

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2025–26 Budget Estimates

Melbourne – Wednesday 11 June 2025

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Meng Heang Tak

Richard Welch

WITNESSES

Gayle Tierney MLC, Minister for Skills and TAFE; and

Matt Carrick, Secretary,

Lill Healy, Deputy Secretary, Skills and Employment, and

Craig Robertson, Chief Executive Officer, Victorian Skills Authority, Department of Jobs, Skills, Industry and Regions.

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

I ask that mobile telephones please be turned to silent.

I begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting, the lands of the Wurundjeri people. We pay our respects to them, their elders past, present and emerging, as well as elders from other communities who may be here with us today.

On behalf of the Parliament the committee is conducting this Inquiry into the 2025–26 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

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

All evidence given today is being recorded by Hansard, and it is broadcast live on the Parliament's website. The broadcast includes automated captioning. Members and witnesses should be aware that all microphones are live during hearings and anything you say may be picked up and captioned, even if you say it very quietly.

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

I welcome the Minister for Skills and TAFE the Honourable Gayle Tierney as well as officials from DJSIR. Minister, I am going to invite you to make an opening statement or presentation of no more than 5 minutes, after which time the committee members will ask you some questions. Minister, your 5 minutes start now.

Gayle TIERNEY: Thank you, Chair. I also would like to start by acknowledging the traditional owners of the lands on which we meet today, the Wurundjeri people of the Kulin nations, and acknowledge their elders past, present and emerging.

Visual presentation.

Gayle TIERNEY: Training Victorians for the jobs of today and tomorrow is vitally important to economic development. We have invested an additional \$459 million in this budget to enable more Victorians to upskill and reskill into meaningful, well-paid careers. This takes our total investment to rebuild TAFE and support universities to more than \$5.2 billion over the past decade and \$16 billion including base funding. This investment has improved quality and restored confidence in TAFE and training. We have improved completion rates over the past six years, and employer and student satisfaction remains strong. The government has restored integrity in the system, introduced free TAFE and expanded eligibility.

Free TAFE is removing financial barriers, with over 80 programs on the free TAFE list. More than 58,000 Victorians have sought to reskill since eligibility for subsidised training and free TAFE was expanded in January 2023, with more than 60 per cent being women. Since January 2024 First Nations Victorians have had full access to full tuition fee waiver for Skills First training regardless of the VET qualification. Apprenticeship commencements were also 21 per cent higher in 2024 than in 2020. Our record in establishing Apprenticeships

Victoria, apprenticeship support officers, a new employee assistance program and a central helpdesk for apprentices is supporting over 40,000 qualified tradies to receive their trade papers.

We are delivering one of the most ambitious TAFE capital works programs in the country. In the last six months alone I have opened the \$60 million Broadmeadows Centre of Excellence, the \$150 million Chisholm Frankston campus and the \$40 million upgrade of the Collingwood campus of Melbourne Polytechnic. And we are on track to deliver TAFE projects in Sunbury, Melton, Morwell, Castlemaine and Geelong. This is the six-year anniversary of free TAFE, a critical cost-of-living measure for Victorians. More than 206,000 students have commenced free TAFE, saving more than \$625 million in tuition fees since 2019. Regional free TAFE commencements have increased by 6 per cent. The Commonwealth has recognised the power of free TAFE, deploying it now nationwide.

The Victorian skills plan is central to the government's strategy to grow our economy and deliver our skills agenda. The skills plan outlines future workforce needs, including lifting participation in education and training, promoting post-secondary education skills and career paths and delivering the right skills for jobs for today and tomorrow. This budget includes \$171 million to continue delivering a pipeline of skilled workers, including continued expansion of free TAFE eligibility, and this includes funding for asylum seekers to access free TAFE and subsidised training; \$121 million for TAFE student support services and training delivery; \$44 million to improve VET student completions and job outcomes; \$18 million for Closing the Gap, including to support the Victorian Aboriginal community controlled training sector to design training models to improve First Nations VET completion rates; and \$9.3 million to provide teacher scholarships and professional development opportunities for TAFE and ACFE teachers.

Our further investments include the future of housing centre of excellence at the Heidelberg campus of Melbourne Polytechnic; regional TAFE campus upgrades; and a TAFE-led pilot of AI to enhance RPL. In education the budget also funds \$27 million for dedicated pathway coordinators at government high schools to boost awareness amongst parents, students and teachers of TAFE career paths. We are also seizing the reform and funding opportunity that the National Skills Agreement provides. Our government has established a world-class skills and training system that is about delivering a pipeline of highly trained, job-ready, in-demand workers that Victoria needs. Thank you, Chair. Thank you, panel.

The CHAIR: Thank you very much, Minister. We are going to go straight to – for the first 7 minutes – Ms Benham.

Nick McGOWAN: No, me.

The CHAIR: Deputy Chair.

Nick McGOWAN: Thank you. Thank you, Minister. Minister, can I direct you to budget paper 3, page 62, which covers output initiatives under training, higher education and workforce development. Can you advise me which line item VET funding contracts under the Skills First training program fall under?

Gayle TIERNEY: 'Boosting access to free TAFE and training services' and 'Backing apprentices, boosting skills'.

