

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **Inquiry into the 2023–24 Budget Estimates**

Melbourne – Tuesday 6 June 2023

### **MEMBERS**

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Paul Hamer

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Ellen Sandell



**WITNESSES**

Ms Gayle Tierney MLC, Minister for Training and Skills and Minister for Higher Education,

Mr Tim Ada, Secretary,

Dr Xavier Csar, Acting Deputy Secretary, Training, Skills and Higher Education,

Ms Teresa Fels, Acting Executive Director, Policy and Strategy,

Ms Susan Thomas, Acting Chief Executive Officer, TAFE Partnerships and Governance,

Mr Craig Robertson, Chief Executive Officer, Victorian Skills Authority,

Ms Meena Naidu, Assistant Deputy Secretary, Economic Recovery, and

Mr David Barron, Acting Executive Director, Apprenticeships Victoria, Department of Jobs, Skills, Industry and Regions.

**The CHAIR:** I declare open this hearing of the Public Accounts and Estimates Committee.

I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2023–24 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside this hearing may not be protected by this privilege.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream and other committee members.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Training and Skills and Minister for Higher Education the Honourable Gayle Tierney and officers from the Department of Jobs, Skills, Industry and Regions, as well as officials from other organisations and departments. Minister, I am going to invite you to make an opening statement or presentation for 10 minutes. This will be followed by questions from the committee. Your 10 minutes start now.

**Gayle TIERNEY:** Again, good afternoon. Thank you, Chair and the committee, for having us here today. I acknowledge the Wurundjeri people, the traditional owners of the lands on which we are meeting today, and I pay my respects to their elders, past and present and to Aboriginal elders and other communities who may be with us.

**Visual presentation.**

**Gayle TIERNEY:** 2022 reinforced how important it is that quality training and skills are aligned to the needs of industry and the economy now and for the future generations. I am proud of the work that has been done here in Victoria to support excellence in public provision and matching training and skills delivery with industry demand. And I acknowledge the continued commitment across the TAFE and training sector more broadly to empower and support our students, apprentices and trainees to achieve and gain the qualifications they need for the careers that they want, which are the skills that our communities need now and into the future. From nursing to construction, child care to cybersecurity, our TAFE and training system is delivering a pipeline of skilled workers.

Recently we have seen employment rise to levels not seen in decades. There is an unparalleled call on our training system to support the delivery of current and future skill needs. The Victorian Skills Plan predicts

Victoria will need 373,000 skilled workers in jobs by 2025. Our 2023–24 budget meets this moment through a deep investment in removing barriers to training and decisive action to allow the TAFE network to thrive across the state.

The Victorian government's \$4 billion investment in training and skills since 2014 has increased quality across the training system and has been a key factor in driving economic and social equity. The training system has been crucial in the success of Victoria's unprecedented infrastructure building. Since 2014 we have invested over \$600 million in new and updated TAFE campuses across Victoria. We have directly supported jobs and critical projects in universities with the \$350 million Higher Education State Investment Fund, and we have committed to introducing legislation that will ensure that 70 per cent of VET funding is delivered to TAFE each year, giving the sector the security it needs to keep growing into the future.

The TAFE network is absolutely at the centre of Victoria's vocational education and training system. There were over 47,000 Free TAFE enrolments in 2022 and over 56,000 apprenticeship enrolments, with the majority delivered by our TAFE network. In total there are over 322,000 government-subsidised training places, and over 91 per cent were in occupations with a clear benefit to economic growth. Under Skills First, Victoria's subsidised training market continues to deliver our economic priorities and in critical areas of need, including mental health support and care work.

Free TAFE has changed the training landscape. It has removed financial barriers to training and skills, supporting Victorians to gain the skills they need for in-demand jobs. Since it began in 2019 Free TAFE has helped more than 137,000 Victorian students save more than \$340 million in tuition fees. This supports Victorians to re-enter the workforce or train for an in-demand job. There are now over 80 Free TAFE courses and skill sets available that are matched to industry needs. This includes the new Free TAFE short courses in hybrid electric vehicle inspection and servicing skill set and the mental health coexisting needs skill set. The government continues to show our commitment to the provision of future skills that need meet industry needs.

We know that training investment throughout Victoria in regional and metropolitan communities must be underpinned by an evidence-based understanding of what and where the skills gaps are. We embedded this approach by establishing the Victorian Skills Authority in 2021. The first Victorian Skills Plan was released in 2022 to guide training and skills programs, policy and investment. This evidence base continues to be refined through targeted regional analytics and consultative task forces. The Victorian Skills Authority is supporting our skills agenda through over 20,000 client contacts at Skills and Jobs Centres and by responding to over 17,000 inquiries to the TAFE and training line.

Apprentices and trainees are a priority of this government, and that is why we have established Apprenticeships Victoria – that was done in 2021. Apprenticeships Victoria leads a collaborative approach with TAFEs, training providers and employers to ensure apprentices and trainees are supported to succeed as they learn and earn. Apprenticeship Support Officers are central to this work. Victorian employers' confidence in our training system is demonstrated by an 11.8 per cent increase in the number of apprentices and trainees in 2022. Our innovative approach is epitomised by our TAFE demonstration projects, and I would like to highlight the South West TAFE Warrnambool learning and library hub, which I opened in October last year. The project created opportunities for 47 apprentices to build their library in their own community. They contributed to building a magnificent structure that will be at the heart of Warrnambool for generations.

As highlighted on slide 3, the Victorian government established the Victorian Higher Education State Investment Fund of \$350 million to support Victorian universities during the COVID pandemic. In addition, Victorian universities received \$265 million in payroll tax support via deferrals. These supports were necessary because the federal coalition government at the time abandoned them and they were not eligible for JobKeeper payments. This investment has been critical for our universities to remain as global leaders, and we will continue to support universities and will work with the Australian government to agree on a university accord that is in Victoria's interests.

Since 2014 we have invested in building and expanding the resources of the TAFE network. Our capital works investments ensure our students and teachers are learning and working in state-of-the-art facilities, such as the Gordon culinary centre, Chisholm Institute's Frankston campus, TAFE Gippsland's Morwell and Port of Sale campuses, Melbourne Polytechnic's Advanced Manufacturing Centre of Excellence, Bendigo TAFE's city campus, SuniTAFE's Swan Hill campus and Box Hill TAFE's Lilydale trade centre, just to name a few. Our

TAFEs now play a central role in our communities. We will back TAFE to ensure Victorians get the skills that they need for the jobs that they want. This includes investment in reforms to better prepare the sector for the future and money to get Victorians reskilled and retrained now. We are improving TAFE support services and providing additional funding so TAFEs can develop cutting-edge curriculum and assessment resources. We know communities, teachers and students need great facilities, and that is why we are investing \$170 million for a new Building Better TAFE Fund that will deliver a new campus in Melton, a new campus in Sunbury, a centre of excellence for disability and inclusion at the Gordon and the community health and learning hub at the Castlemaine campus of Bendigo TAFE, and of course there is the \$50 million TAFE Clean Energy Fund. Victorian students can now access more than one Free TAFE place in occupational pathways such as, for example, construction and mental health, and we have removed the upskilling requirement to access Free TAFE and other government-subsidised training, responding to the reality that workers today may have as many as 18 jobs across six careers in a working life. This means around 2 million Victorians who hold a diploma level or higher qualification now can access fee-free or subsidised training to retrain in the skills employers need today. We are also investing \$90.5 million for additional training places, including Free TAFE and community-based pre-accredited courses.

So thank you again for the opportunity to lay out our important agenda for training and skills and higher education. This budget builds on our significant investments and reforms that we have implemented since 2014. It reinforces the importance of the Victorian Skills Authority, the Office of TAFE Coordination and Delivery and Apprenticeships Victoria. It demonstrates that we have a responsible, innovative and united system that works with industry and employers and is focused on enabling Victorians to achieve their career goals that benefit our communities now and for future generations. Thank you.

