, about why we—I accept you don't agree with the reason why we chose to redact, but that's just the reason that actually—

**Senator MARSHALL:** Let's finish with the minister's office's involvement so that I'm very clear.

**Mr Markovic:** Certainly.

**Senator MARSHALL:** This is not one of those handful of examples where the minister's office was unhappy with your giving the answer as it was?

**Mr Markovic:** Not to my recollection, no.

**Senator MARSHALL:** So they ticked it off?

**Mr Markovic:** Back to the same word—I'm not going to—

**Senator Birmingham:** A different meaning, Senator Marshall.

**Senator MARSHALL:** Really? All right. I'm not trying to trick anyone, to be honest, but—

**Unidentified speaker:** It sounds like it.

**Senator MARSHALL:** Well, ticking is hardly a legal word that we're going to have a big problem with.

**Mr Markovic:** We received feedback from the minister's office. We don't seek approval from the minister's office to lodge it, but the department is lodging the question on notice.

**Senator MARSHALL:** All right. Did any other office clear or have any input into the redacted version before it was disclosed to the Senate?

**Ms Charles:** Not to my knowledge, no.

**Senator MARSHALL:** Why can't you say no or yes to that?

**Mr Markovic:** No.

**Ms Charles:** No.

**Senator MARSHALL:** We're now getting somewhere. We're much happier with those answers.

**Dr Bruniges:** They might have been thinking of my office.

**Mr Markovic:** The secretary's office—

**Senator MARSHALL:** And you've already disclosed that, Dr Bruniges. All right.

**Senator O'NEILL:** On cross-portfolio, I want to clarify something. You are not claiming, in this redaction, public interest immunity at all, Dr Bruniges?

**Dr Bruniges:** I said I'd take it on notice to ensure that I took advice and one of the outcomes of that may well be public interest immunity. But I've taken the question on notice. I take Senator Pratt's—

**Senator O'NEILL:** So, at the moment, the only reason we don't have it is that you don't think we should see it, but you don't know?

**Dr Bruniges:** Not at all. I've said I'd take it on notice. As I said to Senator Marshall, I was actually consulted. I agreed with the reason in the reductions. I take Senator Marshall's point, I take Senator Pratt's point and I have taken it on notice.

**Senator O'NEILL:** On what basis did you agree with the redactions?

**Dr Bruniges:** On exactly what was on the bottom—I formed a view that the sections of the advice that would reveal cabinet deliberations had been redacted. Today, Senator Marshall has pointed out that that is not a reason. But I can take it on notice and have a look at that given the learnings we've had today.

**CHAIR:** To be clear: cabinet deliberations are a legitimate approach to public interest immunity; you just must show the harm if you wish to make a claim for public interest immunity.

**Senator MARSHALL:** That's right. But we've heard of the stories of trolleys full of documents being wheeled through the cabinet room in order to give them 'cabinet deliberation' status. I don't know if that was real—that might have been in *Yes Minister*—but anything is possible around here.

**Senator O'NEILL:** If you determine overnight your understanding of the nature of the document and the right of the committee to see with clear vision what is going on, then I suggest that you table a full and clear document as promptly as possible—within 24 hours.

**Dr Bruniges:** As I said, I'll take it on notice.

**Senator O'NEILL:** How many people are currently in the research division?

**Mr Markovic:** We don't have detailed staffing information down to the division level with us now. Could we take that on notice and get back to you? I just don't have that information available.

**Dr Bruniges:** We can probably tell you how many are in the cluster.

**Mr Markovic:** We capture down to the cluster level, which is the second functional level of the department, but I don't have information with me down to the next level in terms of FTE or ASL numbers.

**Senator O'NEILL:** Okay, you can give me the cluster level right now and take it on notice down to the lower level.

**Mr Markovic:** Certainly. The research division is in the higher education, research and international cluster, which is the cluster that Mr Learmonth looks after. As at 31 December 2018, there were 302.3 FTE staff.

**Senator O'NEILL:** And on 30 June?

**Mr Markovic:** At 30 June, for the same cluster, there were 282.7 FTE staff.

**Senator O'NEILL:** Do you have the figures across all divisions and business units?

**Mr Markovic:** I can give you figures across all clusters, which are our five big functional areas of the department. If I go cluster by cluster for the same two dates—

**Senator O'NEILL:** Yes—if possible, on notice, back to 31 December of the preceding year, so I can get a kind of—

**Mr Markovic:** I can give you 30 June 2017—I've got that with me—but not December. I can give you 30 June 2017, 2018 and 31 December.

**Senator O'NEILL:** That's great, thank you.

**Mr Markovic:** How about I start left to right, so the first number will be 30 June 2017, the second number will be 30 June 2018 and the third number will be 31 December 2018. For schools and youth, 301.3, 282.8, 283.2; for higher education and research, 319.2, 282.7, 302.3; for skills and training, and this excludes our state network, which I'll come to in a minute, it's 359.8, 272.1, 293.5; and our state network is 63.8, 89.9, 92.7. For early childhood I've got two numbers, with and without the state network, so 239.9, 223.9, 202.5; and then the state network is 141.5, 135.1 and 128.8. The final cluster is mine, which is corporate, which is 343.0, 327.7, and 340.7. That accounts for the five business clusters in our department.

