

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **2021–22 Budget Estimates**

Melbourne—Monday, 21 June 2021

### **MEMBERS**

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mr James Newbury

Mr Danny O’Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Nina Taylor



**WITNESSES**

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

Ms Jenny Atta, PSM, Secretary,

Ms Lill Healy, Deputy Secretary, Higher Education and Skills,

Mr Anthony Bates, PSM, Deputy Secretary, Financial Policy and Information Services,

Ms Lee Watts, Acting Assistant Deputy Secretary, Quality and Implementation, Higher Education and Skills,  
and

Dr Simon Booth, Executive Director, Tertiary Education Policy and Performance, Higher Education and Skills,  
Department of Education and Training.

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

On behalf of the Parliament, the committee is conducting this Inquiry into the 2021–22 Budget Estimates. Its aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

We note that witnesses and members may remove their masks when speaking to the committee but must replace them afterwards.

Mobile telephones should be turned to silent.

All evidence taken by this committee is protected by parliamentary privilege. Comments repeated outside this hearing may not be protected by this privilege.

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 as soon as possible.

We welcome Minister Tierney and invite you to make an opening statement. This will be followed by questions from the committee. Thank you.

**Visual presentation.**

**Ms TIERNEY:** Thank you, and good morning, everyone. Thank you to the committee for letting us be here with you this morning. I begin by acknowledging the traditional owners of the land on which we are meeting today, the people of the Kulin nation, and I pay my deep respects to their elders past, present and emerging and to all elders and Aboriginal people who may be joining us here today.

Thank you for the opportunity to outline the central role of training and skills in the Victorian budget as we continue to respond to and also as we recover from the pandemic. This government's investment in training and skills over the past seven years has laid the strongest foundation for making TAFE better than ever it has been and driving economic and social equity. Since 2015 we have invested more than \$3.2 billion to rebuild Victoria's training system and support universities. We are ensuring the sector is in the best possible place to get people reskilled, retrained and back to work on the jobs that are here now and into the future. Our TAFEs are providing industry-relevant training so that thousands of Victorians can kickstart a great new career.

Victoria has faced its greatest economic challenge since the Great Depression alongside the biggest global pandemic for over 100 years. The pandemic is by no means behind us, but as a government we are making sure that every single day our investments are supporting jobs and looking after Victorians. November's \$1 billion budget investment in the sector was all about supporting those most impacted by the pandemic—women, young people, Aboriginal Victorians and those from our CALD communities—so that they can reskill and retrain for the jobs that are there. Our \$350 million Higher Education State Investment Fund is supporting our universities as they grapple with the impacts of COVID-19. Free TAFE remains at the heart of our efforts to reskill Victorians and to ensure TAFE is their first choice when it comes to embarking on a new, rewarding career. Thanks to free TAFE places and exemptions to allow women and other impacted workers to retrain, we

have already seen more than 38 000 students enrol this year. That is 23 per cent more enrolments than at the end of April 2020.

This massive investment is already making a huge difference to the lives of Victorians. Apprenticeships Victoria, which opened for business only three months ago, has already received almost 500 expressions of interest to take on the Big Build apprenticeships and work on one of the several major projects that are underway. Big Build projects are helping to break down barriers to women participating in traditionally male-dominated trades, with women making up 17 per cent of apprentices working on these vital infrastructure projects. This is in comparison to industry-wide where less than 10 per cent of Victorian apprentices are women, which drops to around 2 per cent for the construction trades generally. Imagine starting your career as a tradie working on the North East Link, the Warrnambool learning and library hub or the new Footscray Hospital. Initial indications show a 28 per cent increase in new apprenticeship commencements overall to April this year by comparison to the same time last year. But of course there is always much more work ahead.

The Victorian budget this year invests a further \$383.8 million in skills and training. We are establishing a new organisation, the Victorian Skills Authority. This will help us lead the revitalisation of the sector, a much-needed reset at a crucial time. Through the budget we are also providing affordable accredited training for more people, continuing to invest in our world-class TAFE system and building better pathways between higher education, VET and adult, community and further education.

The budget continues to support those Victorians most affected by the pandemic. It invests \$88.8 million to support eligible students to enhance their skills and employment opportunities by providing subsidised vocational education and training. This will result in 12 200 more training places, and on top of this is the \$1 billion investment in last year's budget, a budget that added an extra 80 000 training places, 60 000 of those being pre-TAFE; a budget that funded key TAFE capital projects; and a budget that increased eligibility exemptions to ensure more people can access TAFE—a fantastic investment and a testament to this government's commitment to TAFE.

This year's budget also includes ongoing funding for an asylum seeker VET program which provides eligible asylum seekers with access to subsidised training. There is \$7.9 million to support employers, communities and students through the coordination of mandatory practical placements for TAFE students. These will be in areas crying out for skilled workers such as allied health, community services, early childhood education and training. And we are helping Victorians bridge the digital divide. There is \$2.8 million to increase places for pre-accredited digital literacy and employability skills through the Learn Local network, plus \$3.3 million to develop an online literacy and numeracy assessment tool for TAFE and training providers, including Learn Locals.

This budget invests \$99.2 million to increase support for government-subsidised accredited courses delivered by TAFEs. This includes subsidy rates, maximum concession contribution rates and fee-waiver rates for non-free TAFE courses. This budget also continues our huge investment in TAFE facilities. This includes \$72.4 million for major redevelopments such as the Broadmeadows campus of Kangan Institute and GOTAFE's Shepparton campus. There is also \$12 million for TAFEs to upgrade facilities and equipment to support training for apprentices and trainees, and \$250 000 has been allocated to develop a business case for TAFE provision in Melton.

To make our TAFE and training system even better, we need to ensure that our skills and training system is more responsive to the needs of our economy and society. This requires a clear, active link with employers and unions so that we better understand the labour market and industry requirements. This is why we are establishing the Victorian Skills Authority. The new authority will work with industry, providers and stakeholders to use data analysis and insights to better plan for the future training needs of Victoria's economy, generate place-based solutions for local and statewide problems, support improvements in the quality of training and drive collaborative innovation across the VET sector. This is in response to the recommendations from the Skills for Victoria's Growing Economy review. The authority will bring together existing entities and functions, including the Victorian skills commissioner's office, skills and job centres and the VET Development Centre, to develop an annual report, which will be essentially the Victorian skills plan. The plan will better guide training delivery where it is needed most so Victoria can capitalise on opportunities for new jobs and economic growth, including clean energy, digital technologies and advanced manufacturing.

The November budget and this year's budget reiterate the government's firm commitment to supporting TAFEs as vital public providers. TAFEs can set the standard for quality across the sector and respond to Victoria's economic, training and employment needs while removing competition and increasing collaboration. The office of TAFE coordination and delivery will be implemented to coordinate public provider strategy, shared services, governance, and performance and accountability. It will be a new business unit within the Department of Education and Training from mid-2021. The office will free our TAFEs to do what they do best—training workers—so that our state has a pipeline of skilled workers to meet the demand from employers and give workers the rewarding careers that they deserve.

This budget brings Victoria another step closer to a vocational education and training system that will be simpler, more cohesive and more contemporary; a sector that always steps up to the challenge, as it has consistently throughout the pandemic; a sector that supports access to lifelong learning for all Victorians wherever they live, no matter what their circumstances; and a sector that is delivering training for Victorian jobs now and into the future. I thank the committee for their attention.

**The CHAIR:** Thank you, Minister. Mr Newbury.

**Mr NEWBURY:** Thank you, and thank you for being here. Can I take you to the Treasurer's speech on the budget where he talked about the new payroll tax and he said the tax was aimed at 'big businesses' who 'have continued to profit through the pandemic'. Minister, has the university sector, in your view, profited during the pandemic?