**The CHAIR:** Thank you, Minister. I am going to hand over to the first session of questions to Mr McGowan. You have 10 minutes from now.

**Nicholas McGOWAN:** Thank you, Chair. Minister, with reference to budget paper 3, page 80, it refers to 'the skills Victoria needs'. We are both familiar, I am sure, with the fact that the Treasurer has previously spoken about more jobs being created and a jobs plan of 440,000, but you in particular have talked about, obviously, a skills plan needed in this state. This skills plan was announced a year ago. I am keen to try and understand how many of these additional 373,000 skilled workers have been trained and employed in the workforce under this plan to date.

**Gayle TIERNEY:** The Victorian Skills Plan is an indicative resource that highlights where the skills gaps are in the system, and importantly it also looks at, through its collaborative task forces, where the gaps are in regional Victoria as well. So that is a document that is a very useful tool to sit down and work with local industry and businesses so that we can actually create that skills acquisition to gaining a job path. This is a plan that is refreshed every 12 months, and there will be another skills plan released a little bit later in the year. But moreover, it does provide us with a serious indication about what future skills are going to be required, and as you know, in terms of renewable energy and the need for jobs in that area, in some cases some of those jobs have not been sorted out or worked through. That is why it was really important to have the VSA come up with skills labs so that there can be a collaborative approach. There are international examples of how that can work so that we can demonstrate that we are on the balls of our feet, that we do know what is required and that what we need to do is to come up with training packages that fit the requirements of the future. And –

**Nicholas McGOWAN:** Thank you, Minister. Minister, specifically, are you able to provide the committee with some idea of where those skill gaps are occurring or have occurred in your assessment? Obviously as you say it is a 12-month cycle. I would be appreciative if you were able to provide us with perhaps some detail at some point in respect to the specific industries?

**Gayle TIERNEY:** Absolutely. We know that we have got shortages in health and allied health, nursing, teaching and driving. There are pockets of manufacturing where there are shortages, but as I said, we know that there is a need and that we need to scale up in respect to jobs that will be available in the renewable energy sector as well. They are ones that I know off the top of my head from experience in the sector where there are shortages, and it is a matter of trying to sit down and work out with industry how we can, as I say, shoehorn the skills that are being developed into those positions. But moreover, it is also coming up with programs where we can target resources to encourage and incentivise people. So, for example, in the TAFE system we knew that we had shortages in trainers, so we had a program of scholarships that were available for people from industry

to come in, train up, get their TAE and work in a TAFE, and that was a successful program. Moreover, it was so successful that we made a policy decision to actually put the qualification – the TAE – on the Free TAFE list so that we have got the opportunity to have that pipeline as opposed to just a targeted, one-off program. So there are lots of things that we can do in this space, and I am happy we have got the CEO of the Victorian Skills Authority Craig Robertson with us today. I am sure that he would be able to provide even more detail if you require it.

**Nicholas McGOWAN:** I would be most grateful if you could provide that – perhaps at a later date and after this committee meeting, because obviously I have a whole 10 minutes to ask questions. So I appreciate the offer, Minister, and I will take both of you up on that if I may. Also, in respect to the \$3.8 million I think you are referring to in terms of better TAFE teaching, what has been learned from that expenditure and what do you expect to learn from that in the future? If you do not mind taking that on notice, that would be great.

**Gayle TIERNEY:** Okay.

**Nicholas McGOWAN:** Minister, in respect to budget paper 3, page 258, it identifies key output measures for objective 6, principally around meeting training objectives for VET students in particular. In February this year the Productivity Commission found in its *Report on Government Services* that Victoria cut more than \$55 million from its VET funding, the biggest cut of any state or territory. This would mean less has been invested in VET per person in Victoria than in any other state or territory. Can you explain why the government cut VET funding in this nature?

**Gayle TIERNEY:** Thank you for your question. The Productivity Commission's latest ROGS report talks about 2023. It shows Victoria had 295,700 students in government-funded VET in 2021 – the highest since 2017. Since 2022 the labour market has strengthened, and unemployment has fallen to historic low levels. This has made some people less willing to undertake some types of training, including full qualifications. Changes have also been made to the system settings to stimulate demand for training and encourage providers to expand delivery throughout 2023, including expanding access to Free TAFE so that more Victorians can access fee-free training in priority courses. We have broadened the eligibility for subsidised training by removing the upskilling rule. We have also increased the Free TAFE waiver reimbursement rate, and of course there has also been an increase in the hourly subsidy for all providers to manage the impact of higher inflation on delivery.

**Nicholas McGOWAN:** Thank you very much. Secretary, across the entire suite of the budget papers there is not a single reference to the government's skills plan. Has the government dumped its skills plan?

**Tim ADA:** Is your question, Mr McGowan, 'Has the government not considered the skills plan?'

**Nicholas McGOWAN:** Yes.

**Tim ADA:** No. Minister Tierney's comments relate to the importance of the skills plan in providing the settings for the system to ensure that both the TAFE network and the broader training system are providing the skills and the accredited training to meet the demand of industries and communities. That is off the back of a lot of consultation and a lot of evidence-based work that the minister referenced before. So it could not be more important. The fact that it is not referenced explicitly in the budget papers does not mean that it is not important both for the department and for the training system as a whole.

**Nicholas McGOWAN:** Minister, the Treasurer acknowledged Victoria is in the middle of a skills crisis, yet your own budget papers do not identify a single measure as to how you are going to address the massive 373,000 skilled workers gap identified in the skills plan. Is it the case that you have no measures in place to achieve the target of 373,000 additional skilled workers by 2025?

**Gayle TIERNEY:** What I can say is that, in terms of what we are doing here in Victoria, it is regarded by all jurisdictions that we are absolutely ahead of the pack. It is clear that the Commonwealth has –

**Danny O'BRIEN:** Really? Have you asked the other ministers? I am sure they will say that.

**Gayle TIERNEY:** I am sure they would.

**Danny O'Brien** interjected.

**The CHAIR:** Mr O'Brien.

**Gayle TIERNEY:** Regardless, it is pleasing that the federal government has essentially adopted the Victorian skills and training agenda with its Free TAFE proposal and is of course dealing with a whole range of things, including making sure that TAFE is at the centre of the training system. So we are well placed, and as I said, we are regarded as being in the best place to ensure that we can do whatever is possible in terms of filling the skills gap. And the reason why is because we have got the architecture to do it. We have got industry in the seat wanting to talk to us and work with us. We have got the department. We have got the Victorian Skills Authority. We have got Apprenticeships Victoria. We have got the Office of TAFE Coordination and Delivery. The entire architecture for the system has been put in place. The evidence is in place, and it is now a matter of that evidence informing parts of government and industry and ministers about what is needed to ensure that we have got a targeted response, to ensure that we are doing our level best to provide a pipeline of skilled workers into those areas that the government considers to be a priority.

**Nicholas McGOWAN:** Thank you, Minister. Secretary, in relation to the government's announcement at the skills forum, the media release of 31 May states:

Victoria's renewable energy targets and the SEC will support the creation of more than 59,000 jobs in building and operating energy assets ...

By what date will the 59,000 skilled jobs be created, and how was this figure arrived at?

**Gayle TIERNEY:** Sorry, Chair, can I ask the member to slow down?

**The CHAIR:** I must admit, Mr McGowan, that was very, very quick there. I know your time is limited, but could you please repeat the question?

