

CORRECTED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into 2002–03 budget estimates

Melbourne – 24 May 2002

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Mr J. Pandazopoulos, Minister for Employment;

Ms D. Goodin, Executive Director, Corporate Services; and

Ms K. Angwin, Acting Executive Director, Employment, Department of Innovation, Industry and Regional Development.

The ACTING CHAIRMAN (Mrs Maddigan) — Welcome. The Chairman, Mr Peter Loney, is currently overseas attending a meeting of the South African public accounts committee, so I have been asked to chair in his absence. All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript early next week. I will ask you first, Minister, to give a short presentation. This is a very thick bundle of overheads but you have 10 minutes.

Overheads shown.

Mr PANDAZOPOULOS — The first slide is about Victoria's employment situation. Obviously employment continues to grow: 27 500 more jobs since April 2001, up 1.2 per cent; and close to 115 000 more jobs since October 1999, which is an increase of 5.2 per cent since we were elected. Those numbers are quite good. Of the almost 115 000, 36 500 have been in country Victoria, so that is about 30 per cent. The next slide continues the overall employment situation. There is a continuing reduction. In April 2002 we saw the equal lowest unemployment rate in 10 years, bringing us down to 5.7 per cent, the lowest rate in Australia. Again it is trending in the right direction with some quite large drops in some country areas.

The next slide is a focus on youth unemployment. Of course it remains higher than the state average but it is still declining. In the 12 months to April 2002 it was down 2.5 per cent to 11.1 per cent. That compares to a figure of 12 per cent when we were elected so it is a reduction of 0.9 per cent. Since October 1999 it is down 1.6 per cent in metropolitan Melbourne. Much of country Victoria is benefiting. I did say there have been 36 500 new jobs since October 1999; there have been 1200 in the 12 months to April. The unemployment rate in country Victoria is 6.2 per cent. Again different regions are faring better than others, up and down, but generally job growth is strong in terms of employment numbers in all those regions. Employment growth is forecast to rise from 1.25 per cent in 2001–02, up from the original budget estimate of 0.5 per cent — you have probably noticed that in the budget papers — to 1.5 per cent in 2002–03 in year average terms. The unemployment rate is expected to average around 6 per cent in 2002–03.

I will refer to just some of the framework that we work under. The commonwealth has overarching responsibility for the funding and provision of services to unemployed and disadvantaged individuals. It has been of concern to us that in recent years there has been a progressive pattern by the commonwealth in what we believe is abrogating its responsibility in downgrading services to unemployed individuals, which impacts on us. Predominantly, with the commonwealth having overarching responsibilities, the state identifies and fills gaps. There is a whole lot of people out of work who are not eligible for federal government assistance and labour market program support. So we gear ourselves to providing support to those who do not fit into the federal system as easily. We will go through what a number of our programs are.

Our employment and skills plan is about proactively trying to drive unemployment down. Again we will give you the details of how we work in those broad areas. The key part of what we are doing for the next obviously 10 years, as part of the Growing Victoria Together strategy, highlights reducing unemployment and rejuvenating areas that are most affected by social and economic disadvantage, and focuses on a highly skilled work force, linking employment with skills development. The budget will continue to deliver the suite of existing employment programs, with a stronger alignment to innovation economy priorities.

Some of the current challenges are in the commonwealth government's pulling back, including its changes to Job Network. Those who are missing out are mature aged, retrenched workers, youth and multicultural job seekers. We are keeping an eye on what the proposed changes to Job Network mean and how they will impact on us and on all Victorians. We are also concerned about announcements in the recent federal budget that disability pensioners will be on unemployment benefits and the impact that might have in Victoria and about the assistance that people can get.

We are also focused on transition to the innovative state, as I said, including technological change and globalisation confronting industries and communities. The employment programs division was brought into the new Department of Innovation, Industry and Regional Development so that we can have the opportunities for closer alignment in those areas. There is also a strong focus on skilled labour. There are mismatches in demand and supply in some local labour markets — for example, there have been reports in the Wimmera area and we are doing work with the local communities out that way to try to support a demand with a supply. Other current challenges are youth unemployment and entry level opportunities. We work closely with my ministerial colleague Lynne Kosky in that area, in terms of training and her areas of skills responsibility.

