

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2009–10

Melbourne— 20 May 2009

Members

Mr R. Dalla-Riva
Ms J. Huppert
Ms J. Munt
Mr W. Noonan
Ms S. Pennicuik

Mr G. Rich-Phillips
Mr R. Scott
Mr B. Stensholt
Dr W. Sykes
Mr K. Wells

Chair: Mr B. Stensholt
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Witnesses

Ms J. Allan, Minister for Skills and Workforce Participation,
Mr P. Clarke, Acting Deputy Secretary, Skills Victoria, and
Mr S. Ward, Director of Workforce Victoria, Skills Victoria; and
Mr H. Ronaldson, Secretary,
Mr J. Strilakos, Acting Chief Financial Officer, and
Mr C. Marsden, Manager, Business Improvement, Department of Innovation, Industry and Regional
Development.

The CHAIR — I welcome the Minister for Skills and Workforce Participation, Jacinta Allan; Mr Ronaldson; Mr Strilakos; Mr Philip Clarke, acting deputy secretary, Skills Victoria; Stephen Ward, Director Workforce Victoria, all from the Department of Innovation, Industry and Regional Development. I now call on the minister to give a brief presentation of no more than 5 minutes on the more complex financial performance information relating to the budget estimates for the skills and workforce participation portfolio.

Overheads shown.

Ms ALLAN — That first slide just shows a bit of a reminder about what is captured in the skills and workforce participation portfolio. Of course the delivery of vocational education and training, responsibility for higher education, international education, our adult, community and further education providers and the workforce participation initiatives are all covered in the skills and workforce participation portfolio, and are therefore covered in our session here this afternoon.

Some of the key statistics and achievements particularly in the last financial year include, as you can see on the slide, some very impressive statistics. Victoria is well regarded as having a very strong vocational education and training sector. We are seeing how it is a growing sector; we have very high participation rates.

Across 2008 — and we operate on calendar years, not financial years because of the academic delivery across calendar years — you will see there is over 695 000 VET enrolments; that includes over 97 000 apprentices and trainees across the state. A key achievement in the past financial year has been the announcement by the government of our \$316 million skills reform package, Securing Jobs for Your Future Skills for Victoria. This is a package that does not just provide additional investment, although it is very important that it provides some of the additional investment but also that provides for an additional 172 000 training places.

It also creates for the first time a training guarantee that is an Australian first. We are the first jurisdiction in Australia to introduce this training guarantee which provides an entitlement to accessing post-school vocational education for all Victorians.

We will also see under this package quite significant structural change across the VET sector in the years ahead. That is why we are staging the implementation of the reforms over a number of years. We have also seen some important announcements in the higher education area and the submissions that Victoria made firstly, to the Bradley review of higher education and in terms of the release of that Bradley report preceding the federal government's announcement of its higher education changes.

We have been able to significantly influence the direction of those announcements, where the commonwealth government has announced it too will be introducing an entitlement funding approach from 2012, which is quite an exciting opportunity for us here in Victoria, where we are going to have an entitlement to vocational education and training, an entitlement to higher education, and we are going to be the only state in Australia that can lay claim to that.

I have mentioned international education. We have significant numbers of overseas students studying in this state. Victoria accounts for 30 per cent of the national total. Very late last year the overseas student experience task force was established. It completed its work on key aspects of students' experience in Victoria in late 2008.

In the adult and community education sector, there are around 52 000 people who participate in government-funded education training programs who are ACE providers. That is only the government funded component of it. They also do significant other activities. It is a really terrific sector that delivers programs right across the state.

Finally, the Workforce Participation Partnerships program that delivered around 3400 employment outcomes, which was established in November 2005, came to an end during this financial year. We have replaced it with a new program called the New Workforce Partnerships program, which continues that very strong focus on supporting disadvantaged job seekers into a job. But the difference with the New Workforce Partnership program, in contrast to the Workforce Participation Program, is that it has a very strong focus on people who are already clients of the state. So they may be a young person in juvenile justice, they may have a drug or mental health issue and they already have a relationship with the state throughout the community services sector.

We recently announced 29 new partnerships under this funding that will result in more than 550 disadvantaged job seekers being given opportunities to be placed into employment through this program.

The CHAIR — Still going — yes?

Dr SYKES — Wait, there is more!

Ms ALLAN — There is more.

Ms MUNT — Because there is always more to be done.