**Nicholas McGOWAN:** 59,000 jobs to be created by Victoria's renewable energy targets –

**The CHAIR:** Apologies, the time has expired. We will go on to Mr Hilakari for the next 10 minutes.

**Mathew HILAKARI:** Thank you so much, Minister and officials, for your time. The budget paper 3, pages 71 and 80, I would like to take you to regarding Free TAFE. I just note expanded Free TAFE eligibility criteria have been introduced, which should I hope enable more Victorians to access quality training without being out of pocket. I am just hoping you can take us through some of the detail on that.

**Gayle TIERNEY:** Yes. Sure. Thank you for the question. The eligibility rules have been changed. There was a rule that you had one opportunity to access Free TAFE. We believe that because of the changing nature of the labour market and levels of high employment and also people particularly after the COVID experience having a rethink about what their career and their jobs might be – if they are looking for changed employment – we need to create a situation such that the training and skills system and TAFE in particular could enable people to make the choices that would take their lives further on the journey. So two significant things are occurring here. One is that you can do more than one Free TAFE course, and in particular in career pathways. For example, you could do a certificate III in a particular occupation. You could then do a certificate IV or a diploma so that you could actually be working and learning and earning at the same time and being skilled up so that you do not feel as if you are in a job but you are actually in a career – a career that vocational education and training was there to assist you with to carve out those next steps.

The second change, which is really significant particularly for women, I would say, is that if you have got, for example, a diploma or a degree like a BA or a bachelor of science you would not have been able to access Free TAFE, because your qualification was considered to be at a higher level in the qualifications regime. Now you can, and you can do that for a whole lot of good policy reasons. One is if you want to re-enter the workforce after having a child, you can do so. If you have already got a BA and you want to get back in, this is a great way of getting back into skills acquisition and getting into employment. And of course it also means that the 2 million Victorians that have either got a diploma or a higher qualification now can access hands-on education and training, whether it be in the area that they are currently employed in, where they get more of a hands-on experience that they can apply to the position that they are employed in, or indeed as a taster for something else that they might want to do as an alternative career down the track.

So I think this, as I said, provides the agility and flexibility that the system needs to respond to the changing nature of the labour market, and of course it provides access to vocational education and training to a cohort that may not have ever thought of doing it or have not been able to do it for all sorts of other reasons. So this I think is going to be a real game changer. I also think that in terms of changing the culture and the perceptions around TAFEs and vocational education and training this will be a real winner in that people will soon start understanding, particularly those that have not experienced VET or TAFE, why we believe that vocational education and training is just as important as a university degree and that quality and excellence in vocational education and training elevated to its highest level is absolutely on parallel to very significant excellence within the university system as well. But of course undertaking Free TAFE means that you are not saddled with a HECS debt as well.

**Mathew HILAKARI:** And that is a great thing, particularly at this moment in time. You spoke briefly about construction and agriculture, and women being underrepresented but also looking at new jobs and industries that they can get involved in. Is there anything that this budget goes to to help women re-enter the workforce?

**Gayle TIERNEY:** Well, again, one of the most significant things is the policy change, or the rules change, in respect to eligibility. Absolutely I think that there will be a number of women's organisations, not to mention individual women, that will come out being very supportive of being now able to go to TAFE for the first time and contemplate their next steps and their next careers, because often people who have not had an association with TAFE, particularly in last couple of years, are not quite clear about what TAFE has on offer. Some of them think that TAFE is like an old tech school that their grandfather went to, or their uncle. But no, it is seriously – dental assistant is one course that comes to mind, where state-of-the-art equipment that is probably better than at most dentists that many of us go to exists at Chisholm Frankston, and it is just room after room of amazing equipment and amazing teachers. A lot of women in particular I think will be attracted to that. I know that nursing is particularly one that is held in high regard, but it has also been interesting to see the number of women that are feeling a lot more comfortable with getting into the so-called trades that traditionally do not have a high level of participation of women. I say to people that I think some of that, to be quite frank, can be attributed to women playing AFL. You know, women are just feeling more comfortable in seeing other women do things that they have not seen their mothers or their aunts or their grandmothers do, so I think that we are really seeing the benefits of women taking charge and wanting to participate, not just in VET and TAFE but being very interested in construction as well. We have got a way to go, but I know that we have got a significant increase in the proportion of women, people who are First Nations people and people from culturally diverse groups that are finding it a lot more comfortable to get into areas that traditionally they have not ventured into.

We also of course have a number of projects that have been running. There are nine programs: Women in Plumbing; we have Plumbing Apprenticeships Victoria; there has been CareersPlus with Tradeswomen Australia; SPRINKS, which is a female-specific apprenticeship pathway with the National Fire Industry Association; with NECA we have Women and Their Trade; and a women-only multi-industry pre-apprenticeship program with the Apprenticeship Employment Network. They are just a few of the programs that are underway so that we can have some learnings as to how we might also be able to encourage more women's participation in the non-traditional trades. I asked for and had a meeting at Apprenticeships Victoria at the end of last year so I could hear from the placement organisations and the women themselves about their experiences, and that I think was enlightening in so many ways. I am looking forward to those projects drawing to a close so that we can have an assessment on what worked, what did not work and what else we can do to improve the participation rates of those groups that are not traditionally represented in high numbers.

**Mathew HILAKARI:** You would know through your representation of regional communities the great result about low unemployment but also the difficulty it brings with workforce shortages. So I am just wondering how Free TAFE will contribute to that for regional Victorians in particular.

**Gayle TIERNEY:** I have got to say and give a shout-out to our regional TAFEs, because they get it. They get the government's agenda. They get the importance of skills and joining the dots to jobs. They know the people in their community, and they know who is short and who needs what, and they can basically sort out a lot of things on the back of an envelope. I have just seen it done repeatedly. Even in Bairnsdale, you know, where the head trainer has got a book in his top pocket, everyone is sorted and everyone has got a job.

**Mathew HILAKARI:** It is great to hear.



**The CHAIR:** Thank you, Minister. The next 10 minutes goes to Mr O'Brien.

**Danny O'BRIEN:** Thank you, Chair. Thank you for the nod, Minister, but Bairnsdale is not in my electorate.

Anyway, Secretary, can I go back to the question that the Deputy Chair was asking in relation to the announcement of the skills forum with respect to the SEC. The question the Deputy Chair was asking is: by what date will the 59,000 skilled jobs be created?

**Tim ADA:** I think the target date, Mr O'Brien, is 2035, which broadly aligns with when the bulk of the renewable energy transition will be completed in the state, obviously supported by the re-establishment of the State Electricity Commission – so 2035.

**Danny O'BRIEN:** Thank you. How was that figure arrived at?

**Tim ADA:** I do not know whether Xavier wants to add to that or answer that question.

**Xavier CSAR:** Yes. Thank you, Secretary. So that would have been based on economic modelling associated with the installation that we will be achieving of the 95 per cent renewable target by 2035. So that translates to a certain generation capacity. That relates to a certain amount of construction and assembly and installation and maintenance.

**Danny O'BRIEN:** But even that, Mr Csar – unless the government already knows exactly how many solar plants, how many windfarms et cetera, the number of jobs would depend not just on the 95 per cent figure. Sorry, I do not mean to –

**Tim ADA:** I think, Mr O'Brien, that might be a question best answered by the Minister for Energy and Resources and her department if that is okay.

**Danny O'BRIEN:** Yes, I thought it might be. I might ask her, because obviously the government has been using that since the election when it was just the Labor Party. Was it a document produced by your department – sorry, the economic analysis?

**Tim ADA:** As I said, I think that is probably a question best directed to the Department of Energy, Environment and Climate Action and the minister for that portfolio.

**Danny O'BRIEN:** Okay. Can you provide the committee, though, with the modelling in relation to the skills required for those 59,000 jobs?