The specific programs we offer for the whole of government have a four-pronged approach. There are employment programs of \$158 million over four years. I will give you details about the community business employment program shortly. Then we have community jobs program, youth employment program initiatives, the multicultural employment programs, innovative labour market pilot initiatives, and also job creation through investment attraction and industry development in the department, labour market and work force development, and advocacy to the commonwealth. With the Community Business Employment (CBE) program, we are targeting unemployed job seekers — young, unemployed, mature-age, multicultural. Our objective is — —

The ACTING CHAIRMAN — Could you go through it really quickly; we will probably get back to some of it during the questions.

Mr PANDAZOPOULOS — Our objective is 10 000 employment placements, with a budget of \$8.8 million per annum, and the current CBE program commenced in April 2000. We have extended that to 30 June 2003. There is a number provided. We offered additional dollar assistance for displaced Ansett workers. It is a good flexible program to assist in those areas. With the community jobs program, a budget of \$53.4 million over three years: that is providing award wages for people out of work for up to four months; including employment of supervisors to work on community partnership projects. We have a target of assisting 6900 unemployed people over that time frame. It has a very good success rate to date of 66 per cent of participants having ongoing employment, education or training. The next slide shows roughly where the dollars are going. It is focused at hard-hit communities, so you can have a look at that in detail some other time.

Mr HOLDING — What is the bottom access on that? That is the dollars, is it?

The ACTING CHAIRMAN — Grant allocations.

Mr PANDAZOPOULOS — Yes, that is the dollars. With youth employment programs/initiatives, there is youth unemployment link, private sector skills development program, youth employment incentive scheme, youth employment scheme, which is apprenticeships and traineeships in government, and Go for IT. The youth employment link is really a commitment in the election campaign of \$6 million over four years, launched by the previous minister. It is really a one-stop shop of advice to young people about careers, jobs and rights, et cetera. We are getting a lot of good hits on our web site. For the private sector skills development program, we have a commitment of \$32.4 million over four years — funding for both employer incentives and training — with 6000 places in traineeships and apprenticeships. It has been extremely popular and we have already reached our target of assistance for 6000 apprenticeships and traineeships.

Youth employment incentive scheme — \$12.5 million over four years. There were 10 000 traineeships and apprenticeships for disadvantaged young Victorians. This has again been extremely popular. We have reached that target of 10 000. With the youth employment scheme, we are on target for our 1300 traineeship and apprenticeship commencements within government, 2600 overall in the public sector, with new rounds commencing in about June. Go for IT is a program focusing on apprenticeships and traineeships in the ICT industry. We are on target to achieve 360 placements in 2001-02. With multicultural employment programs, there is our skilled migration focus and overseas qualifications services. Again, they are all on target. Another area we are involved in is attracting firms to Victoria through the employment attraction unit. The next slide shows some of the companies we have worked with as part of the employment attraction program that have located in Victoria.

The last slide is future directions — aligning employment programs for disadvantaged job seekers to policies for industry growth and innovation, facilitating job creation and increasing the proportion of high-value jobs, revitalising and upskilling the labour supply for Victorian industry, reabsorbing retrenched and displaced workers into new jobs, maximising employment opportunities for young people, disadvantaged job seekers and hard-hit communities, and providing flexible, tailored local solutions to employment needs.

The ACTING CHAIRMAN — Well done, John. I am impressed. We now have about 35 minutes for questions. I might ask the first one, if I can. I have a lot of people in my electorate who used to work for Ansett, so I was going to ask you basically what programs the government has in place for Ansett and other retrenched workers, and what things you are doing to assist them.