**Senator O'NEILL:** Within each of those clusters there are divisions?

**Mr Markovic:** Correct.

**Senator O'NEILL:** That is the lowest unit you capture data on—or business units as well?

**Mr Markovic:** We capture down. The structure is cluster, division, branch and then team.

**Senator O'NEILL:** Can you provide me with that cascading set of figures under the categories that you've given.

**Mr Markovic:** Perhaps to branch level?

**Senator O'NEILL:** Yes.

**Mr Markovic:** That's probably a logical level. Against those dates?

**Senator O'NEILL:** Divisions are above branches, aren't they?

**Mr Markovic:** Yes. Cluster, division, branch.

**Senator O'NEILL:** That sounds good.

**Mr Markovic:** Would you like it to division level or branch?

**Senator O'NEILL:** Go down to branch.

**Mr Markovic:** Against those three dates?

**Senator O'NEILL:** Exactly.

**Mr Markovic:** Yes.

**Senator O'NEILL:** Thank you. I think that's it for cross-portfolio, unless you really want to tell us what really happened—

**CHAIR:** No, I've given you every opportunity. Cross-portfolio are excused insofar as they're not needed for outcome 1, and that is where we shall move. They go with our thanks.

[19:29]

**Senator O'NEILL:** Could the department please advise when the last national partnership agreement on universal access that covered more than 12 months was signed.

**Ms Wilson:** You want to know when it was signed—is that right?

**Senator O'NEILL:** Yes, please. Can the department please advise when the last national partnership agreement on universal access was signed that covered more than 12 months?

**Ms Bloor:** The last national partnership that went for more than 12 months was the national partnership for 2016-17 and that was executed on 21 February 2016.

**Senator O'NEILL:** How long did that go for?

**Ms Bloor:** It covered the period from 1 January 2016 to 31 December 2017.

**Senator O'NEILL:** Okay. Can the department please confirm the sequence of national partnership agreements since 2013? The last Labor agreement expired at the end of 2014 and then I think there was a one-year extension for 2015 and then a two-year agreement from 2016 to 2017 and then 12-month rollovers in 2018, 2019 and 2020. Can you verify if that sequence is correct?

**Ms Bloor:** That sequence is correct.

**Ms Wilson:** Senator, can you just repeat the first period?

**Senator O'NEILL:** I'm asking for the sequence of national partnerships since 2013. I've given you what I think is the case, but it would probably be better if you put it on the record.

**Ms Bloor:** The national partnership for 2013-14 covered the period from 1 July 2013—

**Ms Wilson:** Sorry, I think you need to go back to the first one.

**Ms Bloor:** All right. The first national partnership covered the period from 2008 to 2013. That was from 1 January 2009, in terms of service delivery, to 30 June 2013.

**Ms Wilson:** There was a small amount of money and some prework that happened before the agreement kicked into place, but what Mr Bloor is talking about is the actual terms of the agreement.

**Senator O'NEILL:** So it was five years?

**Ms Wilson:** That's right. From 1 January 2009 to 30 June 2013, so 4½ years.

**Senator O'NEILL:** A lot longer than 12 months though.

**Ms Bloor:** Then the partnership for 2013-14 covered the period from 1 July 2013 to 31 December 2014. There was a national partnership for 2015, which covered the period 1 January 2015 to 31 December 2015.

**Senator O'NEILL:** To be clear, that was an extension of the 2014 one?

**Ms Bloor:** Yes. The parameters of the national partnership were unchanged at that point.

**Senator O'NEILL:** But then something changed?

**Ms Bloor:** There was then a partnership for 2016-17, which covered the period 1 January 2016 to 31 December 2017. Then, as you said, there was a one-year extension in 2018. It was further extended in 2019, but the offer then was made for two years, covering both years. There's been announced an intention for a further extension.

**Senator O'NEILL:** It was good to go through that carefully. I appreciate that. Does the minister think it's acceptable that there have been three 12-month rollovers of the program?

**Senator Birmingham:** As you've heard, the government has continued to fund the program reliably.

**Senator O'NEILL:** Is that how you'd characterise the sector's response to that? Is that the sector's view?

**Senator Birmingham:** I don't pretend to speak for other people. I'm telling you that universal access to preschool has been provided for continuously throughout our government. Of course, we were elected in late 2013. There was an 18-month agreement in place at the time of our election.

**Senator O'NEILL:** After a five-year one.

**Senator O'NEILL:** After a five-year one?

**Senator Birmingham:** An 18-month agreement had been put in place by the Labor government of the day, and we have renewed that agreement or replaced it with further agreements for funding consistently ever since.

**Senator O'NEILL:** So I'll take that as a yes: you do think it is acceptable that there have now been three 12-month rollovers to the program?

**Senator Birmingham:** I think our track record shows that we continue to fund preschool without question.

**Senator O'NEILL:** Is that methodology acceptable to you, Senator Birmingham?

**Senator Birmingham:** That we continue to fund preschool without question? Absolutely.

**Senator O'NEILL:** That you continue to roll over an agreement rather than establish an agreement with longer term for certainty for the sector?

**Senator Birmingham:** We have continued to fund preschool reliably right throughout our term in government—without question.