**Tim ADA:** Again, I think that is related to the work of the Department of Energy, Environment and Climate Action and the minister responsible – Minister D'Ambrosio I think that is.

**Danny O'BRIEN:** But this question is specifically about the skills required, not the jobs. So being the skills department –

**Tim ADA:** I do not know whether Xavier or Craig wants to –

**Xavier CSAR:** Secretary, so I think it is important to recognise that there is a process that will be undertaken commencing with the skills forum later in the month and a broad assembly of partners and contributors to that task, and that will explore what will be required over the journey. That will inform a lot of different parts of the system. It will obviously inform the SEC and Minister D'Ambrosio's department on the sorts of investments and so on that the SEC will undertake. That will inform the training needs for delivery in the TAFEs within the network, in particular in Gippsland. So I think the answer to that is that that work will commence and arise out of the forum and will be an ongoing process.

**Danny O'BRIEN:** I am a bit confused, though, on this, Secretary and Minister. We have got 59,000 jobs, which has been repeated ad infinitum since October, and likewise 6000 apprentices, but we are having a forum to work out what sort of skills those people will need. Surely we already know what they need, otherwise we would not know what the jobs are.

**Tim ADA:** I think we have got a good understanding of the skill sets required, and I think Minister Tierney made mention of the fact that some of those jobs of the future are not yet well defined. The forum that Xavier spoke to is a chance to engage with the training sector, other stakeholders and industry about the specific pathways to deliver on that reskilling and job creation over the course of the next decade.

**Danny O'BRIEN:** Okay. So 6000 new apprentices and trainees – is it also the 2035 date when they will be delivered?

**Tim ADA:** That is my understanding, Mr O'Brien.

**Danny O'BRIEN:** Do you know when they will start to be delivered? Is it 6000 between now and 2035 or do we get to 2035 and have 6000?

**Tim ADA:** Clearly with 85,000 apprenticeships and trainees currently in training, as Minister Tierney said, some of those will be –

**Gayle TIERNEY:** Already there.

**Tim ADA:** in occupations and skill sets that are directly relevant to the state's energy transition. But your question is: how many are specifically in training at the moment? That might be a question that we can take on notice.

**Danny O'BRIEN:** Okay, if you would not mind. I am also interested, again, in how that figure is arrived at. Given this is specifically about apprentices, can you advise how the 6000 figure has been arrived at?

**Tim ADA:** Again, unless the Minister wants to respond to that question, I think that again might be a question that is best directed to the responsible minister for those commitments.

**Danny O'BRIEN:** Did the energy department talk to the skills department before this announcement was actually made by the government?

**Gayle TIERNEY:** What I can tell you is that we have been working on renewable energy workforce requirements for some time –

**Danny O'BRIEN:** Yes, I understand that, Minister. But the question is: we have got very specific figures that have been repeated time and time again by the government –

**Gayle TIERNEY:** Well, I am also trying to explain to you that there was a workforce task force that was established under the umbrella of the Victorian Skills Authority and that they have done a lot of work that you will see very shortly. It will form the basis of much of the discussion that will take place at the skills forum.

**Danny O'BRIEN:** Okay. You are not answering the question though, Minister.

**Gayle TIERNEY:** It is very comprehensive. Once you see that, I think that you will be able to marry up that information with the work that has been done by the Victorian Skills Authority. I am not quite sure, Craig, whether you wanted to say anything further.

**Danny O'BRIEN:** Okay. That so far has not touched at all on the 6000 apprenticeships, Minister. Perhaps to be fair though to the public servants, the 59,000 and the 6000 were first used by the Labor Party in the election campaign. Can you tell me where the 6000 and the 59,000 figures came from?

**Gayle TIERNEY:** That was a matter for the ALP at the time. It was a media release –

**Danny O'BRIEN:** But it is public policy now, so what is the source of it?

**Gayle TIERNEY:** Can you let me finish my sentences, please?

**Danny O'BRIEN:** If you answer the question, Minister, I am very happy for you to. But if you want to just talk on for 5 minutes –

**The CHAIR:** Do I need to remind you about being respectful to witnesses?

**Danny O'BRIEN:** The Minister could be respectful to us and answer the question.

**The CHAIR:** Mr O'Brien –

**Danny O'BRIEN:** Does the minister want to answer the questions? Come on.

**The CHAIR:** Mr O'Brien, the Minister will answer the question if you will give her an opportunity and she can finish her sentences. Minister.

**Gayle TIERNEY:** Thank you, and I would appreciate not being badgered. In terms of the numbers, they are the numbers that the government believes are required. We will be working through those numbers and lining them up with the documentation of the renewable energy strategy that has been developed by the working party, or task force. We will make sure that all of the requirements are met. We know that there are other works on the way to determine future skills. The technology is changing –

**Danny O'BRIEN:** A point of order, Chair.

**The CHAIR:** Mr O'Brien, your point of order.

**Danny O'BRIEN:** On the question of relevance, because the minister does not like me bringing her back to the question, I will take a point of order and ask: can the minister come back to the question: was there economic modelling to come up with the figure of 6000 apprenticeships? Not 'This is what we think we'll need' – what was the source of it?

**Mathew HILAKARI:** Could I respond to the point of order?

**The CHAIR:** Mr Hilakari on the point of order.

**Mathew HILAKARI:** I guess every committee member is entitled to ask whichever question they would like, and then those witnesses are entitled to and able to answer the question in whatever way that they would like to, as long as it remains relevant. Everything that I heard was relevant to the question that was being posed.

**Danny O'BRIEN:** If we are going to have this sort of time wasting, I will move on. Thanks, Chair. We are clearly not going to get an answer.

**The CHAIR:** On the point of order, Mr O'Brien, you can ask the questions, but just because you do not like the answer that the minister is giving, it does not mean the minister is not being relevant to the question. Can I suggest you move on, please.

**Danny O'BRIEN:** Secretary, budget paper 5, 'Statement of Finances', page 18, refers to payroll tax and the mental health and wellbeing levy. Regarding the payroll tax on universities introduced in 2021 to fund the mental health levy, has any payroll tax been paid by any university since its introduction in 2021?

**Tim ADA:** Thanks for the question, Mr O'Brien. The payroll tax deferrals that were provided by the government to those universities during those pandemic years are due to commence being repaid later this year, with another instalment next year. Dr Csar might just like to supplement my answer.

**Danny O'BRIEN:** Perhaps, Mr Csar, as we throw to you, has anything been paid at all or has it been zero so far?

**Xavier CSAR:** Well, they are not due to be paid until the date the Secretary mentioned, so no.

**Danny O'BRIEN:** Okay. Thank you. So when you say 'later this year', is there a date?

**Xavier CSAR:** Next financial year.

**Danny O'BRIEN:** In the next financial year. Okay. How much in payroll tax is currently owed by Victorian universities – a total figure including all those deferred payments?

**The CHAIR:** Thank you, Mr O'Brien. Your time has expired. The next 10 minutes belongs to Ms Kathage.

**Lauren KATHAGE:** Thank you, Chair. Minister, I refer to budget paper 4, pages 75 and 76, setting out some of the new TAFE facilities. Could you please go into a little bit about how these new TAFE facilities will meet the needs of Victorian TAFE students? I see there is a disability-specific one in there.

**Gayle TIERNEY:** Thank you, and thank you for your interest in this area. There are a couple of things. I will start with Melton. We know that there has been a public provision issue, in terms of TAFE, in the area for some time. The local member Steve McGhie has been absolutely onto this and hounding my door, so we were very excited to see that the money came through in this budget for the establishment of a TAFE at Melton. It is going to be incredibly important for the area. It is going to have a particular focus on construction, but also of course with the new Melton hospital, health and allied health occupations are very much going to be the flavour of that TAFE. I have got to tell you that the school students in Melton – it is part of my electorate – are pretty excited, to say the least, that they are not going to have to travel all that far to get the skills that they need. They can stay with family and friends and continue to be in their sporting clubs, cultural clubs and social clubs, so there is excitement. I cannot wait to turn the sod on that one.