Mr PANDAZOPOULOS — The community-based employment program does have flexibility to assist and focus for those circumstances where there are large-scale job losses. We did provide \$1.5 million as part of the community-based employment program. That is geared at assisting retrenched Ansett workers — obviously very large numbers of people suddenly out of work. Many of those who had been with the company for many years would not have a clue what a CV is or where to start. We know from experience with the community-based

employment providers being spread right around the state that we can swing into action to respond to issues, so the CBE providers, particularly in the northern and western suburbs of Melbourne, but also interestingly out my way in the south-east, we have had quite a few Ansett workers receiving support. We announced \$1.5 million early this year.

The program that we offer is particularly targeted at semiskilled and unskilled workers. What we are acknowledging is that there are a whole lot of people with high skills that have much more marketable opportunities. It is really in the areas of semiskilled and unskilled workers that we know are finding it harder to find jobs, so that is where we are providing the support. There is a referral help line to link displaced Ansett workers, and as at 7 May there were 343 retrenched workers that have been assisted via the help line, and CBE is about trying to help link them into work or other opportunities.

The ACTING CHAIRMAN — I suppose I had particular sympathy for some of them because they are actually very highly trained, but some mechanics were only trained to work on one type of aircraft, so if you had spent a long period of time on one particular aircraft, you really were not trained to do anything else at all. So they would fit into this program?

Mr PANDAZOPOULOS — They can, because the CBE is very flexible about the needs. If you look at the range of advice that is available, we have career guidance, resumé preparation, job search training, interview techniques, referral to training providers, referral to other state and commonwealth programs, and services where applicable, referral to financial counsellors, referral and access to job vacancies, post-placement support. The CBE people, as part of their contracts with us overall, have targets they have to meet. This program will help them with that. There are obviously parts of Ansett that still have not been sold, so this is a program that will be ongoing until we see what the Ansett administrators actually do with the company and what it means in relation to jobs.

Mr HALLAM — Minister, can I take you to an issue of budget presentation for a start, and refer you to the employment programs that appear on pages 175 and 176 of budget paper 3? I ask, for a start, why there are no comparative outcomes for the previous year's actual targets or expectations.

Mr PANDAZOPOULOS — From what I understand, it is the machinery of government changes moving out of Department of Education and Training into Department of Innovation, Industry and Regional Development, and they would appear in the DET papers. Would that be correct? I will ask Kerry Angwin, the acting director, to answer the detail.

Ms ANGWIN — The Department of Education and Training is reporting performance to the end of this financial year, and then our department reports for performance for the next financial year onwards. So the budget papers under the section of the Department of Education and Training which I tagged earlier — —

The ACTING CHAIRMAN — So you should be able to do a comparison by going to — —

Mr PANDAZOPOULOS — It is on pages 37 and 38.

Ms ANGWIN — As the measures and outcomes for this financial year. The page you are looking at is the start of the reporting for the Department of Innovation, Industry and Regional Development.

Mr HALLAM — I understand that, but why not use the same principle that you applied under your other portfolio hat? I was going to give you a commendation under your tourism hat because you did quite the reverse — where there was a change in the program, you have actually reported on those programs and acknowledged they have not been continued. This is, in my view, absolutely nonsensical, particularly for someone who claims to be open and accountable. There are no comparisons.

Mr PANDAZOPOULOS — Department of Treasury and Finance gave a direction about how they appear in the budget papers. With tourism, for example, we have done a detailed output review with DTF which led to a whole new range of measures, but with the machinery of government changes DTF directed what appears in there, but I think pages 37–38 broadly gives the information that you are after.

Mr HALLAM — So you are suggesting, Minister, that the format that appears at pages 175 and 176 under your programs is designed specifically to meet the direction of DTF?

Ms GOODIN — Under the machinery of government changes the Department of Treasury and Finance has required the performance measures up to 30 June to be reported under the previous Department of Education and Training, and from 1 July the new performance measures are under the Department of Innovation, Industry and

Regional Development. The direction from DTF was that the machinery of government changes, which applied not only to employment but to major projects, for example, and some other portfolios, were that we would run to 30 June, so a comparison needs to be done between the two departments.

The ACTING CHAIRMAN — But Roger is really saying: why couldn't you put him up in yours as well, aren't you Roger?

Mr HALLAM — I am saying that precisely.