Ms ALLAN — I am sure there will be an opportunity to talk about this during the questions that are to follow.

During these difficult times of the economic downturn, the government, as you have seen from the budget, has a very strong focus on infrastructure investment and how that, in turn, creates jobs. But we are also committed to supporting more training opportunities as well. We are seeing that particularly during an economic slowdown, we know that apprentices are particularly vulnerable to a slowdown. We are providing support in the budget for more apprentices and trainees and providing more opportunities for training for redundant workers. I might just go straight to the next slide to share the details of some of these initiatives very quickly.

The Skills to Transition program, which is the third point on the slide, is an additional 6400 training places for people who have been affected by industry downturn. There is the apprenticeship/trainee completion bonus which is being provided again in this year's budget and the funding for New Workforce Partnerships of \$10.2 million — they are all initiatives that are about directly supporting people particularly during this period of economic downturn.

The other key budget initiatives that are before you on the slide are for a range of capital initiatives are the student management solution, which will see the system upgraded across all of our TAFE institutes — a significant allocation of funding.

The aviation training academy is an exciting new development.

Ms MUNT — Where is that going to be?

Ms ALLAN — Out at Tullamarine airport and in partnership with Kangan Batman TAFE. The committee might be familiar with the Automotive Centre of Excellence which is being developed out at Docklands. It is a really great model. Kangan is wanting to replicate that out at Tullamarine.

In last year's budget, we had funding provided to purchase a plane. We got a 737 from Air Philippines. It came out of service and landed at Tullamarine. It is now being worked on by students at Kangan Batman TAFE; I think they are also at Tullamarine as well.

This is to really make a centre of excellence in aviation training. Given the growth in aviation, particularly in our region, there are huge opportunities there for the state of Victoria. And there is the funding for the RMIT advanced manufacturing precinct, which committee members would probably know was originally announced in the Victorian innovation and manufacturing statement back in last November.

The CHAIR — Thank you very much for that, Minister. I will put on notice my usual question regarding federal grants for the portfolio and give the call to Dr Sykes.

Dr SYKES — I would like to explore with you what the Victorian government, or you, will be doing to deal with the issues created by the federal government's proposed changes to the youth allowance. We are talking about, as you know, that they will now bring in a change, so that where the combined parents' income exceeds \$43 000 a year a student will have to work a minimum of 30 hours a week for a minimum of 18 months to qualify for independent Austudy. As you are well aware, there is a low uptake of tertiary education by country students already — I think 30 per cent and falling, compared with the state average of 50 per cent.

The other thing is that as a result of this measure coming in, students who have traditionally deferred for one year to qualify for the independent Austudy have generally been able to get into their preferred courses, but

most courses do not allow you to defer for more than one year so students who can earn the money to qualify for independent Austudy run the risk of not getting into their preferred course. Given those draconian changes to the youth allowance, what does your government intend doing to ensure that the gap between country students and Melbourne students taking up tertiary education is narrowed, not exacerbated?

Ms ALLAN — Chair, with your guidance, I will answer those elements of the question that are directly related to state government business. A number of the elements — —

The CHAIR — That is understandable, some may not relate to your portfolio, too.

Ms ALLAN — No, that is right.

The CHAIR — Do your best.

Ms ALLAN — Yes, I will. The operation of the youth allowance scheme and the announcements by the commonwealth government are obviously the domain of the commonwealth government, so in terms of how they structure their requirements for that program that is something that is in their domain. But in terms of more broadly talking about participation rates in regional areas, I anticipated, Bill, that you would ask this question, which is why I have some information to hand around to you.

Dr SYKES — A handout. Fantastic, Minister — of like mind.

Ms ALLAN — What is important about this is that it shows the participation rates in vocational education and training in both metropolitan Melbourne and regional areas. When we talk about participation in training, it is important that we see the full picture. That is that we know that students in regional areas participate to a lower degree in higher education but, as you can see from that chart, participation rates by people in vocational education and training in regional areas is dramatically higher than in our metropolitan areas. What I said earlier about the entitlement means that we are going towards a system now where we are giving more regional students an opportunity to participate in training, whether it is in VET or in higher education. If you think about the entitlement that I mentioned before, we are giving an entitlement for a young person to train. In terms of what you were saying about vocational education and training, they might go further and do what they want to do but they can come back and there can be that place there because they have that entitlement.