Nick McGOWAN: Contracts under the Skills First program – are they made on an annual basis as in per calendar year or by financial year?

Gayle TIERNEY: It is allocated per calendar year, but the contract is for over a two-year period.

Nick McGOWAN: My understanding is that they are advised in the November before the calendar year. Is that correct – in terms of their funding envelope? Perhaps, Ms Healy, that is –

Gayle TIERNEY: The objective is to do that. What also informs the timing – and we would like to do it around November – is often there might be cases where we are waiting for further information or there are further rounds of consultation that are required by the Victorian Skills Authority, and the industry advisory groups also sometimes ask for further information and require further input into various stages of the consultation process.

Nick McGOWAN: I guess you hear this, Minister, but one of the difficulties for those institutions of course is being able to plan for the year ahead if they are not finding out until at the earliest in November but potentially later. How do you propose to overcome those difficulties? Obviously in terms of just organising staffing for that matter if you are doing it over the Christmas period in preparation for that January or February start, that is incredibly difficult. Are there any plans or initiatives to reduce that window or give them greater certainty earlier on?

Gayle TIERNEY: Yes. We are trying to bring forward the processes so that information can come into the key points of decision earlier. That is absolutely what our objective is. It is just that sometimes there are unforeseen circumstances that delay that information coming together. But we are very hopeful that we will be able to certainly meet that objective on this occasion.

Nick McGOWAN: Thank you. Minister, can I take you to the output summary by departmental objectives, and that is in the section of budget paper 3, page 155. Look at departmental objective 6. Your three departmental indicators are 'proportion of VET completers satisfied with training', 'proportion of VET completers with an improved employment status after training' and 'proportion of VET completers who achieved their main reason for training'. I am interested to understand why there is no objective indicator around completion rates themselves.

Gayle TIERNEY: We keep an eye on completion rates, as you know. We provide information to NCVER, which is the national data bank for information on vocational education and training. Also, we are required to provide information through our signature on the National Skills Agreement. We also of course publish information in relation to a whole range of activities in the vocational education and training sector, including free TAFE, and that is on the website.

Nick McGOWAN: But I suppose my point, more simply put, is: if you are only looking at people who complete VET courses, it seems you would have a natural interest in trying to understand whether those courses are of value and the reasons for them not continuing to complete those courses. Why is that not a core objective, I suppose, is what I am asking, because you have those other core objectives, but that is not one of them.

Gayle TIERNEY: It is a core objective, and it feeds feedback back into the Victorian Skills Authority when determining courses and the demand. But it also feeds into deliberations around policy matters – for example, the need for wraparound services for students so that they are able to complete their courses. The fact of the matter also that is often lost is that the completion rate at TAFE, at VET, is substantially higher than domestic students in the university sector, and I think that people need to be mindful about that. There has been some I think untoward, unrealistic and wrong media coverage in terms of VET completions and TAFE completions, and there is a real story of it actually being quite successful.

Nick McGOWAN: But as you allude to, Minister, those comparisons are fraught with many difficulties, not least of which being obviously that the subsidy for TAFE versus university is very different. But I will move on.

Gayle TIERNEY: No, that is not correct.

Nick McGOWAN: I want to go on to completion rates.

Gayle TIERNEY: That is not correct. It is not fraught at all. It is quite clear –

Nick McGOWAN: Well, no, there are very many different –

Gayle TIERNEY: that the VET rates are much better than the university –

Nick McGOWAN: My point is there are very many different reasons for why someone might or might not complete a university degree versus a free TAFE course. But I just want to get a sense –

Gayle TIERNEY: Not an 11 per cent difference.

Nick McGOWAN: Sorry?

Gayle TIERNEY: It is an 11 per cent difference.

Nick McGOWAN: Notwithstanding, I need to move on. Staying on completion rates, I want to get a sense of what your plan is to improve completion rates in your five priority areas, and in particular in construction and housing. Last year the *Age* reported that the latest data around completion rates for cert V in plumbing was 1 per cent. What is the plan to improve that completion rate?

Gayle TIERNEY: Okay, let us start with the 1 per cent. The 1 per cent is the result of students undertaking that qualification just to secure a particular unit that then enables them to be licensed to actually go on to do that work. What we have done this year, in recognition of that, is we have made that unit a skill set, so students or apprentices will be able to come in, secure that unit without having to do the rest of that qualification and be able to perform that work.

In terms of what else we are doing in terms of completions, we have 6000 students that are commencing literacy and numeracy support. This is one of the things that I am quite excited about, also, with the National Skills Agreement, that there is a recognition that we need to do more in terms of digital literacy and numeracy, and this will be happening in the community education area as well as in TAFE.

The CHAIR: Thank you, Minister. We are going to go to Ms Kathage.

Lauren KATHAGE: Thank you, Chair, Minister and officials. I think it is really great that you are able to emphasise that there are information and skills at TAFE that people want and that they are accessing and that it is benefiting them into the future in lots of different ways. BP4, page 68, sets out some of the TAFE infrastructure projects that are in progress and some additional asset funding. Can you tell us a bit about the government's investment in TAFE capital – I think you have mentioned Collingwood – and what it means for students to have that new and upgraded infrastructure?