In terms of Sunbury, we have also known that that was a provision delivery gap in the system, and so we are very excited about being able to ensure that there is TAFE provision there. And of course the centre for disability and inclusion at Geelong makes a lot of sense, because as you probably know, the NDIS is across the park from the Gordon, in terms of its city centre campus. What we have seen is not just a need for people who have got a disability to be able to access courses at TAFE and feel part of the TAFE system, but we have also known that we need to set up a precinct that is an ecosystem for people with a disability. You will have the policymakers and the administrators and the NDIS across the park and you will have the practical support and the individual support workers being trained, and just as importantly, we will have local people who have disabilities being part and parcel of the co-design of this centre. And of course we will also be drawing on the talents and the lived experience of those who have been national advocates and leaders in this area. In my dream, in my vision, I also would love to see the opportunity for manufacture of disability aids in terms of manufacturing back in Geelong. But that is my personal slant. In the meantime we have got to get this co-design organised, and it is \$36 million. It is a significant amount of money, and we want to make sure that we have the best that can possibly be afforded to this wonderful project. We have also got a health and wellness hub at Castlemaine, part of Bendigo TAFE, that will also be constructed, and I know the local Castlemaine community and Maree Edwards are very, very happy about that announcement.

So this is all part and parcel of making sure that we have got the facilities that are fit for purpose, that people can walk onto their campus and feel really proud that they are facilities that are local, that the TAFE is very much part of their local community, connected up with industry, connected up with schools, connected up to the changes that have happened in terms of the VCE, so that we can have a unified system that provides a pipeline of workers that can stay in community if they wish – and once they have graduated we would love them to stay, but if they go elsewhere, we want them to stay in Victoria.

**Lauren KATHAGE:** Thank you, Minister. And some of those things really hit home. My nephew with Down syndrome attended TAFE and is in the process of setting up his own business, so I know the potential that is possible.

**Gayle TIERNEY:** Fantastic.

**Lauren KATHAGE:** I am interested also in the clean energy fund. I want to focus less on the final numbers and more about the pathway there. Can you talk a bit to how the TAFE Clean Energy Fund will assist with our emission reduction targets?

**Gayle TIERNEY:** Thank you. So this is a fund called the TAFE Clean Energy Fund. It is an incentive arrangement to encourage TAFEs to seriously engage with renewable energy industry in their local area. That is why we were able to, in this budget, allocate monies to stage 2 of the Federation University Mt Helen campus. That was work that was already underway, so it was great to see that continuity in terms of the work they are doing. It was also monies to South West TAFE, and we know that there are lots of different renewable energies in that part of the state, and of course there is monies for the Morwell campus as well. It is a \$50 million fund, so there are still obviously a lot of projects that can be submitted to that fund over time. It is pretty exciting, and I think a lot of good work can be done in connection to what is envisaged with the skills

and jobs forum and indeed the work that will be done in connection to the work that Minister D'Ambrosio is doing with the SEC.

So this is futureproofing skills, it is futureproofing the TAFE system, it is futureproofing the skills and training system in this state. If we were not to have such an innovative program that is going to rely on good solid partnerships with industry, then we would be behind the eight ball. This puts us in front, and it will ensure that people take future skills and renewable energy very, very seriously and work up business cases that can be supported not just by government but their local industry and their local community.

**Lauren KATHAGE:** Thank you, Minister. And, yes, thinking of future skills, I am old enough to have been taught on a typewriter at high school. So, you know, we never know what technologies are coming. You referenced earlier the Building Better TAFE Fund. I wanted to ask about the impacts on regional Victoria for that.

**Gayle TIERNEY:** The capital works fund? Obviously, the Gordon is receiving moneys and Castlemaine will, and then of course there is outer suburban, with Melton and Sunbury. But I have got to say, in terms of capital works in the last few years, the regional TAFEs have also made sure that they were at the top of the queue. We have had significant investments. I think I mentioned in my presentation Swan Hill and Warrnambool in terms of their learning and library hub, which is right in the middle of their city campus. Bendigo has been completely rebuilt – the city centre campus – and if you have not been there recently, I would suggest that you should, because it is awe inspiring. It reminds me of a university campus, particularly when you go up onto the rooftop and look down.

Morwell has had a new trade centre, but not just a new trade centre, a centre for early childhood education and nursing. It has been great to see that happen. Of course this budget provides a further \$5 million to the trade centre in terms of renewables. The Port of Sale – well, I could talk forever about that. We actually invested in Sale. I think it has been gone down incredibly well with the local community. There was lots of laughter and celebration when we opened that campus, because it is fit for purpose and we are making sure that we are delivering the skills that are actually needed in that local community – something that they have been wanting for quite some time. I have got to say the previous location and the facility that was there could not be rebuilt. There needed to be a location closer to the centre of town, and it is fit for purpose.

**The CHAIR:** Thank you, Minister. I will go on to Mrs McArthur for the next 10 minutes.

**Bev McARTHUR:** Thank you, Chair. Minister, I heard you waxing lyrical about the programs for women ensuring they have all the adequate skills so that they can go forth. In the interests of sisterhood collegiality, Minister, and given the importance of the skills and jobs forum that you have talked about a lot, would you extend an invitation to the shadow minister Ms Vallence to that forum?

**Gayle TIERNEY:** I will take that on consideration.

**Bev McARTHUR:** She is available, I know.

**Gayle TIERNEY:** I said I would take that on consideration.

**Bev McARTHUR:** Why would you not have a woman shadow minister at the forum that you have said is so important?

**The CHAIR:** Mrs McArthur.

**Bev McARTHUR:** She could perhaps help with some advice.

**The CHAIR:** There is a point of order, Mrs McArthur.

**Lauren KATHAGE:** On a point of order, Chair, I just find references to 'the sisterhood' in the context of satire for the purpose of badgering are inappropriate for a committee meeting, and I prefer that the member stays relevant to budget papers rather than social or work calendar dance cards.

**The CHAIR:** Thanks, Ms Kathage. I understand members may be tired, but Mrs McArthur, please move on.

**Bev McARTHUR:** No, we are not tired; we are full of energy here, Chair.

**The CHAIR:** Mrs McArthur, please move on.

**Bev McARTHUR:** Thank you, Chair. Going back to a question Mr O'Brien asked – actually, I think it was Mr Csar who got cut off by the bell – how much in payroll tax for this levy is currently owed by Victoria's universities? A total figure including deferred payments, we would like. And that is, for the record, budget paper 5, page 18.

**Xavier CSAR:** I cannot give you a precise figure, because those deferrals were estimated at the time based on their payroll.

**Bev McARTHUR:** Can you find a figure, do you think?

**Xavier CSAR:** The figures as estimated at the time that the deferrals were announced were \$130 million and \$135 million respectively in the two affected years. The matter of its calculation is really a matter for the Treasurer and the Treasurer's department, as it falls due, I think it was indicated, this year.

**Bev McARTHUR:** So you cannot tell us, is what the answer is.

**Xavier CSAR:** I cannot tell you, no.

**Bev McARTHUR:** Goodness me. We will go to the minister now. Budget paper 5, page 18 – have any arrangements been made so that universities will be able to defer payment of their payroll tax incurred in 2023 and 2024?

**Gayle TIERNEY:** Again, Mrs McArthur, these are matters that are for the Treasurer, and you would have had ample opportunity to ask him that question last Friday.