Similarly, with the announcement the commonwealth have made around introducing an entitlement to higher education from 2012, I think it is going to provide tremendous opportunities to increase participation among students in regional Victoria because you will see universities wanting to deliver more in regional areas. We know that we can do more to increase participation rates in regional areas, and I think this is going to be a key strategy as universities with a regional presence go out there, wanting to deliver more to students in those areas.

The commonwealth announcements were also made in regard to what is being described as a youth compact. This is what came out of the most recent COAG meeting in Hobart at the end of April where there was a number of elements that made up the youth compact. Some, as you have identified, are the responsibility of the commonwealth government, but there were also some initiatives that covered increasing the year 12 completion rate. As you know, Victoria has the highest year 12 completion rate of any Australian state at about 88.7 per cent.

Dr SYKES — And what is the country Victorian student figure?

Ms ALLAN — You would have to ask — —

Dr SYKES — You do not know, Minister. The Minister for Regional and Rural Development does not know what the country Victorian year 12 participation rate is?

The CHAIR — Without assistance.

Dr SYKES — It is a very important issue, Minister. I have asked this one of you before, and I am disappointed that you do not have a long memory.

Ms ALLAN — I am not quite sure which audience you are playing that one to, but we will push on.

Dr SYKES — You, Minister.

Ms ALLAN — The 88.7 per cent is best year 12 completion rate of any Australian state, but the commonwealth are encouraging — —

Dr SYKES — But not country Victorian students.

Ms ALLAN — At least we have more schools open now for country Victorian students to attend — —

The CHAIR — Without — —

Dr SYKES — But the students are not completing year 12. There is a problem there, Minister.

Mr WELLS — How many schools have you shut down?

The CHAIR — Thank you, Mr Wells

Mr WELLS — Ask her to answer the question: how many schools have you shut in country Victoria?

The CHAIR — She is answering the question.

Mr WELLS — How many schools have you shut in country Victoria?

The CHAIR — The minister to continue, thank you.

Mr WELLS — She fired off, so let's — —

Ms ALLAN — COAG are very keen to see those completion rates increase across the country.

Mr WELLS — She is answering half a question and won't fulfil the rest of it.

Ms ALLAN — They are looking to accelerating the completion rates. COAG also agreed to introduce a youth training guarantee which is, in effect, mirroring the training guarantee we have introduced here in Victoria, which means from 1 January next year — from January 2010 — you will see all Australians up to the age of 25 being entitled to a training place with an education training provider. That is a very important shift that has been made at the commonwealth level that I think will also lead to an increase in participation rates, particularly amongst the group of people you are most interested in which is, of course, young people from regional Victoria.

Dr SYKES — Just clarifying the minister's answer, you agree that country students have a much lower uptake of higher education. You have produced figures here of the VCAL and VET courses, but you agree that the uptake of country students of university-type degrees is much lower, and you have suggested — —

Ms ALLAN — It is a fact; you cannot deny the fact.

Dr SYKES — That is good, because we have seen other times that that has not always been the case, Minister, but I will not go down that track.

Ms ALLAN — That is rubbish.

Dr SYKES — But, Minister, you have then said there is an opportunity to encourage universities to push towards country Victoria to deliver their services. I am sure you will appreciate, Minister, that there will still be lots of country students even if the university is provided at, say, Bendigo or Wodonga who will still have to leave home to go take their tertiary education opportunity.

Therefore this issue of a massive cost differential between those students and others is significant, and therefore this action taken by the federal government is extremely discriminatory against those students. I would encourage you to lobby — in the spirit of cooperative federalism — extremely hard in the interests of all country students along with all students in Victoria.

Ms ALLAN — Just in summary to the supplementary question — —

The CHAIR — It was not a question; it was a statement.

Ms ALLAN — There has been some announcement made by the commonwealth government around students from farming families who are going to continue to receive support. There is a lowering of the threshold, so I think your representation of the changes at the commonwealth level is not quite right in terms of the — —

Dr SYKES — We will see as the detail comes out.

Ms ALLAN — I think you would do well to wait to see what detail comes out from the commonwealth government, because they have made a number of statements. I think there is an article in the newspapers today around clarifying the misleading information that the National Party at the federal level — —

Dr SYKES — With respect, Minister, farming families have contacted me and they have contacted Julia Gillard on ABC radio yesterday, and she could not answer those questions.