**Senator O'NEILL:** Has the department prepared any advice for the government on the impact that the lack of funding certainty is having on the sector?

**Senator Birmingham:** The department can answer the question, but we have been through this once or twice before where it is important to highlight that these are payments the government makes to states and territories. States and territories actually provide payments to preschools.

**Senator O'NEILL:** I think it's important to highlight that there are 350,000 children and their families who are in a constant state of limbo, wondering what's happening with regard to this.

**Senator Birmingham:** I reject that completely, Senator.

**Senator O'NEILL:** I know that the department provides a significant interface between the government and the sector, and I have been here and heard—even though this hasn't been an area of questioning for me previously—that you have undertaken considerable and ongoing consultation with the sector. That's just part of the nature of your work. My question is to you, Dr Bruniges, or your nominated staff: has the department prepared any advice for the government on what impact this lack of funding certainty is having on the sector?

**Dr Bruniges:** Senator, we would provide a range of advice. I'm thinking through, in terms of our work with states and territories and ministerial council as well, and we have a very strong early childhood group where we often have that talk. So, in that sense, we would have had conversations at ministerial councils with all ministers—state and territory—involved in discussions from work coming out of that early childhood working group, and that would have been informed by the sector's meetings and response in all states and territories. So that would be one place that we would provide advice to ministers of the Education Council.

**Senator O'NEILL:** So some advice has been provided. Has it been part of the advice that you've given or part of the advice you've received from the sector that uncertainty is having a negative impact on the sector?

**Dr Bruniges:** Certainly, there have been various budget submissions from Early Childhood Australia and a range of other peaks which identified preschool as one of the elements in their budget submissions as requiring attention and longer-term funding for certainty.

**Senator Birmingham:** In each budget, we have provided funding. There's a groundhog day element to your questions, Senator, because we've heard for many years now your questions about whether people can have confidence that funding will be there. I have reassured you on many occasions that people should look at the government's track record that we have consistently funded four-year-old preschool, and we have consistently funded four-year-old preschool each and every year.

**Senator O'NEILL:** I'm interested that you characterise it in that way, Senator Birmingham, because this sector strikes me as being very similar to what goes on in health, and not providing funding certainty means that there is incredible staff turnover as people's certainty of employment is compromised as they wait for you to sprinkle the crumbs from on high—

**CHAIR:** Is there a question here, Senator O'Neill? This is not a forum for conversation.

**Senator Birmingham:** Once again, I would point out we do not provide any funding directly to preschools through this funding stream. We provide revenue to states and territories who fund preschools. By the end of 2020, our government will have provided \$3.2 billion worth of funding to states and territories for preschool. We will have, as you've identified, renewed or struck new agreements on multiple occasions, having come to office inheriting a short-term agreement that was in place at the time.

**Senator O'NEILL:** The government have justified the lack of funding certainty to the sector—and I thank you, Ms Wilson, for putting on the record the historical reality of submissions from the peaks around the problems that Senator Birmingham continues to deny—on the grounds of attendance rates in some states and territories. That has been one of the arguments they have put forward, and they've used an insufficiency of data as an excuse for the last three rollovers. Again, this sort of reminds me of the conversations we had about students with disabilities—delay and delay and delay—and the concerns raised there. Can the department please clarify what work has been done to progress this problematic data issue?

**Ms Wilson:** Certainly, Senator. The national partnership itself has an interesting methodology, which is that the numerator is four-year-olds and five-year-olds and the denominator is four-year-olds. Therefore, some states can actually end up with more than 100 per cent of enrolment, depending on how many five-year-olds they have that they add to their four-year-old cohort. ABS has been doing some work to update its report on government services and it has identified significant overcounts because of that methodology. We have been working with the states and territories about what is a better measure in a national partnership to look at enrolment and to look at enrolment for 600 hours, and also to look at how we measure attendance, because the ROC 2018 data suggests that one in 10 eligible children is still not enrolled and 28 per cent of children enrolled in dedicated preschools are still not attending regularly for 15 hours a week. Those numbers get even worse: for vulnerable and disadvantaged, 34 per cent of children are not attending regularly for 15 hours a week; and for Indigenous children, 41 per cent are not attending regularly.

The responsibility for pre-school moved into my area in December, but the same officials' group looks at preschool. So I have been around the table for conversations over a span of close to two years on what data do states have? How can we improve this methodology? Can we agree on a different formula? The ABS has also revised its methodology for enrolment, because there has been a lot of double counting of what the states have been providing as well. So there has been a lot of effort to improve actual data and counting for the purposes of having better measures and better outcomes in the agreements going forward.

**Senator O'NEILL:** I think about three years of learning at any stage of schooling and what can be done in three years, and we're talking about three years of time that the Commonwealth has had to sort this matter. Isn't three years, with the full resources of the Commonwealth government behind the government here, enough time to work out exactly what it is that the Commonwealth wants to do with attendance data?

**Ms Wilson:** Senator, it is not just about the Commonwealth, as you have heard the minister outline as well. We have to get agreement with the states and territories, and some of those states and territories have been working very closely on a bilateral basis with us and others haven't. In order to get progress, we need to get agreement from all parties to an agreed approach. We have been working with the ones that have been open to sharing data and working with us, and some other states just haven't.