**Danny O'BRIEN:** Well, actually we did not, because we do not get ample opportunity with any minister.

**Bev McARTHUR:** But these are important issues affecting your jurisdiction, Minister, and we just wonder, perhaps, have you advocated for future deferral, for your important sector?

**Gayle TIERNEY:** Again, Mrs McArthur, it is a bit like TAFE, it is a bit like VET generally and it is a bit like my responsibilities in terms of higher education: you just do not get it, and you are just not interested in understanding what is in the general orders and who is responsible for what at any given time in relation to certain issues within those portfolios.

**Bev McARTHUR:** Well, here we go again, Minister. See if we can get somewhere on this: can you confirm that all deferred payroll tax will be paid into the mental health and wellbeing levy?

**Gayle TIERNEY:** I can confirm that you should have asked that question of the Treasurer last Friday.

**Danny O'BRIEN:** Minister, you got a deferral specifically for universities, did you not? That is what the question relates to.

**Gayle TIERNEY:** The Treasurer has determined and has made decisions in respect to the deferral process.

**Bev McARTHUR:** Okay. Minister, budget paper 3, page 6, under the COVID debt levy for large businesses with \$10 million in payroll tax per year Victoria's universities will pay an additional 0.5 per cent payroll tax on top of their mental health and wellbeing payroll tax levy, is that correct?

**Gayle TIERNEY:** Again, you can ask a similar question in the same vein next time as well, but you will get the same answer: these are matters that are dealt with by the Treasurer.

**Bev McARTHUR:** Minister, budget paper 3, page 6 – the Treasurer said in his budget speech, budget paper 1, page 3, as justification for the additional tax that 'Business profits are up 24 per cent over the past three years' and that 'We've restructured the COVID repayment plan in a way that's reasonable and proportionate to those with an ability to pay.' So the 2022 annual reports for the eight universities – I think you are responsible for them – showed a combined deficit of \$537 million. Universities are not in the black and cannot even pay the

first payroll tax levied on them in 2021. Will you be advocating to defer this additional tax payment as well, for your jurisdiction?

**Gayle TIERNEY:** Thank you for that question. Yet again, in terms of all matters dealing with this and its deferral and payment, they are matters for the Treasurer.

**Bev McARTHUR:** Thanks, Minister, for your help. Budget paper 3, page 237 – you said in the 2021 PAEC budget hearings that the then coalition federal government ‘has just walked out of the university sector and left it high and dry’. In Parliament on 23 June 2021, you said:

... the financial circumstances that universities are in are primarily because the federal government is refusing to properly fund the higher education sector, and every single university in this country, including those in Victoria, acknowledges that ...

So how much in additional funding for Victorian universities did you advocate to the federal minister for higher education to properly fund our universities?

**Gayle TIERNEY:** Again, this is going over grounds that we have gone over in different settings over the last little while, Mrs McArthur. My commitment to the higher education sector cannot be questioned, given that this government has made available \$350 million to the higher education sector through its Higher Education State Investment Fund when the former federal government did not see fit to allow the universities to qualify for JobKeeper and that we had a significant exodus and decrease in the number of international students in this country and people were very unclear about what the next steps were going to be. We came in and provided that surety and continuity and stabilisation of the important higher education sector in this state.

**Bev McARTHUR:** Okay. Secretary, on budget paper 3, page 71, there is further funding for Free TAFE places. On 23 May 2023 the government announced that 137,000 students had taken up Free TAFE courses since 2019, which is around 34,000 a year. Can you advise, of these 137,000 students, how many completed their courses?

**Tim ADA:** I might refer that to Dr Csar, Mrs McArthur.

**Xavier CSAR:** Thank you, Secretary. The standard measure that NCVET uses to measure completion rates is the six-year completion rate for apprentices and the two-year completion rate, so the completion rate cannot be calculated for each of those Free TAFE students that have started since that period.

**Bev McARTHUR:** So we cannot say how many completed their courses?

**Xavier CSAR:** In fact we do have data on completion rates and we do report that data federally.

**Bev McARTHUR:** Can you provide it to us, Secretary?

**Xavier CSAR:** Within the bounds of our ability to disaggregate, and taking technical advice, we will see what we can come back with.

**Bev McARTHUR:** Good. Minister, hello.

**Gayle TIERNEY:** Hello.

**The CHAIR:** Mrs McArthur, time has expired. We will go to Mr Hamer for the next 10 minutes.

**Paul HAMER:** Thank you, Minister. Thank you, department officials. I would like to take you to budget paper 3, page 71, the two initiatives relating to apprentices – ‘Apprentice mental health training program’ and ‘Apprenticeships Taskforce.’ I was just wondering if you could outline how they will benefit apprentices across Victoria, those two initiatives.

**Gayle TIERNEY:** Okay. If we start with the mental health allocation, this has been brought about by the fact that we know that young male apprentices unfortunately commit suicide at four times the rate of any other grouping, and obviously we are incredibly concerned about this. We want to be able to have the services available to apprentices so that they can feel comfortable to talk about their issues. We, as you probably know, have got Apprenticeship Support Officers, and there are other points of contact that apprentices have during the

duration of their apprenticeship. We want to be able to have a wraparound service that is available for young apprentices that are experiencing mental health issues.

Unfortunately this has been the case for some time. I am also reliably informed that even in terms of industry superannuation funds, when it comes to members that are no longer alive, there are panels that look into the personal circumstances of individuals, and it has always been that younger male cohort that has been a significant issue that needs to be addressed. I am pleased that through the advocacy of a number of organisations and the voices of apprentices themselves we are able to commit this allocation and provide services to young people in the apprenticeship area.

In terms of the task force, the task force has been established to do a variety of things. It will be looking at the barriers in terms of participation, but importantly it will be looking at some areas that have not been looked at before. I want to be able to see work being done that drills down into how the different government agencies actually work together and connect up and that they are a seamless system that functions and also provides advice to the relevant ministers. Of course with apprenticeships it crosses over a number of places in terms of the WorkSafe minister, the industrial relations minister and me, just to name a few. We have also got VRQA, the regulator, where apprentices need to be registered, and they have a role to play in terms of keeping tabs on the apprenticeships system. Of course Apprenticeships Victoria is very powerful in making sure that the voice of apprentices is heard, and employers need to be able to tell us about some of the difficulties that they have in terms of the processing of paperwork et cetera. So that task force will be announced very shortly, and I am looking forward to some really good in-depth work being undertaken and to apprentices themselves also getting a chance to verbalise and provide their lived experience to that task force.

**Paul HAMER:** Thank you, Minister. You mentioned Apprenticeships Victoria, and I was wondering if you could just expand a little bit on the role of Apprenticeships Victoria.

**Gayle TIERNEY:** Yes, of course.

**The CHAIR:** Excuse me, Minister. Sorry to interrupt. Just before we go on – and I am conscious that this hearing is being live streamed – I do want to say to anyone listening today or here in the room that feels distressed upon listening to some of the evidence given by the minister just now, the number for Lifeline is 13 11 14, or Beyond Blue can be contacted on 1300 224 636. Apologies, Mr Hamer.

**Paul HAMER:** Thank you, Chair. Just to repeat the question, I was wondering if you could provide an overview of Apprenticeships Victoria and what their role is.

**Gayle TIERNEY:** I am going to ask our person from Apprenticeships Victoria to speak. But before I do that, can I say that it is unfortunate that over a period of time it was clear that apprenticeships and traditional trades were not seen to be as important as other things and fell behind, and I think that was because there just was not enough policy work done. But it also was in terms of resource allocation, and I think that even with the work that we have done in relation to advanced manufacturing, no-one can get away from the fact that you still need to know how to make things, that not everything is programmable. You have actually got to make things. That was highlighted to me at the Heidelberg campus of Melbourne Polytechnic even last week, so I thank them for that. In terms of the actual question that you ask – what is the role and function of Apprenticeships Victoria – I will hand that over, but part and parcel of my preface is that apprenticeships were basically forgotten. They were not highly regarded. The only way that we were going to fix this was to have a totally focused and dedicated organisation, and that is why we established Apprenticeships Victoria in 2021. Over to you.