**Ms TIERNEY:** Thank you, Mr Newbury, for your question. The university sector has done it tough as a result of a number of things, but it is this government that understood this—unlike the federal government. That is why this government put \$350 million towards a higher education investment fund, and this fund is a fund that marries together the priorities of the state government and the capabilities of the university sector. Already we have seen a number of announcements that have come from that fund that bring about a whole range of activities that are aimed at stimulating the economy and of course social advancement. I have been fortunate to make a number of announcements—I believe I have made 12 so far—many of which of course are making a serious contribution not just to the local communities in which they live but of course in the wider state economy.

**Mr NEWBURY:** On those 12, and perhaps it is a question on notice, the net job impact. Would you mind taking on notice your projected outcome on those announcements so far?

**Ms TIERNEY:** Well, what I can tell you is that, just for one, the budget has invested \$120.4 million in new training and study support, funding 3000 new jobs, 120 graduate placements for nurses, 140 postgraduate placements for allied health professionals and more psychiatry rotations for junior doctors. So these will be investments that we make. In relation to a number of projects that I have announced, many go to building new work, so there is obviously employment in terms of construction but also of course there is the ability for the continuation of research that otherwise would not have occurred, either new research or an extension of research. There are opportunities for postgraduate students; a number of PhD students have been already brought online in terms of one announcement that I have made at La Trobe University. And of course there is the ability for students beyond their base degree to have rotations through the university. So it does provide us with a really obvious opportunity to stimulate the university sector and indeed make sure that the research component in particular is not left to languish. Of course, as we know, as a result of the health situation worldwide, we need to do much more when it comes to health and immunity issues in this country but worldwide as well. I was really pleased—

**Mr NEWBURY:** Can I just, for Hansard's benefit, Minister—

**The CHAIR:** Mr Newbury, could you allow the minister to answer the question, please.

**Ms TIERNEY:** The first announcement that I made—I think that was just before Christmas at the University of Melbourne—was an ability for us to pursue ground-breaking health genomics research, one of which of course means that we are looking forward to having a very, very good relationship with that company now and into the future. There are so many things that the Higher Education Fund is doing, and of course if the federal government—

**Mr NEWBURY:** Can I just seek your clarity—

**The CHAIR:** Mr Newbury!

**Mr NEWBURY:** Chair, I mean, this can just go on for the full 8 minutes. I mean, talking it out—

**The CHAIR:** Mr Newbury, you are interrupting.

**Mr NEWBURY:** Well, there is no point. I mean, you might as well have one question per session.

**The CHAIR:** Mr Newbury, you are delaying it by interrupting. If you could allow—

**Mr NEWBURY:** Delaying what? I am not getting an answer to my question. I am being rebuffed.

**The CHAIR:** Mr Newbury, if you are concerned that your time is running out, it is because you are interrupting and stopping proceedings.

**Mr NEWBURY:** No, it is absolutely wrong, Labor Chair. It is because the Labor minister is trying to run down the clock.

**The CHAIR:** Mr Newbury, if you could allow the minister to answer the question, please.

**Mr NEWBURY:** I do not know what she is answering. She is certainly not—

**The CHAIR:** Mr Newbury!

**Mr RIORDAN:** Chair, in our days of hearings you have never once pulled a minister up.

*Members interjecting.*

**The CHAIR:** Mr Newbury! Mr Riordan, it is not your time. Mr Newbury, if you could allow the minister to answer the question, please, without interruption.

**Mr NEWBURY:** I do not know what question is being answered.

**The CHAIR:** Well, you asked the question, Mr Newbury.

**Mr NEWBURY:** No, I asked a question that was answered about 4 minutes ago. Now it is just hearing from the minister—

**The CHAIR:** Mr Newbury, you do not get to determine the answer. You asked the question, now could you please allow the minister—

**Mr NEWBURY:** But I think it is reasonable to ask the minister to conclude her answer so we do not run out of time.

**The CHAIR:** Mr Newbury, you are out of order.

**Mr NEWBURY:** If the minister is unable to deal with the committee, that is okay—just say that.

**The CHAIR:** Mr Newbury, you are out of order. If you could please allow—

**Mr NEWBURY:** Thank you, Labor Chair.

**The CHAIR:** Mr Newbury, could you please allow the minister the opportunity to finish answering the question. Thank you, Minister.

**Mr NEWBURY:** Thank you, Labor Chair.

**Ms TIERNEY:** Thank you, Chair.

**Mr NEWBURY:** Labor Chair.

**The CHAIR:** Mr Newbury, you are out of order.

**Mr NEWBURY:** Thank you, Labor Chair.

**Ms TIERNEY:** Thank you, Chair. I have just outlined some of the things that are happening in respect to the \$350 million higher education state investment fund—

**Mr NEWBURY:** This is a joke.

**Ms TIERNEY:** and some of the projects that have already been announced. But we also made an announcement of payroll tax deferral for universities at approximately \$130 million, which provided immediate cash flow relief. We also of course set up a \$45 million emergency relief fund for international students, and we also made a \$50 million contribution to the mRNA research and manufacturing—

**Mr NEWBURY:** Why are we here? This is a farce.

**The CHAIR:** Mr Newbury!

**Ms TIERNEY:** \$400 million for the Australian Institute for Infectious Disease—

**Mr NEWBURY:** Your chairing is a farce.

**The CHAIR:** Mr Newbury, you are out of order.

**Ms TIERNEY:** and \$1 million to La Trobe University, as well as—

**Mr NEWBURY:** Your chairmanship—

**The CHAIR:** Mr Newbury!

**Mr NEWBURY:** Your chairmanship is a joke.

**The CHAIR:** Mr Newbury, the minister is being directly relevant to the question that you asked—

**Mr NEWBURY:** Absolutely wrong. Absolutely wrong.

**The CHAIR:** and she is entitled to complete her answer without interruption.

**Mr NEWBURY:** Talking down the clock isn't clever.

**The CHAIR:** Mr Newbury, it is your interruptions that are talking down the clock.

**Mr NEWBURY:** Thank you, Labor Chair.

**The CHAIR:** Mr Newbury!

**Mr NEWBURY:** Protecting your Labor colleagues is not your job, and that is what you are doing.

**The CHAIR:** Mr Newbury, you are out of order.

**Mr NEWBURY:** Chair, you are using your role in a political fashion. It is obvious for all to see.

**The CHAIR:** Mr Newbury, you are out of order. The minister is entitled to—

**Mr NEWBURY:** Just reading out PPQs for 8 minutes is not clever.

**The CHAIR:** Mr Newbury, you put a question. You are the one who is continually interrupting. The minister is entitled to answer the question without interruption.

**Mr Newbury** interjected.

**Mr Riordan** interjected.

**The CHAIR:** Mr Riordan, you are also out of order. Mr Newbury, you are out of order. The minister is entitled to—

**Mr NEWBURY:** Chair, we have no faith in your chairmanship. That is the issue.

**The CHAIR:** Mr Newbury, you asked a question, and the minister is entitled to answer.

**Mr NEWBURY:** Two independents have left the room. That is how much faith everyone has in the chairmanship.

**The CHAIR:** Mr Newbury, are you finished?

**Mr NEWBURY:** Well, I will just wait. I mean, keep reading, Minister—keep reading the PPQs.

**The CHAIR:** Mr Newbury, the minister is entitled to answer the question.

**Mr RIORDAN:** In a timely fashion.

**Mr NEWBURY:** No, Chair. The minister is not answering the question. The minister is using the word ‘university’ over and over, which you are ruling is in order. This is a farce.

**The CHAIR:** Mr Newbury, you directed the minister to the Treasurer’s speech and the issue around payroll tax, and the minister has been directly relevant to the question the entire time.