**Senator O'NEILL:** How can the government expect to implement any positive change to attendance rates when they refuse to provide funding certainty and when they won't negotiate a new national partnership agreement with the states and territories?

**Ms Wilson:** I guess what I'm trying to say is that we have been trying to improve attendance. In terms of numbers of children: 50 per cent of four-year-olds attend preschool in a centre based service; 42 per cent in a dedicated preschool; and eight per cent in both. One of the issues we also want to look at in the arrangements of a national partnership is that the national partnership is supposed to be sector neutral, which means the amount of money we provide per head for every child should go to each four-year-old regardless of settings, and that is also not happening. In 2020 it will be \$1,292 per child that goes as part of the national partnership, depending on enrolments, and in different states there are different mechanisms that apply. That is another thing we want to look at as part of the review. Some states pass the whole thing on. some states add on even more than that and pass it on and some states only pass on about \$400 to \$600 worth of it.

There is a fragmentation of arrangements; it operates differently in every state and territory. We haven't been talking just about the data; we been talking about in state X, you do it this way as opposed to state Y. While we talked about the stakeholders, the stakeholders are quite frustrated that the money that the Australian government gives the states doesn't get passed on equally regardless of setting in every state and territory, so that's one of the things they have asked us to specifically look at.

**Dr Bruniges:** Some of the architecture in each state and territory is very different on preschool education. For example, in some states, preschool is attached to the schooling sector. And more and more we are seeing preschools aligned with schooling sector to provide a continuity of learning. Some of that architecture is different, as Ms Wilson said—preschool programs running in long daycare centres, stand-alone preschools and preschools that are linked to primary settings to ensure continuity of learning. I have got just dedicated preschools in 2008

data here. If I read some of the stats for some of the states, based on their attendance for 15 hours or more in the reference week, some of them kind of range from about 50 for all children, 57 per cent through to about 80 per cent. We're not getting 100 per cent in even dedicated preschools in 2018.

**Senator Birmingham:** Senator O'Neill, you're right. Issues of attendance have been raised with the states and territories over the last couple of years. There have been attempts to try to get the states and territories to suggest better ways that more accurate data could be provided because, when some of these examples are given, the argument used by the states and territories is to dispute the data that's available. What has been done in this year's budget to try to advance, if you like, a stalemate with the states and territories is to provide some specific funding to support data improvement, \$3.2 million, that will support some work at the ABS, a range of other data improvement strategies as well as funding for attendance strategies that will support some work by the Smith Family. All of that is very important in trying to move this along, but you have heard that officials are sometimes frustrated in dealing with the states and territories. I can assure you that ministers are frustrated in dealing with the states and territories but this is an area of their policy settings, and the legacy of this funding program is that we hand them a lump sum and it is used in very different ways across states in very different settings.

**Senator MARSHALL:** Are you making a case for abolishing the states, Minister?

**CHAIR:** It is a good case for making sure the states remain responsible for areas for which they should be responsible and not confuse things.

**Senator MARSHALL:** Can the department provide the breakdown of the \$453.1 million of funding to the states and territories for 2020?

**Ms Wilson:** This is one of the items we've tabled in response to question 5. If you have got your pack then I'm happy to read it out.

**Senator MARSHALL:** That has been tabled.

**Ms Wilson:** It is probably useful to clarify that the total amount for the national partnership is \$449.5 million. The total funding goes to larger than that amount. But, as the minister mentioned, there is money for work on data and there is money for work with the Smith Family. But the actual value of the national partnership is \$449.5 million.

**Senator MARSHALL:** Thanks for that. Do you accept that it's difficult for preschools to plan for the future in respect of recruiting, training preschool teachers, the signing of longer term leases and, in fact, conducting capital works programs without a longer term funding commitment?

**Senator Birmingham:** In most cases, I think, in that regard, the states and territories now have an established enough pattern in the funding of their preschools that preschools have certainty there. When I was the minister, I was occasionally concerned when I would receive correspondence from preschools, sometimes, or local councils appearing to have concerns—agitated sometimes by a state government for political reasons—that the Commonwealth agreement meant there was a doubt around their funding. The vast bulk of funding for preschools comes from states and territories, and some supplementary funding is provided to the states and territories to lift that, but how much preschools ultimately receive is a matter for states and territories.

**Senator MARSHALL:** I will move on to a related but slightly different issue. Are you able to clarify for me how the childcare subsidy legislation works if a childcare operator wanted to give a family a fee discount? I'll give you an example: if a centre was charging \$100 a day and the family received \$70 in subsidy and paid \$30 out of pocket, and the centre decided to waive the out-of-pocket fees because the child was sick for a week, would the centre be allowed to do that?

**Ms Wilson:** I might invite the relevant colleagues to the table. The legislation is quite clear that, basically, the value of the cost of the care to the parent has to be at the base of the care. If the centre offers discounts separately to that, I'm not sure which way you're saying the discount is applying. Are you saying that they literally reduce \$100 to \$70 and charge the parents \$70 a day?

**Senator MARSHALL:** No. If the centre was charging \$100 a day, for example, and the family received \$70 in subsidy and paid \$30 in out-of-pocket expenses, and the centre decided to waive the out-of-pocket fees because, say, the child was sick for the week, would the centre be able to do that?