The CHAIR — I think you have had a fair run at this one, and the minister has given an extensive response.

Mr NOONAN — Minister, I want to ask a question about the ‘Securing jobs for your future — skills for Victoria’ statement which is outlined in detail also on pages page 14 and 15 of budget paper 3. You would not be surprised to hear from me that \$10 million over two years to continue the New Workforce Partnerships program is a very good addition to that initiative.

So my question is: given the breadth of initiatives under this statement I wonder if you can inform the committee on the progress of implementing the package and the priorities that have been set as part of the 2009–10 Victorian budget?

Ms ALLAN — I know for the record you are very strong supporter of the New Workforce Partnerships program, so it has been great to have that funding in the budget over the next two years of \$10 million. The *Securing Jobs for Your Future — Skills for Victoria* — I will not hand it out; it is available on the website — is the policy document that was released in August last year. This details the \$316 million in reforms that the government is implementing over the next three years. The funding that is being provided through this package is the single biggest investment that has ever been made in Victoria’s skills system.

When you consider what that builds on, it brings the total investment to date by this government in vocational education and training to \$1.65 billion, so that is significant additional investment in vocational education and training. This package will create 172 000 additional training places. We have already talked about the Victorian training guarantee and how that will provide more opportunities for Victorians to get a post-school qualification.

We will also be seeing significant changes to the training system where we are wanting the training system to be more flexible and more responsive to the needs of individuals and businesses, so we can bring more people into training. We are introducing a fairer approach to fees that better aligns the cost of the delivery of training with the qualification level and the return that you get from undertaking a high-level qualification and the return on the investment. This fairer fee structure will recognise that as part of it.

There is the Skills for Growth program. This is a \$52 million program dedicated to working with small and medium-sized businesses where we want to work with around 5500 businesses. The program has commenced, and to date we have had 25 providers sign up under this program; they are now out there on the ground working with businesses. The plan is to have around 50 000 workers in these businesses over the four-year life of this program to come through and get a tailored workforce development plan because we know that the better skills a person has in business, the better off they are but also the more effective that business is. This will be, as I said, a dedicated program for small and medium-sized businesses.

There is also a range of initiatives that are about strengthening and supporting the community education sector. There is \$10.8 million of funding in that, and shortly I will be releasing a policy statement for the community education sector, which will provide more detail on how those initiatives are going to be rolled out. The implementation of the demand-driven aspect, the new aspect of the funding regime that is being introduced, is

on track to commence from 1 July 2009, and this will commence for only the diploma and advanced diploma level qualifications at this stage.

As I said we are phasing the implementation, so full implementation will not start across all certificate levels until January 2011, but we now have to factor in the positive impact of the youth compact announcement where by January next year we also have to accommodate those young people up to the age of 25.

We are in the process of improving our audit regime, where we are wanting to very closely monitor the performance of training providers and improve our data collection. We are also looking at how we can improve our industry information through the existing Victorian Skills Commission and the additional funding that is being provided to the industry training advisory boards, which you would know pretty well.

We are giving them \$4 million in additional funding to strengthen their activities, and we believe there is a lot more they can do. We are also supporting the TAFE workforce with a couple of workforce initiatives about helping industry experts, people who work in industry, to work part-time in training. To date we have had 100 people from industry commence training to become TAFE teachers, and we are also supporting existing TAFE teachers within the workforce to undertake an assessment of informal learning course to help them improve their level of skills, and we have had, to date, 60 teachers take up those programs, so there has been a lot of activity.

We have got a lot more activity to do over the next few months, as we make this quite significant change to our training system. That is all about making sure that we bring more people into training. We need many more Victorians come into training, and we need them to not just come into training once and leave again but to continue on that training path. We encourage them to undertake high level qualifications.

Mr DALLA-RIVA — I refer you to budget paper 3, page 125, that relates to the output summary under DIIRD. In particular on page 125, under ‘Skills and workforce’, footnote (f): you will notice across the budget the revised figures are \$1.690 billion to \$1.830 billion, and \$1.864 billion into the forward estimates.

Footnote (f) talks about the variance between this current year and says that the target reflects additional funding under the skills reform package, which you have indicated. It is a continuation of what you have just discussed. It is also referenced in footnotes on pages 129, 136 and 137 in different forms.