**Mr NEWBURY:** What a surprise! This is a joke.

**The CHAIR:** Mr Newbury, your time has expired. Mr Maas.

**Mr NEWBURY:** What a joke!

**Mr MAAS:** Thank you, Chair. Thank you, Minister, and thank you, departmental officials, for your time this morning. Minister, if I could take you to the rebuild of the Victorian TAFE sector, I was hoping you would be able to inform the committee about the progress that has been made to lift the quality of training in Victoria. I take you to the output initiatives in budget paper 3, pages 165 to 167. Thank you.

**Ms TIERNEY:** Thank you, Mr Maas. I thank you for the question because it is really nice to get a question where someone genuinely is interested in training and in particular the issue of quality around training. We need to make sure that we do have quality training because we need that quality in skills so that people are absolutely armed up with the skills that are required in the jobs that are available. I am really pleased to advise the committee that the satisfaction rate in the VET system is very high. In 2021 the student satisfaction rate is 86.7 per cent, over 8 percentage points higher than 2015–16. This is a fantastic result because it shows that when you invest in TAFE and the training system properly and invest in your teaching staff, when you do not rip funding out of the training system, satisfaction rates increase.

**Mr Newbury** interjected.

**The CHAIR:** Mr Newbury!

**Ms TIERNEY:** Since introducing the measure on the proportion of VET completers who achieve their main reason for training, we have also seen significant improvement. In 2020–21 the percentage is 85.1 per cent. This is a critical measure because it tells us that the vast majority of people achieve the purpose they set out to train for. Whether it be to get a job, to upskill in their current job or for personal development, the training system is overwhelmingly delivering the outcomes that Victorians deserve. Our investments are paying off, and we are really proud of the improvements that have been made to the system.

But of course, as I say to everyone, there is more to do. I want to see higher completion rates, which I am pleased to say are on the rise, but we can always do better. I would also like to see more Victorians choose VET as their pathway of choice. Prior to the pandemic we were able to turn around the decline in the number of enrolments in VET for the first time since 2012, something that the opposition obviously continues to forget. This took a long time after the previous government absolutely decimated the reputation of TAFE and VET,



but we turned it around. That is a really positive step, and I hope to continue to see stronger enrolment growth in the VET system.

The initiatives in this year's budget will really be important in continuing to drive the improvements that we are seeking, and I think that the establishment of the Victorian Skills Authority in particular will be very much part of that ingredient. It will be providing a focus on quality and particular relevant training, Mr Maas. So I am pretty excited to see that this new body will drive fundamental improvement right across the sector. But I am also happy for Dr Booth to also make a contribution in respect of the quality aspects.

**Mr MAAS:** Sure. Thank you.

**Dr BOOTH:** Thank you, Minister. And thank you for the question. In terms of the proportion of VET completers who achieve their main reason for training, which the minister referred to, if we back-cast that figure, we have shown since 2015 it has risen from 71.3 per cent to 85.1 per cent, so that is a 13.8 percentage point gain, which is really pleasing and I think a really significant achievement, which is a testament to the hard work of our VET providers and TAFEs.

As a result of the increase in student satisfaction a greater proportion have stayed on to complete their studies, so the two-year completion rate for non-apprenticeship commencements and government-subsidised AQF qualifications—it is a mouthful—rose from 47.7 per cent in 2015 to 53.3 per cent in 2019. There was a small dip in 2020 due to the pandemic, but we know that students have continued their enrolments and we would expect those continuing enrolments to complete over the course of this year. And it is not just students but also employers who have noticed improvements in the quality of training, because we have seen the proportion of employers of apprentices and trainees who were satisfied with training increase from 76.5 per cent in 2016 to 79.1 per cent in 2020. Thank you, Minister.

**Mr MAAS:** Great. Thank you. In the remaining couple of minutes, we have of course had unscrupulous private providers in the system previously, and you have talked about maintaining a high-quality system. Would you be able to advise the committee of the work undertaken to ensure that all registered training providers are delivering quality training?

**Mr NEWBURY:** They got a second question—can you believe it?

**The CHAIR:** Mr Newbury, could you stop interrupting, please.

**Ms TIERNEY:** Thank you, Mr Maas. Yes, look, when we came into government the system was in a real mess. The level of unacceptable and unethical behaviour by some providers was terrible, and we absolutely promised to stamp out that behaviour, and we have. I am proud that Victoria holds RT organisations to the highest standards, and we make no apology for that because one example of bad behaviour damages the reputation, as we well know, of the entire VET sector.

I can advise that since 2015, 41 providers that were not doing the right thing have had their funding contracts terminated for serious non-compliance, including some of the inappropriate claiming of funding students. In such cases the department takes a robust approach to reclaiming funds and referral to appropriate agencies. We have got an established unit within the department that continues to monitor all RTOs, tracks the enrolment numbers and then takes deep dives. In the 2019–20 financial year the department undertook 132 audits and reviews of funded training organisations. As I said, there is a specialist unit that only do this sort of work, and they do a great job, so I take this opportunity to thank them for all of their hard work.

As I have said at this committee previously, we have moved from a high-volume, low-quality system to a high-quality training system. Again, that is one of the points that the opposition keep forgetting: that we are making sure that the tick and flick situation that we had when they were in government now has shifted to a high-quality training system that is a lot more aligned to the needs of industry. And part and parcel of all of that was the introduction of free TAFE, because it provides a signal post to parents, to students, to industry that we are very serious about making sure that people can see a clear line, a clear pathway.

**Mr MAAS:** Thank you, Minister.

**The CHAIR:** Thank you, Minister. Mr O'Brien.

**Mr D O'BRIEN:** Thank you, Chair. Good morning, Minister and team. Can I just go back to the payroll tax question. Minister, will you be working to exempt universities from the new payroll tax burden at least until international students return?

**Ms TIERNEY:** Thank you, Chair. But I understand that this is a matter for the Treasurer.

**The CHAIR:** Thank you, Minister. It is obviously outside the minister's portfolio, Mr O'Brien.

**Mr D O'BRIEN:** What action have you taken on behalf of the sector you represent to exempt it from this new tax?

**Ms TIERNEY:** This is a matter for the Treasurer.

**The CHAIR:** Thank you, Minister. Mr O'Brien, we are obviously here for the higher education portfolio. If you could ask questions within the relevant portfolio, that would be appreciated, please.

**Mr D O'BRIEN:** The question is about your role as the minister responsible for higher education, Minister. Have you taken any action to ameliorate the cost impost on universities of the new payroll tax arrangements?

**The CHAIR:** Mr O'Brien, I think the minister has made it clear that this question falls within the portfolio of the Treasurer.

**Mr D O'BRIEN:** The tax clearly falls within the portfolio. Is the minister literally going to sit there and say nothing about what she is doing to support universities?

**The CHAIR:** Mr O'Brien, I think if you ask a question that is within the relevant portfolio and the relevant estimates periods—

**Mr D O'BRIEN:** It is clearly within her portfolio.

**The CHAIR:** the minister will happily answer it.

**Mr D O'BRIEN:** Can I repeat the question, Chair? What action has the minister taken on behalf of her portfolio, that she represents, to try and ameliorate the cost impost on the university sector of this new payroll tax? None. Let the record show none—absolutely none.

**Mr RIORDAN:** The minister refuses to answer him.

**The CHAIR:** Mr Riordan.

**Ms TIERNEY:** Chair, what we have been able to do is provide payroll tax deferrals valued at approximately \$130 million, providing immediate cash flow relief to the sector. And, again, in terms of my advocacy role, I have been very strong in advocating more money for the university sector, given that the federal government in Canberra has just walked out of the sector and has left it high and dry.

**Mr D O'BRIEN:** Minister, can I ask: have you calculated what the total increase in the tax burden on the university sector is?

**Ms TIERNEY:** Again, this is a matter for the Treasurer.

**Mr D O'BRIEN:** Well, no. I am asking about the university sector. That is your sector. We know that Melbourne uni, for example, has said it is a \$20 million additional cost on them. Have you done a calculation on the entire sector?