The ACTING CHAIRMAN — Yes.

Mr HALLAM — And thank you for the direction. I will certainly go to the DTF and take the same issue up with them, because I suggest to you that what we have got here is almost useless in terms of comparison. Thank you for advice as to where we might go and draw the comparison, but my argument would be that it is a very strange policy that produces the comparisons and then publishes them in a way which is of little assistance. The information is obviously available.

Mr PANDAZOPOULOS — I suggest that we will take it on notice and get back to you on some of the other details.

Mr HALLAM — Okay, thank you. We have actually had our hearings with DTF, have we not? We might frame a recommendation though. I feel a recommendation coming on!

The ACTING CHAIRMAN — Okay, you can feel a recommendation coming on!

Mr HALLAM — The other thing I was going to ask of you, Minister, is: can you explain why the shift in structure has meant a substantial reduction in the allocation? I presume the same programs under the former Department of Education, Employment and Training, which last year represented a call on the public purse of \$64.5 million, are exactly the same as those which now appear under my heading of 'Employment programs' — the same ones I have just mentioned — which I have added to the \$46.3 million, which is a reduction of something like \$18 million. Can you explain that to the committee please?

Mr PANDAZOPOULOS — Many of these programs have a training component, and as part of the machinery of government changes — obviously they were all part of the one department — the training component is now with DET, that is why it shows that reduction. In terms of the combined programs overall it is the same spend. The training providers are paid for, so that, for example, registered training organisations and the community jobs program are paid for by the Department of Education and Training, and also some of the overheads. That is why that reduction is due to the machinery of government changes.

Mr HALLAM — Is it the same spend? If we strip away the effects of the machinery changes, has there been a shift in funding priorities? Is the \$18.3 million that I determined to be the difference completely accounted for by the explanation you have just given, or are there other factors at work?

Mr PANDAZOPOULOS — That is certainly what I understand. We have got funded programs, depending on the type of program, over three years or four years. We have those targets. That is where the dollars are focused. We will meet all those targets, so there has not been any reduction in those targets and creating savings, if that is what you are asking.

Mr HALLAM — In a roundabout way. I suppose what I am looking for is confirmation as to what has been allocated to these programs as compared to the same programs under a different location.

Mr PANDAZOPOULOS — I'm sorry? I can confirm to you that \$18.2 million is sitting in DET. That is what I can confirm to you.

The ACTING CHAIRMAN — Would you like that put in writing for you, Roger? That might be the best, Minister — if you can send in an explanation of where that money has gone. Does that meet your requirements, Roger?

Mr PANDAZOPOULOS — No problem.

Mr HALLAM — I want to see where it is once we have stripped away the machinery of government changes and confirmation as to what the allocation to the employment services that we have in front of us

represents compared to what was allocated in the previous years. And that is exactly why I would have enjoyed having the comparative figures in the charts in front of me. So what I am asking for is confirmation that would have been there under the standard comparisons.

The ACTING CHAIRMAN — Fine. We will ask you to send that in later then.

Mr PANDAZOPOULOS — I am happy to do that.

Mr HOLDING — I would like to ask about skilled migration. I note from your presentation on the slide that was headed ‘Multicultural employment programs’ you have a dot point ‘skilled migration program’ and you described that as being aimed at attracting a greater share of skilled migrants to Victoria. There is a target there, which I presume relates to the target on page 176 of budget paper 3 under the migrant employment services section. I am not quite sure if that is the current financial year target for that 2001–02 achievement. I am just wondering if you can provide the committee with some information about what the government is doing to promote a greater share of skilled migrants coming to Victoria.

Mr PANDAZOPOULOS — Skilled migration is a very competitive thing amongst Western economies, but the commonwealth focus is certainly for a stronger focus on skilled migration, and we agree with that as well. We disagree about parts of their other immigration programs, about the limitations on family reunion, because often telling skilled migrants, ‘Australia is the place to come, or Victoria is the place to come, but don’t bother bringing your family’ is basically the message they are getting. So the bottom line is that Australia is not as competitive as Canada, which has rules around family reunion that are much more attractive to skilled migrants.