Gayle TIERNEY: Thank you. In terms of Collingwood, I was there fairly recently. That has had I think a \$40 million serious refurbishment, and that is where we do most of our Auslan teaching. In terms of the Deaf and hard-of-hearing community, this is their new home base. In fact there are two floors of that building in Otter Street where only Auslan is communicated – no English. That focuses the mind, so to speak. This is amazing, and if people are interested, I am sure that Melbourne Poly would be very happy to take people through and show them that particular campus.

Nick McGOWAN: Yes, please, Minister. Can I take you up on that, Minister?

Gayle TIERNEY: We are always wanting people to have a look at our TAFE so that they can get an accurate assessment and vision of what we are doing in our groundbreaking reforms.

In terms of Chisholm, again if you have not been there, please go out there. It is more like a university campus than anything else; it is absolutely extraordinary. It does a whole lot of things, from trades to dental assistants to also training military from various locations in Victoria coming onto it.

Nick McGOWAN: I hope they are Australian, Minister.

Gayle TIERNEY: Yes, they are Australian Defence Force personnel. We also of course have opened the fantastic \$60 million capital works at Broadmeadows. That is in health and allied health, and that is primarily so that we can ensure that our local communities can serve their local communities, particularly in aged care and support. Of course they will also be having placements at medical services that are available locally. This is a real game changer for Broady, and of course everyone is very happy.

We are also of course keeping an eye on population growth, and that is why I was out at Melton the other day, where we have indicated where that new TAFE is going to be built, straight across the road from the business accelerator centre. We also have made way for a campus with a 50-year lease at Sunbury, and the local member Josh Bull is incredibly excited. But while both campuses are being built, we have also made sure that there are enrolments available locally at the Sunbury library and across at the business accelerator centre. People who live in those communities can sign up for courses, and they are delivered at those locations.

We have also got a number of capital works happening in regional Victoria. We have got the renewable energy hub that I have turned the sod on down at Morwell. We have got the trades renewable energy centres at Fed Uni and at South West TAFE. At Morwell we have built a range of capital works for aged care and for early

childhood education. In Mildura we have also assisted in terms of investing in the SMART farm that SuniTAFE has, and I also opened a reception area, when you first walk into that campus, that directs people to computers, as well as the skills and jobs centre. Indeed in terms of Mildura as well, we have invested in mobile vans where we go out and talk to the community about what is available locally.

Of course we also have got South West TAFE with vans that are delivering to an outreach service in allied health care and aged care as well. I think this has proved to be incredibly popular, and in terms of South West TAFE, they have won not only state awards but national awards for the innovative way that they are delivering training to rural and regional Victoria. Of course I think almost every campus you could think of in the TAFE network has had substantial upgrades, from one end of the state to the other, and south and north. It is because we know that people need to have upgraded facilities to match the exciting courses that we are delivering, which are more aligned to what the labour market needs, what industry needs and what individuals need in terms of getting jobs – and not just jobs but fantastic careers in a whole range of areas. Housing and construction is a focus, and that is why we are also building a centre of excellence for housing in new construction materials.

Nick McGOWAN: In Heathmont?

Gayle TIERNEY: That will be at the Heidelberg campus of Melbourne Poly. But because it is a centre of excellence, it will be connected to the rest of the TAFE network, so every TAFE in the state will benefit from this. It will be about modern methods of construction, modern materials for construction and innovation. It is a great place for it, because it will sit right next to the advanced manufacturing centre that we have got there, where local manufacturers have been so involved, not just in terms of donating state-of-the-art equipment but by being right in there directing and assisting the curriculum development for a whole range of areas. People are also doing work placements in that space. So there is already an anchor there that provides that true partnership that we are developing between education and training providers and industry. Of course I have also struck an arrangement with a whole range of peak bodies within the housing industry – and you will see a media release come out in respect to that; it may have already gone out – which supports the efforts we are undertaking in housing and construction.

Lauren KATHAGE: Thank you, Minister.

The CHAIR: Thank you, Ms Kathage. Ms Benham.

Jade BENHAM: Thank you, Chair. Minister, the Trail of Lights that you visited in April had almost 10,000 visitors through. So there you go. I told you I would get you some figures. Now I hope you can return the favour.

Gayle TIERNEY: Fantastic. What a great RDV project.

Jade BENHAM: The budget reference is budget paper 3, page 62. Is it correct that you have reduced the subsidies by 35 per cent for some 200 programs delivered in metro Melbourne by non-TAFE providers?

Gayle TIERNEY: There has been an alignment of what is actually needed in terms of the labour market. Lill, do you want to go through the commissioning of Skills First, and then maybe Craig might want to join in terms of the information that is available to him? Thanks.

Lill HEALY: Thanks, Minister, and thanks, Ms Benham. For planning for the allocations for 2025, the investment is focused on courses and skill sets – accredited short courses – that are needed for the state's highest priority areas, including things like housing and renewable energy. That is within the budget. The policy was set to prioritise those particular areas. The Skills First program therefore continues to fund over 200 training providers – private training providers, community training providers, industry, TAFEs et cetera – so that eligible students across the state get supported through 530 subsidised courses. We did a few things in setting for 2025. One was looking at the completion rates and the performance of courses, whether or not there was actually a high fee for service demand or provision already in the market for courses, so that we could really refocus those that were subsidised to focus on training that leads to the real jobs. That did result in a change to some subsidy rates for particular courses and the removal of 91 courses from our subsidised skills list.