**The CHAIR:** Mr O'Brien, if you could keep your questions to the relevant portfolio and estimates period—

**Mr D O'BRIEN:** All right. So we are just going to sit here and not answer questions we do not like—even though they are directly related to the future of your portfolio. That is—

**Mr RIORDAN:** A new strategy.

**Mr NEWBURY:** Or talk it out.

**Mr D O'BRIEN:** Well, I would prefer—

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

**Mr D O'BRIEN:** It is just extraordinary. Secretary, can I just ask some questions about free TAFE. Budget paper 3, page 166, lists a new performance measure, 'Number of enrolments in the Free TAFE for priority courses', and it says 50 000 there. Which courses and levels of certificate are included in this budget measure as priority courses, or is it all of them?

**Ms ATTA:** Sorry, Mr O'Brien, I will just be a moment. In fact—if I can ask Ms Watts to talk to that.

**Mr D O'BRIEN:** Sure. So the question was: which courses and levels of certificate are included in this budget measure as priority courses?

**Ms WATTS:** Thank you, Mr O'Brien. It is all of the free TAFE courses that are currently contained on the free TAFE course list.

**Mr D O'BRIEN:** So it is all. So when it refers to 'priority courses', that is all the free TAFE courses.

**Ms WATTS:** That is correct.

**Mr D O'BRIEN:** Okay. Thank you. Likewise in the measure 'Number of enrolments in the Free TAFE for priority courses', what is the breakdown of how many enrolments per priority course make up the 50 000? Are you able to take that perhaps on notice?

**Ms WATTS:** To break it down into the course enrolments for each particular course, we will have to take that on notice.

**Mr D O'BRIEN:** No problem. Thank you.

**Ms TIERNEY:** But can I say that, in terms of those courses that are incredibly popular, nursing is very popular, individual support and early childhood.

**Mr D O'BRIEN:** Yes. Again BP3, page 165, and the measure the number of government subsidised course enrolments in the TAFE network—just confirming, does that include both free TAFE and all other TAFE, Ms Watts?

**Ms WATTS:** It does.

**Mr D O'BRIEN:** It does? Yes. Are you able to provide on notice how many enrolments were recorded by year in 2019 and 2020 for free TAFE?

**Ms WATTS:** Thank you, Mr O'Brien. We can do that for the total number of courses—

**Mr D O'BRIEN:** Yes.

**Ms WATTS:** if that would be acceptable to you now—

**Dr BOOTH:** I could do free TAFE enrolments now.

**Ms WATTS:** and do free TAFE as well.

**Mr D O'BRIEN:** Yes. If you could give me that now, perhaps I could get that figure.

**Dr BOOTH:** So in 2019, Mr O'Brien, there were 39 734 enrolments and in 2020 there were 47 390 enrolments.

**Mr D O'BRIEN:** Forty-seven thousand—

**Dr BOOTH:** Three hundred and ninety.

**Mr D O'BRIEN:** And, sorry, thirty-nine thousand and—

**Dr BOOTH:** 39 734.

**Mr D O'BRIEN:** That is for free TAFE?

**Dr BOOTH:** Yes.

**Ms WATTS:** First year.

**Mr D O'BRIEN:** And what was the rest? What was the balance?

**Dr BOOTH:** Of the enrolments for each of those years?

**Mr D O'BRIEN:** Yes.

**Dr BOOTH:** So they are in the budget papers, but for 2019 it was 275 612 and for 2020 it was 263 035 enrolments.

**Mr D O'BRIEN:** Am I able to get on notice what the enrolments were recorded at each of the 12 TAFEs for certificate III in—I have got a list of course areas; I will put them on the record, if you like—allied health, civil construction, education support, early childhood and care and the diploma of early childhood and care, health services assistance, rail infrastructure, diploma of nursing and the introduction to the national disability insurance scheme course. Is that information available that we could get on notice?

**Ms WATTS:** We have all of that information at hand, but that is a very long list of courses that you have asked us to go to specifically.

**Mr D O'BRIEN:** Yes.

**Ms WATTS:** But to reassure the committee, the enrolment numbers are broken down both in terms of new commencements and ongoing student enrolments et cetera for each of those courses at each qualification level. So, Mr O'Brien, we will take that on notice.

**Mr D O'BRIEN:** Okay. That would be good to have new commencements and ongoing enrolments. Is there also a completion figure?

**Dr BOOTH:** So completion figures are not available at an individual institute or course level at the moment. We have a methodology for developing those which we are working through, and that needs to be verified with each individual TAFE. You will appreciate where there are small numbers of students and small enrolments in courses, that needs to be worked through with each of them. So those are not available at present, no.

**Mr D O'BRIEN:** Okay. Do you have completion rates for free TAFE full stop?

**Dr BOOTH:** Yes.

**Mr D O'BRIEN:** Overall?

**Ms WATTS:** Yes.

**Mr D O'BRIEN:** Have you got those between 2019 and 2020?

**Dr BOOTH:** Just bear with me, Mr O'Brien.

**Ms WATTS:** I am happy to answer that. The two-year reported completion rate for free TAFE is 47.5 per cent, which is 1.2 percentage points higher than the two-year reported completion rate for non-apprentice commencements in non-free, fee-waiver TAFE government AQF qualifications.

**Mr D O'BRIEN:** So what is the—

**Ms WATTS:** It is stronger. So the takeout from that, Mr O'Brien, is that the completion rate for free TAFE is strong and reflects completion rates for courses within and across the VET system.

**Mr D O'BRIEN:** Righto. So can I just have the figure again? Was it 47.5?

**Ms WATTS:** 47.5.

**Mr D O'BRIEN:** And what is it for non-free TAFE?

**Ms WATTS:** It is 46.3.

**Mr D O'BRIEN:** 46.3.

**Dr BOOTH:** And just, Mr O'Brien, to clarify that, that is the reported completion rate, which is a slightly different measure than the BP3 rate, so it is not directly comparable because the BP3 rate includes an inference, which we cannot do at an individual course level.

**Mr D O'BRIEN:** Okay. Minister, there are five TAFEs which still require letters of comfort from the government due to their financial position despite receiving millions extra in COVID crisis support payments last year. How does this budget address the issue that so many of our TAFE institutions are in a parlous financial situation?

**Ms TIERNEY:** So we are investing in and supporting TAFE to ensure that Victorians get the best skills and jobs for our economy that are needed most, and this is because every TAFE is a public-owned entity. In 2020, against a very challenging COVID-19 operating environment—

**Mr D O'BRIEN:** Sorry, Minister, the question was about this budget.

**Ms TIERNEY:** the TAFE sector as a whole reported an operating surplus of \$19.7 million in comparison to a deficit of \$49.8 million in 2019, with the government providing—

**Mr D O'BRIEN:** Point of order, Chair.

**The CHAIR:** Sorry to interrupt, Minister. Mr O'Brien?

**Mr D O'BRIEN:** Point of order, Chair. Just on the question of relevance, this was specifically a question about what this budget does. So far we have been going 30 seconds and the minister has not addressed that at all.

**Mr Newbury** interjected.

**The CHAIR:** Mr Newbury, I did not invite you to contribute on the point of order. Does anyone else want to contribute on the point of order? No? Thank you, Mr O'Brien.

**Mr Newbury** interjected.

**The CHAIR:** Mr Newbury, could you please stop interrupting the Chair.

**Mr Newbury** interjected.

**The CHAIR:** Mr Newbury, now you are winding down the clock for Mr O'Brien. Minister, if you could keep your comments related to the question, that would be appreciated. Thank you.

**Ms TIERNEY:** And, again, it is this government that has made a contribution of \$383.8 million, and it is a package of investments that will go to the skills and training sector. But not just TAFE—it is right across the board. \$631.4 million is available for extra training places, ensuring Victorians can get the skills that they need to secure a decent and stable job. We are very proud of what we have been doing in this space. We have saved TAFE and we are rebuilding a TAFE system that is going through significant change.