Nonetheless, in terms of the current limitations it means that we have to take a proactive and a bit of an aggressive approach about ensuring that Victoria is the destination. The skills migration unit has been refocused to put a greater emphasis on attracting skilled migrants and becoming more competitive. It has commenced a stronger focus on awareness-raising activities that attract highly skilled migrants. Obviously predominantly you are needing to get a message to them where they live overseas, so it is really about a presence on the ground and also an understanding about the economy.

Victoria is very competitive at the moment because of a strong economy, so the word does get around. When you have a presence on the ground that is what you use as your argument to encourage them to come along. Obviously also linking them up with appropriate industry associations and employers if you are finding that there is interest generated from overseas. For example, this financial year we have provided close to 5900 services to skilled migrants and Victorian employers against an actual target of 4000, so we are exceeding our target in terms of providing direct support and advice to skilled migrants and potentially their employers.

The overseas qualifications unit is also another area where we are trying to work with skilled migrants. You might have the qualifications, but will they be recognised? Or if you bring people along under the skilled migration category, then what do you do about assisting them to recognise their skills? That is an important part of it as well. We have got 2800 services against our target of 4000, so we will meet that target. But in terms of the number of skilled migrants, the Victorian government has nominated over 500 skilled migrants to settle in Victoria under a range of migration programs provided by the commonwealth, and Victoria is becoming much more competitive. In 2001–02 the Victorian government has received over 2500 expressions of interest to settle in Victoria. As I said, we have already nominated 500 skilled migrants. We are certainly much more competitive. Our focus is about increasing our share of skilled migrants to Australia to 25 per cent. That was close to 19 per cent when we got into government.

Mr CLARK — In your election policy you said that, and I quote:

A Bracks Labor government will drive Victoria’s unemployment down to a rate of 5 per cent.

Is your government still committed to delivering on that promise?

Mr PANDAZOPOULOS — You will recall we said it is a target. We do not have any problems about setting targets. You would be aware we have set targets in relation to retention rates in secondary schools to encourage regional Victorians to increase their length of stay at secondary school. Again, we do not have any problems with those targets. You will notice in the budget papers, in terms of where we are predicting employment will go, in some of the out years we are predicting in the order of 5.5 per cent. When you look at the overall employment growth in the economy it has been quite strong, and we will continue to use that as a focus, as a target. That is what targets are, to help focus your programs and your mind about what you are trying to achieve.

Mr CLARK — This is expressed to be a promise of ‘will drive down employment to 5 per cent’. You are saying it is no longer a promise; it is now just a target?

Mr PANDAZOPOULOS — It has always been a target. It has been referred to as a target. The committee asked the previous minister the same thing, and it is the same answer. It is a major priority for us and targets are there for us to try to achieve, to try to focus on, and we will continue to do that.

Mr CLARK — Do you expect you will?

Mr PANDAZOPOULOS — Again there has been a big difference in where we have come from to where we are. There has been a big drop in the unemployment rate, a big increase in the actual number of jobs. You will see in some of the out years the budget papers show in the order of 5.5 per cent, so we are going in the right direction and it will continue to be a target for us.

Mr RICH-PHILLIPS — Another one of your government’s election commitments was to reduce casualisation of the work force by encouraging permanent private sector employment ahead of casual private sector employment. I note the latest Australian Bureau of Statistics figures for the labour force statistics show that from September 1999, at the change of government, to April 2002 the casual part-time private sector work force has increased from 26.9 per cent to 28.2 per cent.

The ACTING CHAIRMAN — What page are you on?

Mr RICH-PHILLIPS — I am not yet. I would like you to highlight where in the budget you have programs that will target reduction in casualisation of the work force and what performance measures you have put in place in the budget to measure that.