Jade BENHAM: Okay. Sorry – those five priority areas are housing, construction, clean energy –

Lill HEALY: Care economy. What we are doing here is looking at –

Jade BENHAM: Care economy did you say?

Lill HEALY: Yes, for an example. Government has set certain policies around critical areas where we think a subsidy is warranted. In some areas you have high provision of training by the private sector, where in fact the cost of training is low compared to, say, a fully accredited course in an apprenticeship like a trade, which requires a high-cost subsidy to support, which is critical. We make those judgements based on training leading to jobs, and we make some decisions then within the allocated budget around the subsidy rates. So there was a reduction of a number of courses, and a number of the providers who had previously provided in the previous year had some changes this year.

Jade BENHAM: Great. Thank you. Is early childhood on the priority list? And if it is not, why is it not, especially with the free kinder rollout?

Gayle TIERNEY: Yes. There is an easy answer to this, and I will cut to Craig –

Jade BENHAM: Please. I have not had an easy answer all week.

Gayle TIERNEY: because he has been able to track the data on the delivery of early childhood education.

Jade BENHAM: Okay.

Craig ROBERTSON: One of the challenges in early childhood is – and this is part of the data that we track – many of the completers are only in that workforce for a short period of time, and we know some of the challenges in there. We are trying to do some work to say, ‘What can we do to get better outcomes from that?’ and that is why there is a moderation in that allocation.

Gayle TIERNEY: But it was also that there was an explosion of enrolments in early childhood education –

Jade BENHAM: What was the completion rate on that?

Gayle TIERNEY: and it did not necessarily lead into long-term retentions in the industry.

Jade BENHAM: Retentions or completions?

Gayle TIERNEY: We were on the brink of an oversupply – that was my understanding of the early childhood situation. It is about looking at what where the demand is and where there is not demand for a period of time, or you can see a bottleneck where a demand is going to be touched upon within a short period of time.

Jade BENHAM: Is it still a priority in regional – like SuniTAFE, and shout-out to SuniTAFE, they are a magnificent campus. Regional areas we know are really suffering with childhood educators. There are some small rural towns that do not have day care. They do not have kinder, and they do not have the free kinder. Is it a priority in regional as opposed to metro then?

Craig ROBERTSON: There is a recognition – and Lill will be able to expand on this a bit – that there is a different labour market in regional Victoria.

Jade BENHAM: Yes, okay. So the –

Gayle TIERNEY: But also access to training is a little bit different. You have got a number of metro TAFEs. There is only one TAFE, which is SuniTAFE.

Jade BENHAM: Yes. What is being done then to meet the skills need, because there will be a skills need. If the completion rate or the retention rate within that workforce, particularly of early childhood – and we know that there are a lot of young families, particularly in growth areas around the city. What is being done to address that foreseeable skills shortage?

Gayle TIERNEY: Well, it is not a foreseeable skills shortage; it is a potential oversupply at the moment. In terms of regional Victoria, though, it is a little bit more balanced. We are making sure that there is early childhood education delivered through regional Victoria – it is as simple as that.

Jade BENHAM: Is there any incentive that you know of – and I know this is not your portfolio – to get some of that oversupply of workforce in early childhood out to the regions? It could certainly help us.

Gayle TIERNEY: Any workers that are in metropolitan areas we would encourage to go to regional Victoria where we have got job shortages. I am sure regional development and the Minister for Employment have got their heads working on those sorts of things. But the fact of the matter is, in our area the incentive is free TAFE for early childhood educators, and we are very proud to be able to deliver that.

I have got to say that in terms of the explosion in enrolments, that was primarily in the private sector – it completely outstripped the enrolments in TAFE. There seem to be some interesting relationships between some of those providers and childcare providers.

Jade BENHAM: Really? Do you want to expand on that a little bit? Are you able to expand on that?

Gayle TIERNEY: I am prepared to have a discussion with you about that, but I am conscious of the time. The bell has just rung.

The CHAIR: Thank you, Minister. We are going to Mr Galea.

Michael GALEA: Thank you, Chair. Good afternoon, Minister. Good afternoon, Secretary and officials. Minister, I would like to draw your attention to a very similar budget reference actually: budget paper 3, page 62, specifically the output item ‘Strengthening the TAFE and ACFE teacher workforce’. I can see some funding in this item over the forward estimates. Minister, how will this funding support our wonderful TAFE workforce?

Gayle TIERNEY: This is primarily about professional development and scholarships, and it is also targeted at elevating the teaching and the delivery within the adult community education sector. We are wanting to ensure that we have got people that want to stay within the sector – retention is incredibly important – but also this is to prepare us for the National Skills Agreement, where foundation skills delivery is going to be ramped up. There is a very serious view that post-school education and training is not just about being able to convey what the content of a skill might be but it is also about making sure that the learner does have the opportunity to learn exactly what skill can be applied. For example, it is not about literacy and numeracy and digital learning in a classroom over there, and then you go over to another campus or down the hallway and you learn how to weld. It is about how you integrate foundation skills into the delivery. This is going to need some extra work, particularly in terms of the adult community education sector, because we are really wanting to drive the ability for people to be job ready. In the community adult education sector also we have quite a few people – in fact a lot of people – from CALD backgrounds. We want them to feel more included in the communities in which they live, and of course this will assist in terms of improving that connectivity within communities. These are courses that are really important. They are very practical, because they lead to being job ready in a much more direct way than previously had been the case.