**Mr D O'BRIEN:** But, Minister, there are still five TAFEs that are seeking a letter of support.

**Ms TIERNEY:** We have given support to the TAFE system and we will continue to provide support to the TAFE system because it is this government that supports TAFE, unlike the Liberal Party when it was in government.

**Mr D O'BRIEN:** Your TAFEs are still in the red, Minister.

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

**Ms TIERNEY:** We are rebuilding and redirecting the VET system and indeed the TAFE sector. That is why we have established the VSA. That is why we are establishing the OTCD. We are making sure that we have increased the subsidy rate for the delivery of training in this budget, Mr O'Brien, and we are absolutely proud of what we are doing within the TAFE sector and the wider skills and training sector.

**Mr D O'BRIEN:** That is well and good, Minister, but there are still five TAFEs of 12 that need a letter of comfort because they are in such a parlous financial situation. You mentioned the OTCD.

**Ms TIERNEY:** OTCD.

**Mr D O'BRIEN:** Yes. There is \$15 million in this budget for the Office of TAFE Coordination and Delivery as a separate business unit in the Department of Education and Training. How does \$15 million on a new bureaucracy help the parlous financial state of our TAFEs or indeed help get any people trained?

**Ms TIERNEY:** The OTCD is established so that there can be much more focus on a collaborative approach amongst the TAFEs so we do not have a dog-eat-dog situation, which was basically the mantra of your government. What the OTCD will do will be looking at all of the—

**Mr D O'BRIEN:** You have been in government for seven years.

**The CHAIR:** Mr O'Brien, could you allow the minister the opportunity to answer the question.

**Mr D O'BRIEN:** Well, I am invited to interject when the minister talks about the opposition, seven years ago.

**The CHAIR:** Mr O'Brien, could you please allow the minister the opportunity to finish her answer to your question.

**Mr Newbury** interjected.

**The CHAIR:** Mr Newbury!

**Ms TIERNEY:** Thank you, Chair. So the OTCD will be looking at all of the back-of-house functions that TAFEs currently undertake so that we can get a coordinated approach and greater efficiencies in back-of-house functions. That will be the primary purpose of the OTCD, and it will be basically ensuring that TAFEs get the opportunity to solely focus on the delivery of training, which they are great at, and that those other things that are peripheral to the delivery of training can be coordinated by the OTCD. We are really pleased to see this. This is a conversation that has been had within the TAFE sector for a long, long time where people have talked about shared services and shared procurement and a whole range of things. Now, with the establishment of the OTCD, these sorts of things will definitely happen, and I am sure that the interaction between the TAFEs and creating much more of a network in the TAFE sector is going to provide some outcomes that all of us will be particularly proud of.

**Mr D O'BRIEN:** So speaking of outcomes, the target was set in your 2017–18 budget of 104 000 government-subsidised enrolments for students living in regional Victoria. In this year's budget the target has dropped to 81 300. That is 23 000 less places that your own budget papers are predicting, are targeting, for regional Victoria. Why have you dropped the ball on regional Victorian training?

**Ms TIERNEY:** There is no dropping of the ball, Mr O'Brien. There is certainly no dropping of the ball when it comes to regional Victoria and the TAFE system. As I said the last time I appeared before this committee, come with me any day of the week, Mr O'Brien. It is an invitation to all members of PAEC: come with me any day of the week and we will go from one TAFE campus to the next in regional Victoria and you will see a reinvigorated, vibrant TAFE system that is delivering for the local community. We are really pleased to see those classrooms full and the connection between local employers and local industry and the TAFEs. It is really an amazing thing to see.

**Mr D O'BRIEN:** How is it amazing that there are 23 000 less places?

**Ms TIERNEY:** And seeing is believing, Mr O'Brien. You are absolutely wanting to trash the reputation of regional Victoria and TAFEs.

**Mr D O'BRIEN:** They are your figures, Minister.

**The CHAIR:** Mr O'Brien, your time has expired. Ms Richards.

**Ms RICHARDS:** Thank you, Minister. Thank you, officials, for appearing this morning. I will try and lower the modulation of my voice—

**Mr NEWBURY:** You are just reading out the question.

**The CHAIR:** Mr Newbury!

**Ms RICHARDS:** to a volume that you can hear, considering you are only a few metres away. I would like to refer you to budget paper 3, pages 165 to 167. Noting that there have been some performance measures that have been lifted, I am interested in finding out if you can explain, perhaps, to us how you can see further improvements in the coming year.

**Ms TIERNEY:** Thank you, Chair, and I thank Ms Richards for her question. It is always a pleasure to deal with issues where people are particularly interested in outcomes and performance and are supportive of the measures that are being undertaken. You are absolutely right to note that we are setting improved targets across VET. The Victorian government expects all training providers to deliver the highest quality training, leading to jobs. That is what we have focused on since coming to government. We have cleaned out, as I have mentioned time and time again, those providers that were not doing the right thing. We have consistently supported TAFEs, and it is only appropriate that we continue to lift the standards of training, Ms Richards. It is important to note we are actually doing really well in terms of quality. As I said, student satisfaction and achievement—the main reason for training—are high, and these are absolutely critical measures. Our focus on continual improvement will mean better outcomes.

In terms of the budget papers that you referred to, we have lifted targets in terms of apprentice and trainee satisfaction, overall VET satisfaction and improved employment status. These are about building higher expectations of quality. So what does this mean? Well, the department will be working closely with providers to lift performance further. Funding contracts also are focused on quality outcomes, which continue to be monitored by the department. I am really excited about where we have come from in terms of TAFE. It was in dire straits, as we know, when we came to government, and we have turned it around. We are signalling very clearly in this budget that we expect an even better training system.

Of course it would be remiss of me not to mention our reputation for high-quality training around the country. I would remind opposition members on the panel that Victoria has taken home the Australian training award for Large Training Provider of the Year every year—every year—since 2016. That is because we are the capital of TAFE in Australia. We invest in TAFE, we are driven by quality outcomes, and that is recognised nationally again and again and again. Last year it was South West TAFE, in 2019 it was SuniTAFE, in 2018 it was Wodonga TAFE, and the Gordon before that—and the list continues. So I have to say, TAFE and training are doing very well under this government. We said that we would save TAFE; we have done that. We said that we would rebuild TAFE; we are doing that. We said that we would introduce free TAFE; we have done that. And we said that we would make TAFE better than it has ever been before, and that is what we are doing every single day of this government.

**Ms RICHARDS:** Thank you, Minister. Now, the government set a clear objective for TAFE to be at the centre of the training system. Based on those performance measures around TAFE enrolments, I am wondering if you can share some evidence with the committee on whether the government has been successful in that objective.

**Ms TIERNEY:** Yes, sure. Thank you for that. The answer to your question is simple: we have absolutely been successful. When we came into government, TAFE did not hold the majority share of the funded training system enrolments; now TAFE does. The majority of funded enrolments in Victoria are at TAFE. We said that

we would place TAFE at the centre of the training system, and we have. So it is important that the public provider has the majority of training share. The fact of the matter is that Victorians deserve a high-quality, well supported TAFE system. TAFE should be the number one priority of any government when it comes to the training system. We believe very strongly as a government that Victorians have a right to public education and training, and that is why we back in TAFE each and every day. We do not accept a provider-neutral approach, which is one that is pushed by the federal government. We do not believe in a provider-neutral approach to the training system because we believe that that is just another way of saying, 'Let's just destroy the public provider'. We believe that government has a critical role in delivering training.