**Ms Catelli:** Under the family assistance law, there is no waiver right there for a service. A family still has a liability. The way that the discounts are applied is that they are usually applied up-front. Taking your example of \$100, if the service wanted to contribute \$30, it would come off the \$100 and then the childcare subsidy amount would be calculated on the \$70, and the family, depending on what level of subsidy they receive, usually has a 15 per cent contribution to pay towards the fee.

**Senator MARSHALL:** So there will be always be the out-of-pocket expense?

**Ms Wilson:** That's a feature of the arrangement—there's a co-contribution.

**Senator MARSHALL:** It just would be slightly reduced if they wanted to give some back.

**Ms Wilson:** That's because in the past we had quite a lot of deals being done between families and services where there was no out-of-pocket and the government fully funded the cost. A co-contribution is a strong incentive.

**Senator MARSHALL:** That's a very attractive proposition!

**Senator Birmingham:** Unfortunately, if you leave the door ajar to something like that that, in the way you've explained it, sounds perfectly reasonable for such a case of a sick child and a little bit of compassion, you quickly come to, as we've seen in this sector, a large change of practice that essentially sees nobody facing a co-payment element. Then the risk becomes, if there is no co-payment effectively being applied, that the ability to audit and track whether in fact there's ever a child attending child care becomes a high-risk probability as well.

**Senator MARSHALL:** I will test another scenario. If a centre had to close for a week because of a gastro outbreak or a weather event, say, would families still have to pay fees for that week? Is the centre able to waive fees for a week in such circumstances?

**Ms Catelli:** We have absent day provisions in place for particular events that could occur. Where the service normally wants to be open but there's a gastro outbreak, families can claim 42 days per year for absent stays, and that provides that continuity of fee relief for families.

**Ms Wilson:** They would still have to pay whatever the out-of-pocket amount was—we were talking about 15 per cent earlier—but they would still get their rate of subsidy over that period.

**CHAIR:** Can I jump in there with a question? What happens in the current situation in Queensland, where floods have perhaps—

**Senator MARSHALL:** You've read my notes.

**CHAIR:** Sorry, Senator Marshall!

**Senator MARSHALL:** I was building up to that! No, go ahead.

**CHAIR:** What happens if a centre is knocked out for longer than 42 days?

**Ms Wilson:** We can talk to that.

**Senator MARSHALL:** Let me add my bit, because it's slightly different but it's very close. Because of the recent floods, did any childcare centre operators approach the department to see if they could offer discounted fees for that week or so and were told that they couldn't?

**Ms Wilson:** I think we can answer that in a number of different ways, but last time at Senate estimates we said that we work very closely with Centrelink on provisions for temporary financial hardship for those families. They could access up to 120 per cent of the cost of care, and therefore take down their out-of-pocket to almost zero. We also made special grants available under exceptional circumstances.

**Senator MARSHALL:** What triggers exceptional circumstances?

**Ms Wilson:** In the case of the Townsville floods, we worked with the Queensland state government. They had a mechanism for triggering exceptional circumstances, and instead of making the families try to meet two requirements we just agreed with the Queensland state government that if they met their terms they would meet our terms. We work with Centrelink to put that in force with their people up there. I think you also asked if the centre was closed for a longer period. There are mechanisms that can accommodate more than 42 days and there are provisions for us to consider that on a case-by-case basis.

**CHAIR:** So you have two potentially affected parties. You've got parents who potentially couldn't get their children to a particular centre for longer than 42 days. I guess that's probably unlikely, but could happen. And then you've got a situation where the centre would lose income, potentially. Can you cope with that circumstance?

**Ms Catelli:** We have business support payments available for a service where they can get what is basically an advance payment on what they would have received if the service was continuing as usual. And, in place for the Townsville floods, we had the opportunity for services to apply for the Community Childcare Fund grants as well, to help those services with viability issues affected by the floods.

**CHAIR:** And there have been such applications?

**Ms Wilson:** There have been, Senator. We have staff in Townsville. They actually rang every single service affected and made the offer. When we had the Tasmanian fires, we did the same thing; our Tassie office rang all the services affected and made the offer.

**Senator MARSHALL:** Did the department provide any advice to the minister about providers wanting to offer fee relief for families affected by the floods in Townsville, and were representations made to the minister?

**Ms Wilson:** I'm going to have to take the representations to the minister on notice. But we talked with a range of providers. We work very closely with the sector. We had a range of providers—including Goodstart, who had quite a few services up in Townsville—talking to us about wanting to waive the outstanding out-of-pocket, and what the mechanisms under the legislation were so that we could do it. We had multiple teleconferences with a range of providers as we worked to streamline the provision I told you about earlier, which was temporary financial hardship to allow them to get up to 120 per cent of the cost of care. They were involved in many conferences, including with my colleagues, about how to make that work.

**Senator MARSHALL:** I'm more interested in you formulating advice for the minister about providers wanting fee relief.

**Ms Catelli:** The fee discount policy is in place at all times. There's no reason for us to change our advice due to circumstances. As I said, that's in family assistance law, about the fact that discounts must be applied up-front.