But can I use this as an opportunity to give a shout-out to our teachers. They have been absolutely instrumental in helping us bring about the reforms that were so needed in TAFE and in VET more generally as well as in community education. We know that vulnerable people in particular need to be provided with some opportunities for a leg-up, and in terms of adult education that is definitely the case. We know that from our visit recently to the Keysborough Learning Centre, where there were a whole range of different people from different countries that were undertaking courses, and they were already employed or doing placements in a whole range of different health and aged care facilities in the local suburbs. That is the focus, to up that level and support those sorts of courses so that people have got a greater opportunity to walk in and get fantastic jobs and so that they can pick up the jobs locally, work locally and have a career that will have pathways that will ensure that they stay local.

Michael GALEA: Thank you, Minister, and it is great to hear of that happening in Keysborough as well. Minister, with the same budget reference on page 62, what is the government doing more broadly to support our TAFE teaching workforce?

Gayle TIERNEY: Thank you. Essentially we are making sure that there are scholarships provided. As you probably know, the certificate IV in teaching and assessment is the prerequisite for anyone to be able to teach in TAFE, and we brought that in as a prerequisite. We ran some scholarships to ensure that people could meet that requirement and then we put the TAE on the free TAFE list, and I must say that is one of the highest enrolled courses in the sector. It has proven to be incredibly successful, so we are wanting to build on that and we are also of course wanting to make sure that people have opportunities to pursue excellence in teaching and delivery of vocational education and training.

You might hear some of us say that what we want TAFE to be is equal first to a university degree, and that is the aspiration that we have. We want to not just talk it but walk it as well, and it is about making sure that our TAFE teaching staff are afforded every opportunity to have the status of TAFE be part of all of that, to raise it up so that they can not just teach training but actually have applied vocational education taken to a new level. My personal aspiration is to actually see that we would have vocational education and training universities treated the same way as so-called more academic institutions. Some of this is reflected in the NSA and the reform agenda that was adopted by the federal government, but it was also in the Macklin report that I commissioned, and that is to have a more joined up system of post-school education where you would have community education and you would have TAFE, VET more generally and universities. It is about making sure that we link up pathways that lead to jobs and careers. That is why it is important that we see vocational education and training not just as skills acquisition and a job. It is about being able to also go on and do university – and university at TAFEs, because there are many TAFEs that have got higher education on their scope to deliver.

Michael GALEA: Thank you, Minister.

The CHAIR: Thank you, Minister. We are going to Ms Benham.

Jade BENHAM: Thank you, Chair. Minister, I want to come back to your comment about the interesting relationship between private providers and childcare operators. Would it not be a good thing to have training providers with strong industry links, or is that not the objective here?

Gayle TIERNEY: I think it is important to have very strong links. It is also equally important that there is job security, and it is equally important that the rights of individuals are protected and the payment of those individuals is lawful as well.

Jade BENHAM: Great. You do not want to expand on that any further, Minister?

Gayle TIERNEY: I think that is self-evident.

Jade BENHAM: Thank you very much. If we can get back to the workforce in early childhood – and this is a passion point of mine of course – Minister Blandthorn spoke yesterday about delays in free kinder being somewhat associated with workforce challenges. In fact I think the department has mentioned that there will be 100,000 new childcare workers needed by 2034. Is this target realistic, and is it expected to be met when there are cuts in subsidy rates to non-TAFE providers?

Gayle TIERNEY: There are a couple of things in that. First of all, that is data that is generated by understanding what the demand would be. It is not a government target per se, which is something that others have peddled, but is not the case. The fact of the matter is that essentially recruitment is not necessarily tied to the provision of vocational education and training. There might be some other recruitment employment issues that might be confronting the sector, and I would encourage you to have further conversations with Minister Blandthorn and of course the minister for employment. But a recent report from Jobs and Skills Australia also states that issues including pay, work stress, high workload and lack of recognition or skills development have undermined job satisfaction and career opportunities. So there is a bit of work that cuts across a number of portfolios that we need to look at, but the Victorian government is also offering financial support of up to \$7000 for people to upskill from the certificate III to diploma under the certificate III upskill support program. That is worth noting. The Australian government is also funding 15 per cent above award wage increases for all eligible early childhood education and care workers through the early childhood education program worker retention payment to improve retention rates. So there are a couple of things that are happening at a federal and a state level given the importance that we do share in respect to early childhood education.

Jade BENHAM: I agree with you; it is an across-portfolio challenge. But what is the point of having skills subsidies if they are not meeting government-identified skills gaps? Because that 100,000 by 2034 – you would agree with that – has come from the department?

Gayle TIERNEY: The issue then becomes: who pays? I think you would have to agree that the Victorian government – by having early childhood education at TAFE, by having early childhood education on the free TAFE list and by the federal government having the programs and the incentives that I have just outlined – are actually doing a lot when it comes to early childhood education. Other people also need to make a contribution to vocational education and training, I would submit.