Mr PANDAZOPOULOS — Our key focus and primary responsibility has to be to try to get people into jobs and/or training. Obviously the longer period of time in training to gain appropriate qualifications gives greater certainty for permanent and full-time jobs. You will not turn the situation around overnight where you are moving people from casual or part-time to permanent jobs. There obviously is a large demand for part-time and casual work as well in the work force, particularly among women, and we would not want disadvantage occurring in that area. The key focus of the programs is certainly about encouraging people, one, to get a job, and two, to try to make it a full-time job. When we look at the employment attraction area and some of the businesses that we highlight there, the vast majority of those jobs are full-time jobs. The Minister for Industrial Relations also has an interest in this broader area as a whole-of-government area and overall employment growth. The number of full-time jobs under this government has actually increased.

Mr RICH-PHILLIPS — Clearly the trend as measured by the ABS is against your policy position of reducing casualisation. Do you have programs specifically targeted at that, given it was a policy commitment, and are you measuring that? Are there measures in the budget for that?

Mr PANDAZOPOULOS — We would argue it is something to be measured by Industrial Relations Victoria, and I am happy to take it on notice. We are obviously trying to ensure we maximise the number of people in work, noting that there is demand for part-time work as well. You would be aware that the actual number of full-time jobs has increased, so the real number of full-time jobs has increased compared with when we got into government.

Mr RICH-PHILLIPS — How is that a responsibility of Industrial Relations Victoria rather than yourself as the employment minister?

Mr PANDAZOPOULOS — It is a whole-of-government thing. Industrial relations has responsibilities in this area as well. Often bargaining is done around the basis of permanent jobs, and where we can get permanent jobs we will. It does not mean we will not encourage part-time jobs if they are available as well.

The ACTING CHAIRMAN — We skipped over youth employment because that was at the end of your presentation. Youth unemployment is a real concern for everyone. It is bad enough with all the pressures of being young without being unable to get a job if you are keen to get one. Can you give the committee some advice on what is in the budget for young people particularly and what programs you are looking at to try to stimulate employment opportunities for young people in Victoria?

Mr PANDAZOPOULOS — We have a variety of schemes: one is the youth employment scheme (YES), which is apprenticeships and traineeships in the public sector; another is the youth employment incentive scheme (YEIS), which is financial support to employers.

The ACTING CHAIRMAN — The youth employment incentive scheme is where you make some contribution to employers to take on young people?

Mr PANDAZOPOULOS — Correct, yes.

The ACTING CHAIRMAN — How do you define young people? Is it those aged between 18 and 26 years; what age group are we talking about? There is a definition, is there not?

Mr PANDAZOPOULOS — It is 15 to 24. So there is the YES and the YEIS, and there is also the youth employment link, which is the Internet site, where young people can find out information on their own rights and to plan career opportunities. When we look at YES, it is the public sector. You would be aware that the public sector has been until recent times an ageing work force. There has not been a strong focus on apprenticeships and traineeships in the public sector. YES is focused on getting young people trained up in the public sector with a target of 2600 young people. So far we have provided 1000 apprenticeships and traineeships for young people. They could be in statutory authorities such as water boards in country areas, or they could be working in government departments or in schools.

I was out at Moriac Primary School yesterday. There was a young person working on information technology in that school as part of the youth employment scheme where they are being trained up. It is very popular already and very much in demand. The latest round, the new round, will appear in about the middle of the year in June, so members might want to encourage young people in their electorates to apply when they see the ads. It is very popular in country areas. There have been around 45 per cent of successful applicants so far from country and regional Victoria, and there is a very high retention rate of those who have been offered jobs by those agencies when they complete their traineeship. It shows that young people need to be given the opportunity to show the skills they have and their willingness to work.

The youth employment incentive scheme has so far provided \$12.5 million of incentives to Victorian employers to take on an apprentice or trainee. We have already met our targets. The overall target was to assist 10 000 young people. That target has already been achieved, but there are periodic payments, so in the budget papers there are periodic payments over time. Although we have met the targets we still have to make the payments to employers that have been successful. We also make payments not at the start of the program but into the program to avoid problems that have been experienced in some other schemes in the federal arena where you give up most of the financial support up front. Young people have also been major beneficiaries of the government's private sector skills development program — 76 per cent of eligible applicants have been in the 15 to 24 age bracket. In terms of overall assistance to young people out of those programs, it has been over 17 000 young people from 1 July 2000 to 14 November 2001.