**Senator MARSHALL:** So the minister never asked for advice about what could be done?

**Ms Wilson:** We kept the minister's office informed about the conversations we were having and what we were putting in place with the arrangements with the Queensland government to make temporary financial hardship available for those families. What I wanted to take on notice was that I can't recall whether we ever formally briefed. I know we had discussions.

**Senator MARSHALL:** So you didn't feel that you needed to take advice to the minister to make changes. But I'm also interested if the minister approached the department and said, 'Do we need to make changes?'

**Ms Wilson:** We had a range of conversations with the minister's office about what could be done under the current legislation. I don't recall whether there was a discussion about whether we needed to change. My understanding—Ms Catelli will correct me if I'm wrong—is that it requires a change in primary legislation to make that change.

**Ms Catelli:** That's right.

**Ms Wilson:** Given that a change to primary legislation will take time, we were trying to come up with a proposal that will make things happen quickly in terms of fair relief for parents.

**Senator MARSHALL:** Thank you. When will the independent evaluation of the new childcare system being conducted by the Australian Institute of Family Studies be completed, and is it running to schedule?

**Ms Wilson:** The evaluation is quite a multipronged evaluation. There are lots of subelements, and there are surveys and a range of things. So I might see if my colleague Ms Crane can provide you with an update on the elements and how we're tracking in terms of time.

**Senator MARSHALL:** Thank you.

**Ms Crane:** The overall project will run through till 2021, which is when the final report is due. As Ms Wilson has indicated, there are a number of elements within that that will come forward, such as some of the early monitoring reports and interim reports. The most recent information that is due is the early monitoring report, which we had anticipated at the end of December. That is due shortly. It is running slightly behind at the moment, in part because of the complexity of gathering information and making sure that all of the elements have been factored into that. So we are working with the Australian Institute of Family Studies on that.

**Senator MARSHALL:** What's your department's definition of 'slightly'?

**Ms Crane:** I will have to take on that on notice as to whether we have a revised date for that.

**Senator MARSHALL:** All right. What is that?

**Ms Crane:** I said I'll have to take that on notice.

**Senator MARSHALL:** Okay. Are we talking weeks, months or multiple months?

**Ms Crane:** I don't want to misquote what that is, so I will take that on notice.

**Senator MARSHALL:** That's okay. How much has been budgeted for the review?

**Ms Crane:** Funding for the evaluation is \$5.8 million.

**Senator MARSHALL:** You don't expect that to blow out? If it's running a bit behind, does that mean more costs?

**Ms Crane:** There have been no requests for variations because of the timing. I think it's just that this is still early days for the consortium that AIFS is involved in, and they're trying to figure out the stakeholders and identify the key processes. It always takes a little bit longer to start going at the front end.

**Senator MARSHALL:** Are childcare providers being required to chase debts from families because of changed family circumstances?

**Ms Wilson:** I know there have been a few queries made recently in the press about this.

**Senator MARSHALL:** Add this one to the list.

**Ms Wilson:** Okay. I have a stakeholder group that also meets regularly, and we met in the last couple of weeks, and this was raised. The implementation of the package is still in quite early days, and I think there are a couple of buckets of issues that we're dealing with. There are some issues to do with how providers are claiming. Some providers are getting into the system and letting families start in care before they've actually confirmed their eligibility via Centrelink, and they're making an assumption about what level of subsidy you should be eligible for and not charging you full fees. Then the Centrelink process for the assessment of the family happens. They might have had an agreement with the family saying, 'You're going to get a 50 per cent subsidy', but they find out that they only get a 20 per cent subsidy. Because the child hasn't been enrolled for the payment before they actually start the service, the system assumes that the service provider will charge the full fee to the parent until all the calculation of the eligible subsidy happens. Some service providers have actually been saying: 'You don't have to pay. I'm just going to assume you're going to be eligible for 50. I'm going to only charge you 50 per cent.' But when the eligibility comes through from Centrelink, because it's dependent on your income but also your activity, they find that the person is eligible for less than they thought. Because the government has already paid them a subsidy in relation to that family, there is a debt, an outstanding amount that's owed, because the family's been—

**Senator MARSHALL:** But it's not a debt to the Commonwealth; it's a debt to the centre—or is it a debt to you?

**Ms Wilson:** It's an overpayment on behalf of the family.

**Ms Catelli:** Yes, and it would be then a debt to the centre, because the centre has only received what the family's true entitlement is.

**Ms Wilson:** So there's a gap. We're trying to educate—that's incorrect use of language—to explain to centres that it's really important that, if you start a family in the service and they're not enrolled and they don't have subsidy entitlement, they should charge them the full fee. When the eligibility catches up, the system will fix itself. But we have a whole bunch of scenarios. The stakeholders have been telling me that, if someone comes to their door and they've got a job to start in two days and they need care, they let them come in. They do not just let them come in and charge full subsidy; they let them come in and try and guess what the subsidy rate will be for that family.

**Senator MARSHALL:** I can understand that. Thank you for that. My question might have been a slight variation on that. What about debts that might be incurred because of changed family circumstances? Is that possible?