I am trying to get clarification. As you indicated, the fee structure will be in full implementation, I think you said, by January 2011, but I understand that new fees for diploma and advanced diploma students will commence from 1 July. I am trying to work out how much additional revenue will be generated from these increased fees. Is there a projection for the additional revenue in the budget papers, and to what purposes will this additional revenue be put? I talk to it in terms of the forward estimates, as outlined on that page.

Related to that is that I understand also from 1 July students enrolling in a course at a qualification level equal to or less than that which they currently hold will be required to pay the full cost of that course. Have the costs of those been published by the TAFE institutions? How do they compare with those paid by overseas students, if there is some analysis in terms of that, and has the promised HECS-style loans scheme been established for TAFE students or will it require legislation to enable it to be enacted? It relates essentially to the skills reform package, which you discussed. There is a series of questions. It is trying to get clarification on a raft of issues relating to the 10.3 per cent increase.

Ms ALLAN — We will work through them in each part. I am happy to go through them in each part, and you can get clarification on the way, Richard, as I answer them. Just at the outset, though, you can assume that that 10.3 per cent increase in the budget for skills is related to the fee increases. Can I make that clear at the outset, that those two figures do not correlate, but I will come to that in a moment.

Can I also clarify — I think at the outset you mentioned that the fee structure would only apply to diploma and advanced diploma level students. The new fee structure will apply for all students across all qualification levels from 1 July this year — all new enrollees, sorry. So if you are in a course already, you are not going to be picked up, but if you are enrolling in a course from 1 July, then you will get picked up under this new fee structure. But can I just talk about it in its global sense for a moment, and then we can go through some of the detail.

It is wrong to characterise that fees are going up across the board. You will see that in the policy document. We lay out in the policy document the fee schedule for the next four years, We have been very open in terms of the fees we are wanting to set for students over the next four years, and it is there in the policy document. Under the current, or soon to be previous, approach to setting fees, every student who came in paid exactly the same rate. So if you were someone who was coming in to do an advanced diploma in engineering and were going to go off and work in a very good job at a very good starting wage, you were paying exactly the same fee as a student who could not read or write. So every student coming in — and we know that we have got a lot of adult literacy problems with people in our community — was paying exactly the same fee.

In order to get some equity into the fee structure we have introduced this new fee schedule which will see the fees going down for a significant number of people coming into training. Over the next four years we estimate that around 865 000 students will be better off under this new fee approach. That equates to around 59 per cent of the new students coming into the system. Particularly those students undertaking foundation level courses and certificates I and II and our apprentices and trainees, they are either seeing fees stay the same or dramatically go down. As I said before, the foundation level courses are your general certificates in education, your literacy and numeracy courses. It is really important that fees are not a barrier to those sorts of people participating in training. People have unlimited access, which in part goes to the other part of your question around eligibility, about people holding qualifications at level or higher than what they are going to enrol in. People have unlimited access to foundation level courses. You can do as many of them as you need to do to get that qualification. Very broadly, that is the fee structure.

If you continue that along the line, if you like, where the fees are progressively going up, I should say that the fees at even the higher levels, the diploma and advanced diploma levels, are broadly consistent with what you will find fees are in other state training systems. They are broadly consistent with those that are required in those other states. In Victoria we have taken a further equity measure to support those students at that diploma and advanced diploma level with fees higher than what they are currently experiencing. We have worked with the commonwealth government to introduce an income contingent loan.

Again, this was quite an important shift because at the moment, as you would know, you can get an income contingent loan if you go to university, you can get an income contingent loan if you are undertaking education with some particular private training providers. What we had was a situation where TAFE students were the only students who could not access an income contingent loan.

If you think about the way income contingent loans, or HECS, opened up university access to so many more people when it was introduced in the late 80s. I know it was not without controversy, but if today you look back, you see that the increased anticipation that we have now in universities was largely driven by the availability of HECS. I certainly know I was one of those students who was able to gain that opportunity because of that change.

What we also know at the moment is because of the way the current fee structure is set, some TAFEs were doing their own ad hoc loan arrangements. Having an income contingent loan that applies only to advanced diploma and diploma level students gives those TAFE students an opportunity to come into training. They do not have to pay anything up-front. As you know, it is a deferred loan scheme. They pay not a cent. They may have to buy a book or two along the way, depending on what course they are studying, but they will not have to pay a cent to undertake that study.