**Mr D O'Brien** interjected.

**The CHAIR:** Mr O'Brien, could you stop interrupting.

**Ms TIERNEY:** Now let us talk about enrolments, because I think it is important that we get the facts on the table here. When we came to government enrolments were crashing. The previous government absolutely decimated the TAFE system. It was seriously horrific, and I am sure many of you on the committee remember how bad it was. So when we came to government, we saved TAFE from collapse; we immediately injected money into the system. But the damage was already done, and the reputation of the entire VET system was just terrible. We got to work clearing out the private providers who were not doing the right thing. They were enrolling students without their knowledge, so the numbers even in 2015 were questionable in terms of the extent that they were real students. It has taken a long time to rebuild Victoria's trust, and free TAFE has been critical in all of that. It is a very important anchor to the system.

In 2019 for the first time since 2012 VET enrolments actually increased. I mentioned that earlier in my presentation, but I think it is a point well worth making again and again and again because the opposition has not got the memo. Finally we were able to break the damage—

**Mr RIORDAN:** We have not got many answers today either to be honest.

**The CHAIR:** Mr Riordan!

**Ms TIERNEY:** caused by the previous government and bring students back. Not only that, we were able to get more women into TAFE, we were able to get more people from culturally and linguistically diverse backgrounds, more Aboriginal students and more students with a disability. We should all be very proud of what we have been able to do and the life-changing nature of what free TAFE has provided so many Victorians. I should also note that enrolments in 2020 in TAFE were higher than 2015, so we are tracking really well. Of course COVID-19 has had an impact on enrolments, but I note that TAFEs are working incredibly hard to build enrolments. They are vibrant again because of this government's investment in what is an incredibly critical and important sector to the Victorian economy.

**Ms RICHARDS:** Thanks, Minister. I have not got much time, but I will say I have seen and met some people in Cranbourne whose lives have been transformed, so perhaps if you pass on my thanks to the educators in the TAFE system for the difference they have been able to make. Thanks, Chair.

**The CHAIR:** Thank you, Ms Richards. Ms Taylor.

**Ms TAYLOR:** Minister and department officials, I was wanting to look at new performance measures. I know there are some new performance measures in budget paper 3. Can you explain the reason for the new measures and how they will help to continue to drive the Victorian government to make TAFE and training better than ever?

**Ms TIERNEY:** Thank you, Ms Taylor. I could continue talking at length on this, but, Dr Booth, I am just wondering whether you might be able to take the committee through the new performance measures.

**Dr BOOTH:** Thank you, Minister. As you correctly point out, there are a series of new performance measures. The first new measure is the six-year completion rate for apprenticeship commencements and government-subsidised AQF qualifications. This measure is obviously focused on ensuring we have strong completion rates in apprenticeships and traineeships, and it reflects the fact that the Victorian government, particularly through the establishment of Apprenticeships Victoria, is putting a real focus on supporting and



improving completions in this area. Obviously also in the last budget the government provided additional funding for the apprenticeship support officer program. That measure was calculated looking at the historical completion rates for apprentices and setting an expectation of growth in that that responds to the additional new investment.

The second measure is the number of enrolments in the free TAFE initiative. This measure tracks our enrolments to ensure that we have a pipeline of enrolments in those areas linked to significant job demand, and they have been growing year on year. That measure has been set through looking at the combination of expected growth in new commencements and also the significant improvement we have had in numbers of continuing students between years, which has resulted in setting the target at 50 000 enrolments. Thank you, Minister.

**Ms TAYLOR:** Great. Thank you. I would now like to explore tackling the digital divide. If we can go to budget paper 3, page 22, specifically 'Tackling the digital skills divide to get Victorians into jobs', how will this budget initiative support disadvantaged Victorians and those disproportionately affected by the COVID-19 pandemic to participate in Victoria's economic recovery?

**Ms TIERNEY:** Thank you for the question. I think it is not news for people in this room and beyond to recognise the reliance on technology that has come to the fore as a result of the pandemic. 2020 highlighted the reliance on digital literacy and the ability to work remotely but also in terms of accessing services and staying socially connected as well. We are committed to addressing this gap. This initiative will also provide invaluable support to disadvantaged Victorians so that they can gain the skills that they need to assist them to manage their day-to-day lives, such as online banking, health care, MyGov and so on. That is why we have created 2400 additional pre-accredited places in digital literacy programs. There are a further 2400 pre-accredited places in employability skills programs and of course the development of online literacy and numeracy assessment tools.

A lot of this will be rolled out through Learn Locals. We are very much wanting to ensure that those that potentially are falling through the cracks are given a pathway and the ability to stay connected with family and friends and to be connected up with their children's school. Of course MyGov absolutely is incredibly important, but to get that baseline of skills so that you are literate, so that you can participate in the workforce is absolutely critical, and sometimes people choose to go on to further study once they have got their literacy and numeracy and digital literacy sorted. But whatever pathway people choose, it will improve their engagement in society. It will make sure that people are more job ready and they are more focused about what they want to get out of life and that the barriers are basically torn down before their eyes and they are able to take that next step for themselves and their families for their future.

**Ms TAYLOR:** Yes. I can see how critical that is. Can you also explain why the Adult, Community and Further Education Board and Learn Local providers are best placed to deliver pre-accredited training in digital literacy and employability skills as part of the initiative?

**Ms TIERNEY:** I think they are best placed because, one, they have got the experience. They have been involved in this area for a long time, and their connection to community is incredibly important. Many of the Learn Locals are actually housed in neighbourhood houses or community centres, so they are a natural conduit to community members, particularly those that might need further engagement and a lift-up in terms of what their future prospects might be. They provide a learning environment that is safe and is comfortable and is known. But further to that they understand contextualised learning. We talked about this a little bit I think the last time we met but in a different context.

I saw an example of this with AMES at Werribee not all that long ago, where newly arrived people or people who had lived here for a long, long time but had not accessed skills and training in their local community for a whole range of reasons because of what happened in 2020 in particular saw the need to be connected, particularly with family, so older migrants were absolutely there. What AMES has been able to do is produce a tool that breaks down the learning of literacy, numeracy and digital learning to a point that people can actually see it and can be taken through how to join vic.gov, for example, how to do online learning. And it is done in a way where people absolutely with no formal education can understand how to do it. It is a new way of building the blocks for digital and numeracy learning as well. I was really impressed, and again I would encourage anyone that is interested in this field to contact AMES. I am sure that they would love to see politicians take a

particular interest in literacy and numeracy and with Learn Locals and the ACFE board. They would love people to pay more attention to this whole sector.

I have always said that this is a sector—that is, adult and community education—that has been left behind the kitchen door. And the ministers statement that I made some time ago was about making sure that we get people out from behind the kitchen door, we bring them into our Learn Locals and we provide them with the pre-accredited training that they need so that they can participate more fully in society, can take on further training and education, can manage their daily lives more effectively, and also of course develop employability skills so that they can take on the jobs that are available.

**Ms TAYLOR:** Thank you. And on that note, you have been mentioning pathways to employment and further skills development, can you share an example? Is there something you can provide that will be built on over the next two years, something for the committee?

**Ms TIERNEY:** Yes. So this is another thing that the ACFE board is prioritising, and that is the connection between Learn Locals and local industry so that we can get people seeing that if you do these courses, there is a very high chance that you will end up with a job at the end of it. And so there are a number of examples, but I can give one, which was Yarrunga Community Centre. They created a project with a number of employers. They wanted to increase the participation of the local Myanmar community, and they put them through a course that essentially provided them training to assist professionals with the installation of solar panels. So something that they might not even have dreamed of, by sitting down and talking to employers and industry they were able to work out what the real need is. It was not a matter of, you know, bringing in people from other parts of the state. There were people in the community that if they had the necessary opportunity and the training, they could assist in not only bringing about a job for themselves but also increasing the rate of installation of solar panels.

There are many examples of this happening right across the state, metropolitan Melbourne as well as Victoria, but it is one that we are going to ramp up more, making that connection between employability training and digital literacy to jobs that are available locally, and sometimes it is in the so-called semiskilled area. It is not all about, you know, apprenticeships or higher education. It is about making the connections and making sure that there are important resources allocated to an area that does provide a lot of connection to community and to the economy.