**Ms Catelli:** All debts to do with an individual's income or activity levels would be dealt with directly by Centrelink. Going forward, if a family changed their activity level—they might be getting, say, 72 hours of subsidy per fortnight and they increase it to 100—then you would see a change in that payment. If they decreased it, if they lost their job, going forward they might then reduce down to a lower step of subsidy—to 36 hours, for example.

**CHAIR:** When you talk about a change in family circumstances, would a divorce potentially impact?

**Ms Wilson:** It shouldn't. With the shared care arrangements, both parents are entitled to the same amount of subsidy for that child. It's not reduced because they share care, if you know what I mean. The child is eligible for those hours of care and it doesn't matter that they're in two households. Both parents will be eligible for that care.

**Senator MARSHALL:** Just so I'm clear—I'm not an expert in this area, or very many areas, really—

**Senator Birmingham:** That's not true.

**Senator MARSHALL:** Parents actually can't create a debt to the Commonwealth under this scheme, can they? They can only ever create a debt to a childcare centre. Is that right? Have I got that right? I've assumed that the underpinning intent of these questions was to find out whether the Commonwealth is using childcare

providers as a debt collection area for Commonwealth debt. What I think you've told me is that can't happen. I just want to be very clear.

**Ms Wilson:** We still have the normal reconciliation process. In the previous system, while you declare your income and you can make adjustments as you go to make sure it's accurate—the subsidy level we've been talking about which you can get from 15 per cent; 85 per cent of subsidy down—if your income changes and you advise Centrelink as you go, your subsidy will be reduced. But, at the end of the financial year, there's a reco against your taxable income at ATO, as there was in the previous system. Then you could get money refunded or you could be asked to pay whatever the amount is because your variations and your notification of the variations didn't happen in the right consequence and you got a bit more than you should have, if you know what I mean.

**Senator Birmingham:** So, in the week-to-week or month-to-month process of paying your childcare bills, you're correct, Senator Marshall, a parent doesn't, in that sense, create a possibility of debt to the Commonwealth. But, if over the course of a 12-month period somebody has claimed such level of subsidy that is so far over and above what they were entitled, above the five per cent withheld rate, then of course they could end up, in their tax reconciliation, with a debt to the Commonwealth.

**CHAIR:** So, in the most obvious circumstance, it would apply if somebody's income went from \$30,000 a year to \$60,000.

**Senator MARSHALL:** And there was a delay in telling people that.

**Senator Birmingham:** Correct. Although I'm not sure those—

**CHAIR:** There's a scale there.

**Senator Birmingham:** If somebody's income went from \$50,000 to \$150,000, indeed.

**Ms Wilson:** There's a beautiful taper thing and I'm happy to give it to you. At every point in the taper, if you go \$100 over you might drop from getting 60 per cent to 50 per cent, or 50 per cent to 40 per cent. There are thresholds in there and some of those thresholds are more sensitive than others.

**Senator MARSHALL:** My last question might be directed at that group of people. Does the department know how many families have been issued debts and how many providers have been issued with debt notices or had their payments from Centrelink reduced because the government is chasing the family debt?

**Ms Wilson:** We haven't got to the reconciliation process yet. So no debts, per se, have been issued to families because it's done at the end of the year. You're best asking DHS about the provider issue. Just trying to explain that: if a provider is paid for a child and then goes in two weeks later and cancels one day of the child's enrolment because they weren't there, their next week's pay will be reduced by the one day that they already got paid for. It's continuous. It's like a ledger and there are continuous adjustments in the system. That happens as part of the system on a regular basis. On your other question about service providers and whether there are specific debts being raised, you're better off asking DHS.

**Senator Birmingham:** I'm sure that, for Ms Wilson and for me, the commencement of the new childcare subsidy feels like it was a long time ago. It was actually only at the commencement of this financial year, so we haven't got to a full financial year's reconciliation yet. The good news for many families in the system is that they probably won't have thought of or budgeted for the five per cent withheld, so many will actually find there's a little bit of extra when they do their reconciliation. But, of course, there will be some other circumstances.

**Senator MARSHALL:** Thank you. Chair, now that the last flight to Melbourne has in fact left, it's probably safe to say that I think I'm done!

**CHAIR:** That's it?

**Senator MARSHALL:** I can keep flicking through to search for something, if you'd like.

**CHAIR:** Senator Paterson, do you have any questions?

**Senator PATERSON:** That's fine, but I'll hold my breath—

**Senator Birmingham:** Senator Payne, who is really hoping I'll get there for Trade, is very grateful, Senator Marshall.

**CHAIR:** On that basis, that concludes today's proceedings. The committee is due to recommence its examination of budget estimates on Wednesday, 10 April. I thank Minister Birmingham and all other representing ministers, including Minister Cash, officers of the Department of Jobs and Small Business and the Department of Education and Training, and all witness who have given evidence to the committee today. I thank Hansard, Broadcasting and the secretariat, of course. You go with our thanks.

**Committee adjourned at 20:12**



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News / National

## Compensation body defends \$425k legal bill



By AAP | 2:28pm Apr 5, 2019



The national workers' compensation insurer has defended splurging \$425,000 of taxpayers' money on a failed six-year legal battle against an ABC staffer's bullying complaint.

Comcare top brass was grilled about the marathon court fight against Peta Martin during a Senate estimates hearing on Friday.