Jade BENHAM: If we can move on to the cert III, I think it was Ms Healy that mentioned the 91 programs that were removed from the skills needs list last year. One of those was the cert III in outside-hours school care. Has demand for before and after school care reduced, do you know, in the last year?

Gayle TIERNEY: Is that correct, Craig?

Lill HEALY: I will kick off, Craig. Again, at a general level, the courses that were adjusted for the 2025 allocation were based on the provision being really strong in the fee-for-service market, primarily because they are low cost; them not being a high-priority course in terms of where government wants to put its effort and in terms of its priorities; and also where we can see that TAFEs have got adequate provision across the state. So for a number of the courses, and early childhood is a good one, TAFEs are effectively providing about 90 per cent of that provision through 2025, which is the goal.

Jade BENHAM: Of early childhood education?

Lill HEALY: Broadly. Let me let me take that number of 90 per cent on notice, because I am not looking at my notes, so I will come back on that number. But the principle here is that where we have a footprint across the state of high-quality TAFE provision, supplemented by really strong community-based and Aboriginal community controlled registered training organisations and really solid privately owned niche providers who have a fantastic track record in delivery, it is that managed system that will serve us best. As we remove a course from subsidy we appreciate that that is not well received by those who have provided it in the past, but it is done on the basis – I will not repeat myself – that we can see the provision will be taken up within the TAFE system.

Jade BENHAM: So the demand for outside-of-school-hours care has not actually gone down and nor has the need for those skilled workers. They are arguably different skill sets, I would imagine, because toddlers are very different from 10- to 11-year-olds.

Lill HEALY: In terms of actual demand, that is where we use the work of the skills authority based on the work of the industry advisory groups, which Craig can go to – if it is okay, Minister, to pass across.

Gayle TIERNEY: Of course.

Craig ROBERTSON: I do not know the specifics regarding that particular qualification, but generally what we do know is there is this sense of this full requirement for that qualification. As you can imagine, for many people working in out-of-school care this is transition work for them, and they are probably doing other courses as well and are probably doing other education courses. So there was probably a decision made that that full course was not required to the extent that it has been in the past.

Jade BENHAM: Great. Thank you.

The CHAIR: Thank you, Mr Robertson. We will go to Mr Tak.

Meng Heang TAK: Thank you, Chair. Minister, it was good to see you the other day at Keysborough Learning Centre, but today I am interested in the TAFE centre of excellence, and I refer to budget paper 4, page 68. Minister, we know that housing delivery is a key priority of this government, and we also know that TAFEs are delivering the workers that we need to build these houses. Minister, can you explain to us what the Future of Housing Construction Centre of Excellence will deliver?

Gayle TIERNEY: Thank you. It is a good question, and it does provide me with an opportunity to talk about the centre of excellence for housing construction. What I have mentioned is that it is a \$50 million project. There is co-contribution from the Commonwealth and ourselves – \$25 million from the Victorian government. This was first cab off the rank for us. Once we saw the National Skills Agreement and our housing statement, it was logical that our first centre of excellence would be around housing construction. But what we want it to be is not just another department or another faculty, it has to have that centre of excellence attached to it, and that is why innovation and new modern methods are part and parcel of what this centre of excellence will be.

As I said, it is also coupled with – physically right next to – the advanced manufacturing centre out at the Heidelberg campus. So there are traditional skills, advanced manufacturing skills and now housing and construction – state-of-the-art – pushing the envelope and pushing the boundaries in terms of construction. Obviously it is going to be really important in terms of having a pipeline and feeding that pipeline of skilled workers for housing and construction. It is going to be very important in terms of making sure that we are not just building things for the sake of building things. It is about making sure that we have got more energy-efficient construction and that we do also marry up design as well. It is also about making sure that our industry partners are absolutely connected up with all of our initiatives that are delivering the housing statement, and that is why we have the Housing Industry Association, prefabAUS, master builders association, BuildSkills Australia and Tradeswomen Australia Group all making very supportive comments in relation to our housing centre of excellence. Of course they are going to be integral in terms of making sure that we have got timely delivery, but also they will be integral in terms of making sure that we have their involvement in the curriculum and that we are teaching skills that are fit for purpose for the delivery of what they require but also what government requires in delivering the housing numbers right across Victoria.

This is also, as I mentioned, an anchor for housing and construction for the TAFE network. Every TAFE, particularly those that have got traditional trades, will be connected up. They will also be connected up to other TAFEs in other states that have got a particular skill focus on housing. It is about making sure that we have got the latest information and the latest technology to deliver what we can in the most efficient way, and quite quickly, so that we can work to the pace that the government has in delivering the housing that is required. This will be with us for some time. There is population growth, and it does not look as if that is going to change, so this centre is going to be incredibly important. But what I have also said is that I do not want this just to be a capital works program. It needs to be living and breathing, and the structure itself needs to be constructed through modern methods as well. Of course what is going to be fantastic about this is that it is going to assist in what I talked about before in terms of a more joined-up, post-school system: school, adult education, TAFE, university. These centres of excellence will get that interaction between the TAFEs and the universities in particular to make sure that the elevated curriculum is taught and that there is an eye to that on all occasions, but also they will enable people in the adult and community education sector to seriously think, for the first time in some cases, of going to TAFE and getting involved – not just in terms of the construction industry but to actually learn about a whole myriad of areas that are connected to housing and construction that will lead them to pathways that they never would have expected.