**Ms TAYLOR:** So it is clear that this program is needed, based on what you have relayed today, but for people who have no digital literacy and have lost confidence—say, due to COVID—how will this initiative genuinely support the most disadvantaged in Victoria to, one, reconnect to their community, and two, embrace learning digital literacy?

**Ms TIERNEY:** Well, I can just tell you from my experience of what I have seen, and that is when I have sat in on classes and I have been with people who have been disadvantaged and are finding it tough through the lockdown and of course in terms of having that ability to have access to technology. When I see those classes and I see what is being presented, what is happening is that the confidence is the first thing that happens. Once people actually remember how things are progressed in the course, how they can actually work through—vic.gov is a great example—they are able to participate in a more meaningful way not just within their own household but within the class and the general community setting. So they then often go off and create other activities, whether it be in employment or indeed there are a number of activities where they share cooking and courses from different backgrounds, different cultural backgrounds, and that also is an icebreaker. But it is more than an icebreaker; it is the way that you build the weaving of the fabric of community and bring it to life, and I think that by seeing it you can actually see how people do take that next step in terms of social connection but also employability and making their lives a lot more manageable by knowing how to use digital technology so that they can go about their business and their family business as well.

**Ms TAYLOR:** Yes, thank you. Can you also explain how the development and implementation of the online literacy and numeracy tool will help them choose the right training and skills pathway?

**Ms TIERNEY:** It is pathways. People are shown different pathways to what can be achieved. Often it is assumed that people want to do certain things. They might try it and then again it necessarily does not work, so they might give up. This is a bit more of a wraparound tool that enables people to think outside of the box and

think out of their predetermined thoughts about where their training and education might take them, so it is sort of groundbreaking in lots of ways. It is very hard to verbally explain it again without actually seeing it, and I would again encourage people to make contact with the Learn Locals or indeed ACFE board members who would be able to show you the importance of this assessment tool. I am just wondering whether Ms Watts or Dr Booth might be interested in going into further details about the assessment tool, because we have talked about it nationally as well.

**Dr BOOTH:** Thank you, Minister. The budget provides \$3.3 million to implement an online literacy and numeracy assessment tool. The idea that is just behind this, as the minister referred to, is of a standardised tool that can support the up-front assessment of need for learners to make sure they are getting into the right course that best suits their needs, and if they have got underlying other challenges around their digital or literacy or numeracy skills, they can be referred appropriately to access additional supports or training as required. It is in the early stages of project development here in Victoria, but I would point to in particular the experience of the South Australians, who have administered an up-front assessment of need for some time that has been very successful. It is a tool that takes only 15 minutes for a prospective student to complete, and it provides a rich and detailed set of data for the provider and the learner to support them to get into the right course for them. The advice from South Australian colleagues suggests it boosts completion rates and assists providers to identify those learners with additional needs, so the approach really is to have this tool available for providers with good practice, guidance and support.

**The CHAIR:** Thank you, Dr Booth. Deputy Chair.

**Mr RIORDAN:** Thank you, Chair. I have got just a couple of questions. I think Mr Bates, if I can, you are in charge of financial policy. So you handle property sales?

**Mr BATES:** I do not, Mr Riordan.

**Mr RIORDAN:** In terms of arrangements with the department?

**Mr BATES:** Property sales are usually done by the land and property group in Treasury.

**Mr RIORDAN:** No, so it is not the actual sales; it is in terms of asset management in the department. Is that something you are aware of?

**Mr BATES:** Yes.

**Mr RIORDAN:** I am just wanting to seek clarification. The sale that the minister announced at various points between 2016 and 2017 of the Glenormiston educational facility, did that sale settle with China-based Dean Montgomery and his company?

**Mr BATES:** I do not have that information at hand, Mr Riordan, so I would have to take that on notice.

**Mr RIORDAN:** Okay. Further to that, I guess your department made announcements—well, very quiet announcements, I must say—late last year and settled this year with the sale of that property to South West TAFE. Were you involved with the settlement of the Glenormiston property to South West TAFE?

**Mr BATES:** I was not personally, no.

**Mr RIORDAN:** Who would I best direct that question to? Ms Atta perhaps?

**Ms ATTA:** Mr Riordan, I might see if Ms Watts can provide any detail on that, but if you have got your question, that will help us.

**Mr RIORDAN:** The question is, Ms Watts, did your department settle on the sale of Glenormiston College to South West TAFE?

**Ms WATTS:** The title has been transferred to South West TAFE.

**Mr RIORDAN:** Right. So if you have transferred a title of a property that you told everyone you had sold, I can only assume then that the sale did not go through with Mr Montgomery.

**Ms WATTS:** There is—

**Mr RIORDAN:** Because I have counted about 15 press releases, most of which have the minister talking about the sale of the property to Mr Montgomery, but you seem to have sold the property again this year.

**Ms WATTS:** Thank you, Mr Riordan. I am not as familiar with this particular issue as I would wish to be, so if you could provide me with the question on notice, thank you.

**Mr RIORDAN:** Okay. So is there anyone in the department who has any idea what you have just done with a \$15 million asset—well, a conservatively priced \$15 million asset? I am talking to all the senior people in the department this year. I mean it is in this budget estimates.

**The CHAIR:** Mr Riordan, could you allow the Secretary to speak?

**Ms ATTA:** Mr Riordan, all of the land and property issues in relation to the TAFE institute are oversighted by the department, but I do not have the detail that you are looking for here at the table, and we are happy to follow that up for you.

**Mr RIORDAN:** So no-one heading up this department has sort of noticed a 300-hectare property worth multi, multimillions of dollars, and probably one of the most iconic architectural features in western Victoria—no-one has noticed that you have sold it?

**Ms WATTS:** Mr Riordan, I am able to inform the committee that a further 10-year option period has been added to the leaseback from Mr Montgomery to South West TAFE.

**Mr RIORDAN:** So can you tell me how you sell a property but then give the title to another entity? That does not flow. Could you perhaps provide us with some detail? What does Mr Montgomery actually own?

**Ms RICHARDS:** Point of order, Chair.

**The CHAIR:** Ms Richards.

**Ms RICHARDS:** I think it would be so much easier for everyone to follow along if we have a budget paper reference to follow. I understand—

**Ms WATTS:** Mr Riordan—

*Members interjecting.*

**Mr RIORDAN:** So basically the state has a very, very valuable property, which no-one seems to know what you have done with.

*Members interjecting.*

**The CHAIR:** Mr Riordan—and sorry to interrupt, Ms Watts—Ms Richards has raised a point of order. Would anyone else like to contribute on the point of order?

**Mr RIORDAN:** Absolutely.

**The CHAIR:** Thank you.

**Mr RIORDAN:** It is absolutely relevant that if the department has a multi-multi-multimillion-dollar iconic property, someone in the department would know what they have done with it.

**The CHAIR:** Mr Riordan, that is not on the point of order. I would ask that you keep your questions related to the budget.

**Mr RIORDAN:** Well, I am sorry. I think a multimillion-dollar property is pretty pertinent to the budget.

**The CHAIR:** Mr Riordan, I have not ruled your question out of order. I simply ask that you keep your questions related to the budget and the budget estimates. And, Mr Newbury, you did not take up the offer to speak on the point of order, so I suggest that you stop interrupting me.

**Mr NEWBURY:** I did not say a word. It was my colleague.

**The CHAIR:** Mr Newbury, could you stop interrupting me, please? Ms Watts.

**Mr Newbury** interjected.

**The CHAIR:** Mr Newbury. Ms Watts, would you like to contribute any further?

**Ms WATTS:** Thank you, Chair. Thank you, Mr Riordan. The land has been transferred, as I indicated to you, from the minister to South West TAFE, and the sale from the TAFE to Montgomery International was executed on 19 February 2021 and is due to settle in 2024. The department will continue to work with both South West TAFE and Montgomery International to finalise these arrangements and to continue to allow for the delivery of education from the site.