**David BARRON:** Apprenticeships Victoria actually enables and supports the employment and training of apprentices and trainees across all industry sectors and areas of the state. That includes school-based apprenticeships and traineeships, mainstream apprenticeships and traineeships and Big Build apprenticeships, which is our signature program, if you like, and that is about offering the opportunity to get involved in the biggest and most exciting infrastructure projects that are currently underway in Victoria. Apprenticeships Victoria essentially represents a partnership between the Victorian government, major project employers and the TAFE and training system, and we say that because in a lot of our programs we are engaging directly with the contractors of the Big Build infrastructure projects, we are assisting them to meet their Major Projects Skills



Guarantee targets and we are working on involving the TAFE system in that as a high-quality deliverer to ensure that people get the right training.

We are also doing a whole range of other work across safety, as the minister has already referred to, on the mental health and also the task force, but we have also done existing work in safety. We have been supporting apprentices. We have an Apprenticeship Support Officers program, in which we have 29 people located in 13 locations across Victoria, which is supporting mainly first-year apprentices but all apprentices to help them get through those difficult challenges as they take on their apprenticeship and supporting them to complete.

We are also doing a whole range of other work in terms of innovation, in terms of higher apprenticeships – that has been a big focus of our work – and we are working with the dual sectors and TAFEs to try and ensure that there is a more high-quality offering and a better offering that is more relevant to the jobs that are available.

**Paul HAMER:** Thanks very much, Mr Barron. Minister, you mentioned earlier about some of the facilities that are available in the TAFEs these days, particularly the facilities down at Frankston for dental assistants. I know in my own area at Box Hill TAFE there is a number of very state-of-the-art facilities. I was just wondering if you could perhaps expand a little bit on what facilities are out there in the TAFE sector.

**Gayle TIERNEY:** It varies enormously, but can I say that the equipment has upped the ante as well, and we have a separate TAFE equipment fund as well. That is to recognise that we need to have equipment that is available at TAFEs for people to train on that is in line with what they would be working on on the shop floor. It is pretty standard, and I have got to say that in terms of my visit to the Heidelberg campus the other day, it was amazing to see that some of the local industries had donated a lot of equipment too so that there was consistency from their theoretical and their practical.

**The CHAIR:** Apologies, Minister. The time has expired. The next 10 minutes go to Ms Sandell.

**Ellen SANDELL:** Good afternoon, Minister. I would like to ask you about the Prahran TAFE site. Budget paper 4, page 77, refers to this site. Could you tell us what the current status of the master plan is?

**Gayle TIERNEY:** Sure. First of all, I think it is really good that the government stepped in and has purchased that property because it enables continued provision of training and skills on that stretch within Prahran. In terms of the master plan and where we are up to with the consultation, because as I know you know, Ms Sandell, there are also a number of tenants – very good tenants – on site and it is important that that relationship is maintained and grown as we go through the consultation process with the master plan, Dr Csar, do you want to take us through the consultation process?

**Xavier CSAR:** Certainly, Minister. Thank you for the question. It has taken a little longer to negotiate the site with Swinburne University of Technology. There were some key features we wanted to achieve that meant that that did not occur until December, principal among them was that almost half the proceeds would be dedicated to vocational training through Swinburne University, which I think was important given the size of the investment. The other matter I would just wish to inform the committee of is it also took a bit of work to secure the continued accommodation of the various occupants of the site. They had needs that needed to extend beyond the immediate period so that they could continue their training and their various activities. That was achieved. With that in place we then commenced the process of the master planning design, and I am pleased to say that we are now in a position where we have been undertaking consultations with the occupants and undertaking consultations with some of the surrounding areas, in particular through a working group with other interested parts of government. As you know, there is a school adjacent and it too will need to be accommodated, so the plan has to take account of that. We are expecting to continue those consultations with the occupants over the next month or two – it is really weeks – and probably begin the community consultation in the next quarter.

**Ellen SANDELL:** In the next quarter. Okay. Thank you. And steps beyond that? Is there anything you can tell us about that?

**Xavier CSAR:** Well, we would anticipate that the master planning will take in excess of a year. It will take a bit of time. It is a big and it is a complex site with a lot of competing and complementary uses. We do not have a hard date yet for the completion of the plan, but we will go through a process and seek to understand what everyone's needs are and what the opportunities would be.

**Ellen SANDELL:** Okay. Thank you for that information. Just back to the minister, on funding for TAFE overall: the recent Productivity Commission's report into government services did show that Victoria has the lowest-funded-per-hour vocational education and training in the country. I am just wondering how Victorian TAFE funding compares to the rest of the country post this budget and whether that analysis has been done?

**Gayle TIERNEY:** What we have been doing is working towards building a funding model – and the key stakeholders are aware of that – and we have been doing that in a variety of ways. We think it is important that we can have future funding so that we can plan for the various things that we have been talking about for the last hour and a quarter. We are doing that in a variety of ways. I was wondering, Dr Csar, whether you would want to take the committee through what we are doing in respect of this matter.

**Xavier CSAR:** Certainly, Minister – and thank you for the question. It is important to note that the report on government services data is, although published in 2023, actually based on 2021 data, so things continue to move –

**Ellen SANDELL:** That is why I ask about this budget.

**Xavier CSAR:** Yes, and as you would know, there has been continued investment in training through expanded eligibility, and that has continued in this budget. Probably the important point over that period between, say, 2014 and 2021 is that the Victorian growth in vocational education funding has grown at above the national rate. Nationally it is about 32 per cent; Victoria is growing at about 46 per cent. So on that trajectory I think probably the data is a little dated.

**Ellen SANDELL:** Okay. Thank you. Minister, you would have seen this – the AEU's comments in relation to this budget, saying that:

... the reality is, TAFE in Victoria is not funded for the actual cost of course delivery.

I am wondering if you could talk about how TAFE will continue to provide training and education without that full funding, as the AEU says.

**Gayle TIERNEY:** Well, of course we put a lot of money into the system generally – whether it be capital works, student services, obviously salaries – and also we are looking at better ways in which we can coordinate curriculum and training delivery. In terms of also that point about other jurisdictions, it needs to be kept in mind that in terms of a comparison with other states we also are a fairly compact state, so our training costs and expenses simply are not as high as other states. But Dr Csar will add to those comments.

**Xavier CSAR:** Thank you, Minister – and again, thank you for your question. That is true. We do have the benefit of a somewhat more compact state: we are not Western Australia, we are not Queensland, we are not the Northern Territory. But nonetheless I think on commentary around the adequacy or not, I think one way to look at it is through the financial performance of TAFEs as they have climbed out of COVID. This year there were only three letters of comfort, which was an improvement on the previous year. There was an operating surplus across the 12 standalone TAFES of just under \$30 million versus about \$14-or-so million in deficit the year before. So I think there are good signs that the TAFEs, which are really the backbone of the vocational education and training system, are climbing out of that position and are in a stronger position now than they were a year or two ago.

**Ellen SANDELL:** Thank you. I just want to ask about international students. I know it is not just in your portfolio, but maybe you can make some commentary on it. The Treasurer in his presentation talked about the fact that Victoria is different because we care about the international student experience, not just looking at them as a commodity, but we are hearing some pretty concerning reports about agents telling people they can live on much less than they can, horrific living situations where people just cannot find an affordable place to live and international students not being able to afford food and things like that or being exploited in the system. What is Victoria doing to ensure that international students actually have a decent quality of life when they are here?