This is a fantastic initiative. People are very, very excited about it. It does not matter whether you talk to someone in design, an architect, a brickie, a plumber, a labourer – everyone is very excited about the prospect of us getting a centre of excellence in housing and building construction at the Heidelberg campus. Of course there is lots of activity in that surrounding area. That will be able to assist other industries as they are also dealing with technological change, and we can marry that back to the advanced manufacturing place as well.

Meng Heang TAK: Thank you, Minister. I did want to ask you about the ‘Building Foundation Skills for improved education participation’. I refer to budget paper 3 on page 68. The description mentioned increased literacy and numeracy places, which I think is absolutely fantastic. Minister, given the remaining time, can you please take us through this program and outline what impact it has on –

The CHAIR: Thank you, Mr Tak. Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Good afternoon. Just looking at budget paper 3, page 149, in the outputs summary, the line item funding for ‘Training, Higher Education and Workforce Development’ on that page has not increased. So I ask: in holding that funding at the same rate as previous budgets, when you are

taking into account inflation, indexation and increases in enrolments, Minister, are we asking TAFEs to do more with less?

Gayle TIERNEY: No. What we have done is we have provided \$16 billion since 2014 in investing in the vocational education and training system. We have also had growth funding that has been provided to the portfolio as itemised in the budget papers. That growth funding is the very thing that I have just finished talking about, which is the housing construction centre of excellence. We are also piloting the use of AI to support the recognition of prior learning. We are building foundational skills for improved education participation. We are strengthening the TAFE and adult education workforce, as well as making sure that we have got \$121 million for student inclusion and wellbeing programs; training delivery in priority markets; and of course investing in our high-quality workforce. We have also provided \$11.1 million for the TAFE asset strategy, and that is going to deliver upgrades at the Gordon, South West TAFE and Fed Uni in Ballarat and Mount Helen. There are a number of things that are taking place. The other thing is that enrolments are well and truly on track, and I think you will find some more information on the website in relation to tracking a number of other data points.

Aiv PUGLIELLI: Okay. On enrolments, actually, can I ask: do you anticipate that there will be courses running over capacity in the near future, and can you share with us which courses those would be?

Gayle TIERNEY: That might be more a question for the department, in particular OTCD. Lill.

Lill HEALY: Thanks, Minister. Thanks, Mr Puglielli. We anticipate in 2025 that the allocations that have been made through TAFEs initially will be hopefully well subscribed, because we have seen at the end of 2024 a growth in both enrolments and, dare I say, completions, through TAFE, particularly through free TAFE. We anticipate that once we get the midyear data some of the courses may well be, if you like, right to their edges, because again of changes that I spoke about earlier on. But across the network of TAFEs we do our provision planning so that there is adequate provision for the courses that are in demand. And again, we do that back through working with the Skills Authority in terms of the forward projections for different courses and working with our industry advisory groups to make sure that is all calibrated nicely.

TAFE is growing. TAFE enrolments and commencements are growing. Completion rates are solid. Free TAFE is so popular; it is really providing the equity and access point for a whole range of people as well as the upskilling because of the eligibility changes a year or so ago. We are really optimistic because of the quality of training and the continued enrolments in TAFE. It is not just new people coming through, but of course we have got continuing students who, because completion rates are up, are staying that bit longer.

So, yes, it is very energetic across every TAFE right across the state. We monitor that through our Office of TAFE Coordination and Delivery actively with the skills authority on a monthly basis, and so we will keep a strong eye to it. I think the minister referred to some data that is on the website that talks about where were at in 2024, and we will keep that monitoring active. It would be a good problem to have if we were full, and that is something we have to actively manage. Again, as I mentioned earlier, we complement the public provision through TAFE with a range of other good-quality registered training organisations, complemented by the adult, community and further education sector through Learn Locals, which is your pathway through to accredited training. Overall, we are on a growth agenda. We have the National Skills Agreement funding to really boost that. The investment in completions through literacy and numeracy is one example, and digital skills is the other big one.

Aiv PUGLIELLI: Okay. Thank you. Can I home –

Gayle TIERNEY: Can I just add one other thing, and that is the importance of the \$27 million in the education budget for the TAFE pathways. That is going to be very important in terms of the future and the enrolments within the VET system more generally. We can only see growth, and that is a good thing because we know we need skilled workers. I am sure that the cultural change is now starting to kick in that vocational education and training are just as important as going to university.

Aiv PUGLIELLI: Great. I am just going to home in on a particular certification if I can. Can I ask: how many institutions are currently offering the cert III in beekeeping in Victoria?

Gayle TIERNEY: Can I take that on notice? I know BKI was. I am not sure if they still are, but I will check.

Aiv PUGLIELLI: If that is coming on notice, can I also ask how many Victorians have completed a cert II in beekeeping since 2020?

Gayle TIERNEY: Yes.

Aiv PUGLIELLI: That is alright?

Gayle TIERNEY: Easy.

Aiv PUGLIELLI: Thank you. Minister, are you aware of Sweet Justice, who offer an accredited beekeeping qualification to adults and young people in the criminal justice system? Are you aware of this program?