It has been a very important shift that we have made here in Victoria, and we did receive strong support from the commonwealth to do that, which goes to the next part of your question around legislation. It does require a change to federal legislation. The current system, called the VET-FEE HELP system, needs to be amended to allow this regime to be put in place. That legislation is currently progressing through the commonwealth Parliament. We certainly appreciate the very strong support we have had from the commonwealth government to see that introduced here, into Victoria.

To then go to the issue of full fees, in terms of the publishing of the schedule of full fees I imagine each TAFE institute will have the fees for the full costs of their courses if you are not eligible. That information would be available through those particular TAFE institutes and other training providers. Overseas students are full-fee-paying students as well, so that would cover those students in that part of your question also.

In terms of the eligibility requirements, which is what you mentioned around students needing to do either an at-level course or something a bit lower and having to pay full costs, that is not true in every circumstance. If you are under the age of 20, you have unlimited access to all levels of qualifications. As a result of the changes with the youth compact, the unlimited access to the training places now goes up to the age of 25.

For the rest of the population — if you like, the adult population — the eligibility regime does not apply if they are doing foundation-level courses. Again, there is what I said earlier about the certificates I and II in literacy and numeracy and general education. The eligibility regime does not apply; it then does apply for courses beyond that. But we have established as part of this regime — and it is detailed here in the policy document — an exemptions mechanism.

Obviously where you draw a line there are always going to be some people who may be disadvantaged in some way, so we are wanting to make sure particular people who come with particular barriers to learning — people who come from disadvantaged groups within our community and people who may have been made redundant — if you think about someone in general manufacturing, they may have got a certificate II in manufacturing and need to go and do another certificate II in, say, an auto area or in the transport area.

We want to make sure that those sorts of people are given those opportunities, so we are establishing an exemptions regime which is going to be administered again with all the training institutions, so we can make sure that we are providing more opportunities for more students.

To sum up, at the end of all of this there is increased funding across the board in terms of the \$316 million that is going to the system. There are 172 000 additional training places going into the system. As a result of the fee changes we estimate that around 865 000 students over the next four years are going to be better off as a result of these fee changes, and that number represents around 51 per cent of the total students in that cohort. Chair, I know that was a very long answer.

The CHAIR — I know it was a very long answer, but I was being patient. Mr Dalla-Riva asked a very complex question.

Ms ALLAN — I am happy to follow up.

The CHAIR — If there is anything there which can be taken on notice, I ask you to review the — —

Mr DALLA-RIVA — Just on a footnote, just a breakdown if you could if you have not got it.

The CHAIR — Can I clarify that as well? Take it on notice, Minister, because also in the department's response to the PAEC questionnaire there are different figures in there. With regard to skills you talk about a variance of 1.8 per cent between 2009–10 and 2008–09, and you have different figures. In this one, which is skills and workforce, you have got lower figures, or slightly different figures, I must admit. I ask you to get some reconciliation and give us an explanation for the difference Mr Dalla-Riva has asked for.

Ms ALLAN — To confuse things further, there are funding arrangements with the commonwealth, which also add some nice complexity.

Mr DALLA-RIVA — I imagine there would be.

The CHAIR — It would be good to clarify that. Ms Huppert? Two very quick questions.

Ms HUPPERT — Minister, I have a very quick question in relation to the economic outlook that is described in budget paper 2, in particular on page 19. I know you referred to this in your initial presentation. Can you please outline for the committee what initiatives in the budget in the skills and workforce participation portfolio will be supporting Victorians through the current economic challenges it faces?

Ms ALLAN — I probably do not need to repeat what I have said a couple of times already this afternoon about the economic downturn. We all know it is bad, and it is not good.

Dr SYKES — Tell us about the drought though, Minister!

Ms ALLAN — We do know that one of the keys to supporting both individuals and communities — and businesses — through the economic downturn is increasing an investment in training and providing more training places. I have already talked at length about skills reform and how that is providing more flexible and a more responsive system with additional training places.

The budget does provide some particularly focused initiatives. I mentioned before the \$10.2 million of new workforce partnerships, which is going to support significant numbers of people into the workforce. Mr Noonan can talk at length also about this project — he is a big supporter of this program as well. It has been a very important way of helping disadvantaged people into employment opportunities.

As part of this, today we have put out some information calling on industry and community organisations to lodge their expressions of interest to help a further 1150 disadvantaged workers into employment through this program. There will be opportunities for local members to promote this within their local communities.