**Gayle TIERNEY:** Yes. There were a number of things that we did during the pandemic because we understood that international students in particular were doing it hard and did not necessarily have the support networks that domestic students had.

**Ellen SANDELL:** I understand that – that is appreciated – but I think now that exploitation is still continuing.

**Gayle TIERNEY:** Yes, so you are quite correct. In terms of international students, that sits with the Treasurer, although obviously I have got significant interest in the welfare of all students that are at any of our facilities. And of course we have the international student centre that is in Hardware Lane, so that is a very good point of contact, but my suggestion is that they really do need to raise these issues, either with their local member but also of course with the university or the TAFE that they are attending.

**Ellen SANDELL:** What is the best mechanism, given that a lot of them are not technically constituents, they are international students? What is the best mechanism that they can raise those issues?

**Gayle TIERNEY:** Well, I think the student welfare officers on their campuses would be an appropriate point.

**Ellen SANDELL:** To raise systemic issues?

**Gayle TIERNEY:** It would depend on what the issue is too.

**Ellen SANDELL:** I am talking about some of the systemic issues, I guess, around exploitation or overpromising by agencies – or not being able to find housing, for example.

**Gayle TIERNEY:** As you well know, in terms of all of those sectors there are regulators, and often there are ombudsmen or some sort of investigative body. If that information is not seemingly readily available, then we will make sure that we will get that information out there.

**Ellen SANDELL:** Mr Ada, it sounds like you have something to add.

**Tim ADA:** If you are happy, Minister?

**Gayle TIERNEY:** Yes, absolutely.

**Tim ADA:** I was just going to add that the Minister made reference to the Study Melbourne student centre, which is sort of a nation-leading physical point of presence in Hardware Lane. It offers a range of wraparound services for international students. It is the best place to go outside of student welfare officers in their own training institutions.

**The CHAIR:** Thank you, Mr Ada. The next session will go to Mr Galea.

**Michael GALEA:** Thank you, Chair. Hi, Minister and officials. If I can ask you, Minister, in relation to the Victorian Skills Authority – and referencing your presentation earlier, Minister – as well as the skills and job centres, could you please outline for us what the role of the VSA is in addressing the skills needed for Victoria and Victorians now and into the future?

**Gayle TIERNEY:** Thank you, and thank you for the question. We established the Victorian Skills Authority to essentially provide the data and the evidence so that we could have an information base to determine what our budgetary allocations or our targets or our focus should be in terms of the training sector. But that is a very important element and function of the VSA. The other important element of it is its connection with industry. All of the industry advisory groups sit underneath the umbrella of the VSA – very important, because they inform us as to exactly what is going on in their industry and what is needed. We also have them connected to the awards that we have within the sector, because we want them to promote all the fantastic things that are on offer within the training system. It is also seen as an organisation that tries to connect up the whole system, whether it be in the Learn Locals area of community education, whether it be TAFE, whether it be private providers, whether it be universities – everyone that intersects and is at the heart of the Victorian skills and training and education sector. It is an opportunity to pull people together, and that is why they also conduct skills labs, because they can get everyone quite easily in the room. They understand what skills labs are, they understand the importance of a unified system as such, although we have got a little bit more way to go, but it is also that connection between data and people and skills needs in regional communities as well, through their regional task force. But I will hand it over to the CEO to talk about all of the work that the VSA does.

**Craig ROBERTSON:** Thank you, Minister. Skills and Job Centres are essentially the human face of the TAFE and training system for when you need that personalised advice, because every individual approaches vocational education and training with a range of backgrounds as well as a range of aspirations. These are people who understand the TAFE and training system and the opportunities that are available but also understand the job opportunities that are available in the particular region in which that person lives. So it really is that personal service that is offered. The other element of course is employers, and we know that many employers across the state are really keen on accessing workers. Skills and Job Centre staff often know what is going on with local employment. Local employers come to them, and they can say, 'I can help you access students from particularly TAFE and training.' That is its real focus, and as we think about more workers that may well be changing jobs, they can provide advice on: what is the best course that you can do that gives you the maximum opportunity for work?

**Michael GALEA:** Thank you both. I am quite interested particularly in your reference to the regional aspect as well with those Skills and Job Centres, Minister. Could you expand on the benefit for regional communities?

**Gayle TIERNEY:** There are lots of benefits in that. As I said, lots of communities in regional Victoria know who needs what workers at given times through conversations that they might have in the queue at the local supermarket or at the footy oval or netball courts – you name it. People sort of know it, but it is not necessarily concise science and it is not necessarily information that has been pulled together in a way that is understood and has a serious factual basis to it. Actually, Craig, it might be a good idea if you explain exactly what the task force does and how you set up people who are locals to facilitate discussions that feed the information into each and every different task force that you have.

**Craig ROBERTSON:** Certainly. If I could start by indicating why Skills and Job Centres, particularly in the regions, are important: because those Skills and Job Centres are of the region and they understand the community and they understand the employers. Often in a region those services or that information that you might expect from elsewhere is not available. It is that personal understanding and engagement with the community. That was then demonstrated through the work that we undertook in developing skills and workforce profiles for seven regions. Our process of doing that was to gather members of the community and respected community leaders but also employers as well as local education and training providers, particularly TAFEs, to say, 'Let's look at the data about where we think jobs growth is going to be. Let's moderate that a bit' – based upon their experience, because often that data cannot take account of what local context is – 'and then look at: what has worked and what can we amplify and what are some of the responses that we need to be able to do?' I would have to say that there has been a real commitment from those communities. Every community leader wants to be able to give back to the community by creating good jobs. So when those profiles are released we will then be able to continue on that work to make sure there are skilling responses in place.

**Michael GALEA:** Thank you. Thank you, Mr Robertson, as well. Minister, beyond what has already been outlined in your previous answers, are there any ways in which the VSA connects industry and students across Victoria?

**Gayle TIERNEY:** There are a range of ways. There are workshops that are held that inform those that are interested in what is predicted to be a trend, which is incredibly important, but the industry advisory groups are very important in making sure that there is constant input from industry about what their needs are. It is not necessarily just about what courses need to be delivered, it is about the content and the curriculum of those courses. It is also about how there might be – as I know there are – problems forever at a national level about the clunkiness of the system, so to speak, and being able to raise those issues at a national forum to try and get greater efficiencies and better streamlining of the system. In lots of ways it is a conduit for understanding the real-life issues, but there are also the real-life positives that are being demonstrated out there as well.

Again I touch on my most recent experience at Melbourne Poly, where it was clear that the local industry had formed an industry skills and training ecosystem. It was not just people rocking up for the launch of an opening of a new facility. They actually are working together, and they are even assisting each other in securing contracts. And not only are they contracts, they are serious contracts – international aerospace contracts. You can see the programming. It is confidential and everyone is safeguarded in terms of privacy, but they get to experience collaboration, cooperation and really high levels of skills. And they bring it to life; they are the living proof of the government's agenda and that it can come together. It can come together in terms of

industry, it can come together in terms of students' aspirations and it can come together in terms of delivery. The VSA is a key partner in making sure that those advanced manufacturing industries and employers in the north of metropolitan Melbourne are tick-tacking with the VSA – not just the local TAFE but the VSA – so that they can attract even more business and more skills to the region.

**Michael GALEA:** Thank you, Minister. With 8 seconds left, I will yield my remaining time.

**The CHAIR:** Very generous of you, Mr Galea. Thank you.

Minister and department officials, thank you so much for appearing before the committee today. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee is now going to take a short break before beginning its consideration of the planning portfolio at 4:50 pm.

I declare this hearing adjourned.

**Witnesses withdrew.**