Gayle TIERNEY: I believe I did receive some correspondence from them at some stage.

Aiv PUGLIELLI: Okay. Do you know if they receive any state funding?

Gayle TIERNEY: No. I am sorry. You would need to probably talk to the Minister for Corrections for that. Similar to TAFE that is taught in prisons, that is a contribution made by the corrections department.

Aiv PUGLIELLI: Okay. Thank you.

The CHAIR: Thank you, Minister. We are going to Mr Hilakari.

Mathew HILAKARI: Minister, I do want to actually continue on this topic of bee conversations, because it was fascinating. I look forward to that being taken on notice and delivered to the committee, particularly if there is a justice component. I hope that Mr Puglielli does ask the justice ministers as well and get some more information that.

I know how much Mr Tak is concerned around literacy within the education sector, so I am just hoping I could take you back to his question around literacy and numeracy. It relates to page 68 of budget paper 3, and the section is entitled 'Building foundation skills for improved education participation'. I am just hoping you could take us through that. I have got some further questions related to some other matters, but I am hoping we could clear that one off the decks as well.

Gayle TIERNEY: Sure. This budget invests \$44 million to improve VET student completions and employment outcomes. Part of this funding will create 9600 more student places in digital literacy and employability at Learn Locals and 8000 additional student places a year in literacy and numeracy programs at TAFEs, helping Victorians develop foundation skills and find a job. Completion rates are improving, increasing by more than 20 per cent for carpentry apprentices, 13 per cent for mechanical engineering and 9 per cent for nursing. Enhancing literacy and numeracy is one of the most important and impactful ways we are improving completions for TAFE students and lifting social and economic inclusion for learners through adult education, but I am finding it very important right across the board and in terms of apprenticeships as well. I was fairly recently in Wodonga and spoke directly to some apprentices in the traditional trades area. They have said that their world has changed since literacy and numeracy has been embedded into the curriculum more, and their retention rates are, I think, hitting like 93 per cent.

Mathew HILAKARI: Wow.

Gayle TIERNEY: They have also undertaken this at BKI as well. What we have found more generally, and you also get this from conversations you have with trade teachers, is that towards the end of that first year and beginning of the second year is when it becomes obvious where the literacy and numeracy levels are at, and that is when you start seeing apprentices sort of drop out, so to speak. We have introduced mentoring programs in an informal way, but it was clear that there needed to be something a lot more focused and embedded in the curriculum. So that is what we have done, but what we have also done is set up a helpdesk where people can ring in – apprentices can ring in, employers can ring in and parents can ring in. If there are issues with the apprenticeship system right across the board, there will be someone who is trained up – this is not just a 1300 number where you are not quite sure the other person at the other end of the phone knows what you are talking about. These are people that are trained up, that know the apprenticeship system and that will be able to help, and they might be able to also refer you to the free employee assistance program that we have got as well

as the free mental health service that we established recently as well because it was clear that apprentices were also having a number of other complex issues that they needed to deal with, as with most young people. But the fact of the matter is we are trying to help them have the opportunities to address those issues so that they can concentrate on their studies and enjoy their time as apprentices and be fully informed about their rights.

Mathew HILAKARI: And literacy and numeracy is a foundation for the economic success of people through the rest of their life. You cannot set up your own business if you are not knowing these things, so it is really so foundational; I am glad I was able to take up Mr Tak's question there. Minister, I might take you to the 40,000 trade papers; it is related to BP3, page 67, '*Backing Apprentices, Boosting Skills*'. Can you take us through what the government has done to reach this number? You mentioned in your presentation, with a fair bit of pride as well. If you could just run us through that, that would be appreciated.

Gayle TIERNEY: Thank you. Look, this is pretty much core business for skills and training, as it is to the economy – having well-trained and a number of apprentices so that we have got qualified people building and making things in this great state. We reintroduced trade papers in 2019 – they were abolished by the previous government – and we also made them free so that you can make contact with the government and you will be issued with free trade papers, although I think there are moves now that you will get them automatically if you have completed – you will not even need to apply. This really has been widely supported by everyone connected with the apprenticeship sector, and also people who are uncles and grandparents and grandmothers are pretty happy about it too because it means that there is the potential of having another trade certificate in a frame on a wall in the family home where they get to talk about the importance of vocational education and training.

The other thing that we have obviously done is set up the apprenticeships taskforce. It is great to have trade papers; it is great to have literacy and numeracy embedded in your curriculum. But what are all the other things that we need to do to make the apprenticeship system incredibly agile and important to individuals as well as the economy? There were a number of recommendations that came out of the apprenticeships taskforce that former Treasurer Tim Pallas and I set up. There has been a \$9.1 million allocation already for the recommendations that are part of that taskforce reform. It is about making sure that there is greater regulation and greater oversight of what happens in the workplace where there are young apprentices that are continually having difficulties or are hurt on the job.

Mathew HILAKARI: Thank you.

The CHAIR: Thank you, Minister. I hate to cut you off. Minister and officials, thank you very much for appearing before the committee today. Time flies when you are having fun, Minister. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee will take a short break before beginning its consideration of the water portfolio at 1 pm. I declare this hearing adjourned.

Witnesses withdrew.