Mr HALLAM — In your response to our questionnaire, Minister, you reported your intention to undertake a review of the overseas qualifications unit. Can you report on the purpose of that review and what criteria will be employed, whether there is to be any change in the funding allocation as a result of that, and so on?

Mr PANDAZOPOULOS — Yes, an evaluation will be conducted in 2002–03. If you are asking if we have worked out the criteria for the review yet, no, we haven't. That is a commitment that we have got to review. We are going to review both skilled migration overseas qualified professionals program as well. We think it is timely to do that with a more aggressive approach we want to take in the overall skilled and business migration area. Some of the more recent targets set by the commonwealth, particularly, provide opportunities for us to take a more aggressive coordinated approach. In the next few months I will have advice about what the detail of that review should be that can maximise the opportunities we have in supporting overseas qualified professionals who are either living here with us already or interested in migrating as skilled migrants from overseas. But that is a key issue that they are concerned about: whether their qualifications are recognised here.

Mr HALLAM — You have just touched upon the reason for my interest: the recognition of qualifications is very important, particularly in country locations.

Mr PANDAZOPOULOS — Absolutely.

Mr HALLAM — But on a point of clarification, I thought your advice to us in the first instance indicated that that review was to be undertaken in June of this year?

Mr PANDAZOPOULOS — Commencing work, so at the moment I am waiting for advice on what the detail of that review should be.

Mr HALLAM — So it won't be completed this year?

Mr PANDAZOPOULOS — I understand that it will be, 2002–03.

Mr HALLAM — So are you effectively changing the advice you gave the committee as to the timing of that review?

Mr PANDAZOPOULOS — No. Again, I am waiting on advice about what the detail of that review should be. What we are saying is that we want to review these things so that in the end we can have a better result than we are getting at the moment. So I will wait for that advice.

Mr HALLAM — For clarification, rather than to pursue the point, did your original advice to the committee report that the review would be undertaken in June 2002?

Mr PANDAZOPOULOS — Commence; there could be parts of the review. It could be focusing — —

Mr HALLAM — Did you actually say that it would commence?

Mr PANDAZOPOULOS — This is in relation to answering the questions you gave us before the committee meeting. Yes, I did think it said commencing June.

Mr HALLAM — Commencing June, okay, I stand corrected. Can we just get clarification on when it will be completed?

Mr PANDAZOPOULOS — In the 2002-03 financial year.

Mr HOLDING — In the federal budget changes were announced by the commonwealth government to disability support pension recipients. I understand there will be fewer recipients of that pension now, and they will be expected to access unemployment benefits instead. I am wondering if you could tell the committee whether or not you would anticipate there being any impact on Victorian unemployment levels as a consequence of that decision?

Mr PANDAZOPOULOS — There could be. At this stage we are all watching to see what is going to happen with it. Obviously, there are also debates to go through in the Senate with the budget, but I think it is 200 000 Australians, so potentially it means 50 000 in Victoria can be affected. Many people have probably been out of work for a fair period of time, and if they fall through the cracks of the federal system and are expected to go out and suddenly find work it will be reflected in the number of people out of work. But also the other concern we have is about the impact it may have in relation to the programs we fund. Obviously if it got more people needing to access those programs it affects us.

We are worried about the potential changes the federal government is making to their own Job Network, whether they will end up getting the support they may require, assuming that those provisions are passed in the Senate. If they are not getting the support from the federal Job Network programs then they will obviously be knocking on the doors of our own providers — community-based employment providers, predominantly. It also may impact on the type of services we might need to rejig and focus if there is going to be a high level of people with disabilities out of work and seeking assistance. So it is a major concern to us, and obviously the federal government has a bit of debating to do in the Senate. I would hope that these issues get reconsidered, otherwise it will have very large negative effects upon Victoria.

THE ACTING CHAIRMAN — Thanks to Kerry and the departmental officers.

Witnesses withdrew.