**Mr RIORDAN:** Can you tell the committee what price you have settled on for that sale?

**Ms WATTS:** I can. The value is determined at \$4.685 million.

**Mr RIORDAN:** Okay. Have you removed the caveats and covenants from that title requiring that land to be perpetually used for education?

**Mr MAAS:** On a point of order, Chair—

**The CHAIR:** Mr Maas.

**Mr MAAS:** aside from the fact that that would be a matter that would come to pass at settlement, I would really say that that question is just completely out of order.

**Mr RIORDAN:** No, absolutely—

**The CHAIR:** Mr Riordan, would you like to contribute on the point of order?

**Mr RIORDAN:** Yes, absolutely. This is an entirely pertinent question because at \$4 million it is grossly undervalued if that covenant has been removed, because a land sale next door recently valued that property at in excess of \$15 million—

**The CHAIR:** Mr Riordan, is that on the point of order?

**Mr RIORDAN:** So if it has not got covenants and caveats on it, then that is a gross misuse of taxpayers money.

**The CHAIR:** Is there anyone else that would like to contribute on the point of order? Mr Riordan, for the benefit of the committee, could you keep your questions phrased within the terms of the budget estimates.

**Mr Riordan** interjected.

**The CHAIR:** Mr Riordan, again, I have not ruled out—

**Mr RIORDAN:** We have heard in these hearings—

**The CHAIR:** Mr Riordan, could you please stop yelling at me.

**Mr RIORDAN:** of ministers selling properties well above—

**The CHAIR:** Mr Riordan, could you please stop yelling at me.

**Mr RIORDAN:** Well, this is a community asset.

**The CHAIR:** Mr Riordan, I have not ruled out of order your question, but I do ask that, for the benefit of the committee and the benefit of the witnesses, you draw the relevance to the budget estimates for everyone's comprehension.

**Mr RIORDAN:** Well, the state is going broke, and I want to know if we are giving away good property for next to nothing.

**The CHAIR:** Mr Riordan, I ask that you keep—

**Mr RIORDAN:** Ms Watts is wanting to answer the question.

**The CHAIR:** Mr Riordan, stop interrupting the Chair. I ask that you keep your questions phrased in the terms of the budget. Ms Watts.

**Ms WATTS:** Thank you, Chair. Mr Riordan, the department has received an updated valuation from the Valuer-General Victoria for the site, and the current market value based on information from the VGV is that the site is valued at \$5.182 million currently.

**Mr RIORDAN:** Okay. Does that include it having a perpetual use of education only on the land?

**Ms WATTS:** Now that the education—

**The CHAIR:** Sorry to interrupt, Ms Watts.

**Mr Riordan** interjected.

**The CHAIR:** Mr Riordan, your time has expired. Mr Richardson.

**Mr RICHARDSON:** Thank you, Chair. Thank you, Minister and department officials from the Department of Education and Training, for joining us today. I want to take you, Minister, to the topic of the Victorian Skills Authority, and I refer you to budget paper 3, page 22. For the committee's benefit, are you able to explain why we need a Victorian Skills Authority to drive coordinated reform across the post-secondary education sector?

**Ms TIERNEY:** Thank you, Mr Richardson, for this question. You will recall that Jenny Macklin headed up a review. The review was called Skills for Victoria's Growing Economy. It was not just a desktop review, it amounted to close to 18, 20 months of intense consultations with all key stakeholders in the post-school system. Even prior to that I held some ministerial round tables at the University of Melbourne that involved everyone that you could possibly imagine. What people were saying to me was that we needed to have a much more joined-up post-secondary system and that we needed to come together more than just when we have ministerial round tables. That was one of the reasons why we asked Jenny to undertake this review. That was the very clear voice that was united coming out of all of the consultations—that people wanted a place to make that connection in an ongoing way and they wanted a united voice in terms of bringing people together. They wanted greater coordination in terms of the pathways in post-school education, whether it be from the adult community sector, whether it be VET or whether it be universities, and that also the progression in post-secondary education should not just be seen as a single linear trajectory, that in fact it is good to be able to do a university degree and also do a TAFE course as well. And as we are getting, I think, a lot more in tune with being a lot more hands-on and job-ready and more connected up with commercialisation and applied learning, all of these things I think will come into active gear as the VSA is established. But the other thing that I really have wanted—and free TAFE is part of it in terms of identifying those priority areas—is a place where the stakeholders can be involved, so that they feel very comfortable in making contributions and are very much part and parcel of what we do in a very collaborative sense, that they do not wait for a ministerial task force or round tables or anything like that and that they actually live and breathe the system and live and breathe solutions for improvements to the system.

The key cornerstone in all of this is also having a central repository of data and evidence so that we can build an evidence-based skills and training system and with that provide the foundations for a Victorian skills plan. The Victorian skills plan will also be developed with the VSA. The VSA will have a CEO, it will have a ministerial advisory committee and it will have a chair of that ministerial committee. It will also bring in the functions of the VET development centre, the skills and jobs centres and also the functions of the Victorian Skills Commission office. But it is the data that will, I think, uncover a whole lot of things that will be very helpful for

this state now and into the future. It will highlight the skills gaps that exist, where they exist, how they exist, how we can fix it, and indeed provide us with information about where the future skills gaps will be in the workforce. So this is a very important initiative. It is a key element of the review's recommendations, and it is a very important first step in realising the review's vision for a better, more collaborative and more inclusive training and skills system here in Victoria. Everyone I have spoken to is incredibly supportive of it. I am looking forward to—well, it has been established—being able to participate in a meaningful way so that we can keep on improving the skills and training system here in Victoria.

**Mr RICHARDSON:** Minister, you briefly touched on the Victorian skills plan. If I could take you to that important initiative and outline vision, how do you intend to use the Victorian skills plan to improve the training system?

**Ms TIERNEY:** Again, thank you for this question. The Victorian skills plan will be updated annually. I will receive the first one towards the first quarter of next year. It will be based on thorough, ongoing analysis of data and evidence as well as local insights from employers, workers, unions, community groups and people with direct experience of our vocational education and training system. For the first time, Victoria will have a plan based on robust, sophisticated evidence that sets out the skill needs for both the year ahead and of course beyond. Industry employers and unions will actively be engaged to test and verify the data underpinning the plan. This will give confidence to government, industry training providers and others to respond readily and to innovate to meet existing and anticipated demands.

Just as importantly, it will also help to give students confidence that their training will lead to a job. Victorian communities, I think, will see clear benefits. Better data and analysis will help match local students with training and local employers. More sophisticated data will give people confidence that their vocational education and training will help them develop the right skills for in-demand jobs. And of course VET providers will be able to have more certainty. They will have more evidence to prioritise what they do, and they will be able to plan, which is incredibly important—to have a planned training delivery system butted up against the evidence and butted up on the other side with people moving into jobs. And of course the VSA will include private providers, and they will continue to play an important role, including offering specialist skills and also training that is not covered by TAFEs. I think it will also again reinforce the request that we are making, and that is that we have a more collaborative TAFE network and that the enhanced focus on adult and community education will also help to ensure that people can adapt their skills as the economy changes to the local needs and as they evolve as well.

**Mr RICHARDSON:** Thank you.

**The CHAIR:** Thank you, Minister. That concludes the time we have set aside for consideration of this portfolio with you today. We thank you and your officials for appearing before the committee. The committee will follow up on any questions taken on notice in writing, and responses will be required within 10 working days of the committee's request.

The committee will now take a break before beginning its consideration with the Presiding Officers. I declare this hearing adjourned. Thank you.

**Witnesses withdrew.**