There is the Skill-Up program, which Bill Sykes would probably know quite well from some of the work we have done up in Euroa with the Teson Trim's workers. It has been a very important program to help workers affected by redundancy. One of the big changes that has been made in this space in recent times has been the commonwealth government stepping up and introducing — which has been very welcome after a long period of time; it is doing a much more focused approach to people who have been made redundant — a \$300 million program.

What we are looking at doing with our Skills to Transition money, which is up there on the screen still — the \$13.8 million which is providing 6400 training places — is how we can tailor that program in with the work that the federal government is doing. They are taking a much more universal approach to provide immediate support to retrenched workers but we also know that there can be a very important training element to helping people to get new skills.

There are a couple of things we are doing in the apprenticeships space.

The CHAIR — Very quickly, Minister!

Ms ALLAN — There are a couple of things we are doing in the apprenticeship space to help apprentices who may be out of trade. They might be with group training companies and they are out-of-trade apprentices. We are giving them the opportunity to register, and we will help them find a new employer and also helping registered apprentices who may have lost their jobs but nearly have completed their apprenticeship. We are looking at how we can help them through this period as well. I will stop there.

The CHAIR — Thank you very much, Minister. A final brief question from Ms Pennicuik?

Ms PENNICUIK — Minister, with the full market contestability that will be introduced and TAFEs competing with our private providers — which some critics are saying will affect the long-term viability of some TAFEs, particularly in regional areas — implicit in this model is the requirement for good monitoring and teaching, and course delivery standards from the private providers; we have seen some instances in the media recently of that not being the case.

Is there additional funding for the VRQA to undertake this work? Also the package foreshadows an information system called Qualifications Navigator that will assign a value for each course in the form of levels and points, and there will be an information campaign to let people know about that. Is there going to be any face-to-face course selection and career advice attached to that?

Ms ALLAN — There are a number of parts to that question as well, Chair, so I will work through it.

The CHAIR — Some of which you can take on notice, I am sure.

Ms ALLAN — Yes. Just to be clear at the outset, I am absolutely confident that our TAFE institutes are going to do very well as a result of these changes. They, for the first time now, will no longer have a cap put on the number of training places that they can deliver in a community, and I think that is a big step forward in terms of them being able to do more, which will see the more students that come through the door, the more funding they will receive, which is good for the TAFE institutes — they will get more funding and will continue

on their way; and it is also good for those people who are getting more access to training. So this is going to be very positive.

In terms of TAFEs competing in this new environment, we have been very careful to make sure that there continues to be key support from government in this package; so TAFEs will continue to be funded to provide those full service provider roles that we are currently familiar with now; so we will continue to fund TAFE for things like the workforce; we will continue to fund TAFEs for the regional differential component that we currently provide for TAFEs; and other supports that are currently there will continue, so it is not correct to describe it as them being out there, contesting against the private market fully.

There will continue to be those central supports plus we will continue to fund TAFE capital programs, which gives them a very strong and strategic advantage within the marketplace. That is very important in terms of keeping an eye on the viability of TAFEs and to the future, as I believe this package only strengthens their position in the years to come.

The issues around quality, I know, are something that many people have raised with me on a number of occasions, and as a result we are providing additional funding to the VRQA and requiring an additional quality mechanism for private training providers, and again it is detailed in the policy document.

Private training providers who want to come in and deliver government subsidised training will have to meet additional quality requirements that are not there now and are not required of public providers, so the requirements are being strengthened there. You mentioned the Qualifications Navigator and the state register. There is an additional \$8 million in the package to make sure that we are getting more information.

One of the parts of the research that came back to us during the policy process was that people wanted to know more about the training system; it was a bit complex for them as to how they find their way through the system; so making sure we put more information in the hands of careers teachers or mums and dads or the individual or the boss is going to be very important to bring more people into training.

The CHAIR — I think we will take the rest of that on notice, Minister. That concludes consideration of the budget estimates for the portfolios of regional and rural development, and skills and workforce participation.

Ms PENNICUIK (to the Chair) — You don't cut off your members — they are given huge, long answers!

The CHAIR — I thank the minister and her departmental officers for their attendance today. It has been a useful session. Any questions we have taken on notice, the committee will follow up with you in writing at a later date. The Committee requests that answers to those written requests be provided within 30 days. Thank you.

Committee adjourned.