The insurer withdrew from the case in February and accepted liability for the claim lodged by Ms Martin, who was allegedly bullied by a producer while working for the national broadcaster in South Australia.

Comcare's acting chief executive Lynette MacLean said she believed the massive legal bills were value for money because the agency had a duty to protect the integrity of the scheme.

"I think she's been treated fairly because we've acted appropriately against the legislation," she told senators in Canberra.

Ms MacLean said Comcare pursued the matter because the complaint's success could have meant every employee getting feedback could lodge a compensation claim over the perception they were being bullied.

But she said the final court challenge, which centred on legal technicalities rather than events at the ABC, was aborted because Ms Martin gave the compensation body new information.

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Labor senator Gavin Marshall clashed with Ms MacLean during the estimates hearing, grilling her over the protracted case.

"It took you six years to realise you were wrong and not to proceed," he said.

Ms MacLean said Ms Martin also lodged "many appeals" with different courts and the appeals tribunal finding in both parties' favour throughout the long battle.

"I don't actually, unfortunately, have control of the legal system and how long it takes for matters to be heard in respective courts," the acting Comcare boss said.

Senator Marshall asked Ms MacLean if Comcare had learnt anything from the six-year fight.

"You learn every day don't you, senator? So yes, we learnt from this case."

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**TRANSCRIPT OF PROCEEDINGS**

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O/N H-641219

**FEDERAL COURT OF AUSTRALIA**

**VICTORIA REGISTRY**

**MIDDLETON J**

**No. VID 949 of 2015**

**TREASURY WINE ESTATES VINTNERS LTD**

**and**

**ANDREW MORTON GARRETT**

**MELBOURNE**

**11.08 AM, FRIDAY, 5 FEBRUARY 2016**

**MR A. PURTON appears for the plaintiff**

**MR A.M. GARRETT appears in person**

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MR A. PURTON: May it please the court, Purton, solicitor for the plaintiff, your Honour.

HIS HONOUR: Yes, Mr Purton. Thank you.

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MR A. GARRETT: Morning, your Honour. I appear for myself.

HIS HONOUR: Yes. Mr Garrett. Thank you. All right. Let me just get organised for a second whilst you get organised.

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MR GARRETT: Thank you.

MR PURTON: Your Honour, while you do so perhaps I could hand to you a proposed order that sets out what the plaintiff seeks today.

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HIS HONOUR: Yes, thank you, Mr Purton. Thank you.

MR PURTON: Your Honour, earlier in the week I filed a short submission - - -

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HIS HONOUR: I have read that.

MR PURTON: Yes.

HIS HONOUR: Has Mr Garrett seen that?

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MR PURTON: Mr Garrett's been provided with a copy of that by email.

MR GARRETT: Yes, thank you, your Honour.

30

HIS HONOUR: Thank you, Mr Garrett.

MR PURTON: Your Honour, the proposed order is premised on you granting the relief sought in that proposed minute. I don't wish to speak through the minute. It speaks – the submission, rather, your Honour. It speaks for itself. But could I just say a couple of things. Firstly, that Mr Garrett is a vexatious litigant, as declared in this court. He's an undischarged bankrupt and this is the 20<sup>th</sup> demand that has been served by Mr Garrett under the deed of settlement from 2000 - - -

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HIS HONOUR: Of course, in this case you've brought him to court; he hasn't brought you to court.

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MR PURTON: Correct, your Honour. In one sense, your Honour, what our client would say is that Mr Garrett is getting back into court through the back door.

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HIS HONOUR: I understand.

MR PURTON: So that's – they're really the context to the submission that we filed.

HIS HONOUR: Yes.

5 MR PURTON: And what we say is that on the last occasion before Davies J over half a day was devoted to the application to set aside the stat demands, and we say that ought not be necessary in this case. It's in the interests of justice and the efficient use of the court resource that the matter be dealt with on the papers.

10 HIS HONOUR: Yes. All right. Well, Mr Garrett, what's your position in relation to this? Do you – I assume you're opposing the setting aside of the statutory demand?

MR GARRETT: Yes, I am, your Honour.

15

HIS HONOUR: And you're opposing the injunctive relief being sought?

MR GARRETT: Yes, I am, your Honour.

20 HIS HONOUR: All right. Well - - -

MR GARRETT: There are a number of complex issues that arise out of this proceeding.

25 HIS HONOUR: All right.

MR GARRETT: On 30 July - - -

30 HIS HONOUR: Well, I – Mr Garrett, what I propose to do is I – I wasn't proposing to hear it today and a sort of directions hearing. What I wanted to talk about is to work out the best way to deal with this in an orderly fashion. Mr Purton, I don't propose to make any order setting aside the statutory demand. I will do everything at the one time.

35 MR PURTON: If your Honour pleases.

HIS HONOUR: It's the most convenient way to do it. Otherwise it's bifurcating – it's – we will be hearing arguments both ways. It's a waste of time. I know your client wants this dealt with quickly - - -

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MR PURTON: Yes.

45 HIS HONOUR: - - - and dealt with the stat demand, but I don't think there's any prejudice in the statutory demand standing there at the moment to your client, unless you point that out to me, other than - - -