

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2026–27 Budget Estimates

Melbourne – Monday 25 May 2026

MEMBERS

Sarah Connolly – Chair

John Pesutto – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Richard Riordan

Meng Heang Tak

WITNESSES

Natalie Suleyman MP, Minister for Employment; and

Matt Carrick, Secretary,

Julian Lyngcoln, Deputy Secretary, Economic Policy, Programs and Services,

Ylva Carosone, Executive Director, Small Business and Employment, and

Georgina Lyell, Director, Employment, Department of Jobs, Skills, Industry and Regions.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee. I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2026–27 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

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

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

I welcome the Minister for Employment the Honourable Natalie Suleyman as well as officials from DJSIR. Minister, I invite you to make an opening statement or presentation of no more than 5 minutes, after which time the committee will ask you some questions. Your time starts now.

Natalie SULEYMAN: Thank you, Chair and committee, for the opportunity to present on the employment portfolio today. Before I begin, I would like to acknowledge the traditional owners of the lands we are meeting on and pay my respects to their elders, both past and present.

Visual presentation.

Natalie SULEYMAN: Here in Victoria our labour market remains healthy, supporting economic growth while continuing to create opportunities for local workers. Unemployment is below its long-term average, at 4.8 per cent. Our regional unemployment was at 3.8 per cent in April, the lowest of all states. Every single Victorian worker should have the opportunity to get a good job close to home, and that is the aspiration – transitioning to good, solid employment.

That is why we are continuing to invest in the local support that makes a real difference for jobseekers. Launched in recent weeks, the western pathways program is connecting young people in Melbourne's west, for better employment and the confidence and support they need, with local sites in Melton, St Albans and Sunshine. In partnership with the Commonwealth, our thrive Hubs in Frankston and Broadmeadows are doing things differently, working with locals through community partnerships like the Brotherhood of St Laurence. Building on this, we recently opened two new Thrive Hubs in Seymour and Fitzroy so that more communities can access that support. I recently visited the hub in Seymour and heard firsthand from locals who have benefited from this one-on-one approach.

A job is more than an income. It is about resilience, self-confidence and belonging and knowing that you have a better future ahead of you, connected to your community. We should never underestimate the value of a job. Everyone should have a place when it comes to obtaining employment. We have also continued to partner with the Brotherhood of St Laurence to deliver the longstanding work and learning centres in North Geelong and Morwell, with targeted outreach support in Ballarat and Shepparton. Since 2022 the Parkville College employment program is on track to support close to 100 young people from a justice setting into jobs. This program connects young people into meaningful work experience, builds their confidence and gets them back on the right track. This year our youth employment scheme is on track to place more than 100 young trainees

into the Victorian public service. This is really pleasing to see, and we do want to see more young people transitioning into the public sector.

Since June 2022 we have invested in the *Yuma Yirramboi* strategy to strengthen economic growth and wealth creation for First Nation communities and Victorians. This includes providing employment pathways and training for First Peoples in Victoria through the Aboriginal employment pathways program. We have launched the self-determined Aboriginal employment initiative to support traditional owners to co-design and deliver community-led employment projects; funded the Kinaway Chamber of Commerce to deliver the 2025 World Indigenous Business Forum in Melbourne, attracting over 500 delegates from 14 countries, and the 2025 Victorian Aboriginal Business Awards to celebrate the achievements of First Nations businesses; and delivered the Aboriginal business capital investment program to expand capital access and support for First Nations business growth. This is about building First Nations businesses to prosper and grow. Thank you.

The CHAIR: Thank you very much, Minister. The first 8 minutes is going to Mr Riordan.

Richard RIORDAN: Thanks, Chair. Good morning, Minister. Let us start with unemployment rates. Minister, Victoria's unemployment rate currently, from your presentation, is 4.8 per cent, the highest of all mainland states, and has been above the national average for some 27 months now. Budget paper 2, page 17, shows forecast unemployment does not change at all over the forward estimates, and based on the 4.8 per cent, your predictions are currently rosy at best. Does this mean that none of your policies as employment minister are going to in any way tackle unemployment?

Natalie SULEYMAN: Thank you, Mr Riordan, for that question. Can I begin by stating that Victoria's economy continues to grow and the labour market is healthy, with the state in a resilient position –

Richard RIORDAN: Sorry, Minister, I am not looking for an economic update. You have got nothing in the budget that shows that you are planning in any way to reduce unemployment, and secondly, your starting point of 4.75 per cent is in fact looking pretty rosy compared to what the actuals are at 4.8. So I am just keen to know why none of your policies, even under your own estimations, are planning to reduce unemployment.

Natalie SULEYMAN: Well, first of all, Mr Riordan, can I just state some really important points. We have seen 75,000 employed directly from our programs since 2016. In the last quarter we have had over 4000 Victorians transition into jobs. We also, through my portfolio –

Richard RIORDAN: But, Minister, on your own reckoning and in your own budget papers, (a) you are not predicting any decline in unemployment, and (b) your starting point is already wrong. So my question is: why does your budget paper not in any way reduce unemployment?

Natalie SULEYMAN: Can I again state, Mr Riordan, for the record: the unemployment rate is low. We do have, through my portfolio, ongoing funding opportunities. That includes the youth employment scheme, placing a hundred young trainees into Victorian public service employment. We are also investing \$1.8 million annually for work and learning centres, which provide tailored support for jobseekers. I do need to state the facts. 75,000 are employed directly from our programs and our investment. We will continue –

Richard RIORDAN: But in the budget out to 2029 you are not seeing any improvement in unemployment, Minister. I mean, the sole purpose of a budget really is one of its key planks. You mention yourself that the key plank, at very start of budget paper 2, is to fight unemployment and keep people in jobs, and under your own admission this budget does nothing for unemployment.

Lauren KATHAGE: No, that is not what she said.

Richard RIORDAN: I am not saying she is saying it; I am saying the budget has no reduction in unemployment budgeted at all. On top of that, the starting figure of 4.75 per cent, under your own presentation today, is 4.8.

Lauren KATHAGE: But employment increases. Read the rest of the table.

Richard RIORDAN: It is irrelevant. The population is increasing, and we are not getting any more people – we are not hitting that figure. Anyway, let us move on to youth unemployment. Minister, as you raised it, what is the current youth unemployment rate?

Natalie SULEYMAN: 10.7 per cent.

Richard RIORDAN: Not 11 per cent?

Natalie SULEYMAN: 10.7 per cent. It does fluctuate.

Richard RIORDAN: Okay. Minister, do you know or are you trying to hide the fact that youth unemployment under your watch is so high?

Natalie SULEYMAN: Mr Riordan, can I –

Richard RIORDAN: It is the highest in the nation, isn't it?

Natalie SULEYMAN: Mr Riordan, thank you for that question. Let me again state that we are absolutely committed to our young people in Victoria securing good jobs. We know that employment is not just about an income, it is about self-resilience and it is about confidence. That is why we have invested in our Thrive Hubs. Thrive Hubs offer better outcomes for young people from Broadmeadows to Frankston. I recently had the opportunity to visit our new Thrive Hub in Seymour and talk to young people one on one about what the program means. I was so pleased to see that through the support and the wraparound services at our Thrive Hubs in regional Victoria and in Melbourne this particular young person also advised me that if it was not for this program, he would not have been able to transition into employment.

Richard RIORDAN: That is a lovely story, Minister, for one person.

Natalie SULEYMAN: Well, these are real stories about real young people.

Richard RIORDAN: I know. It is a wonderful story and it is what governments should do. But isn't it a fact that 8.6 per cent of our young people between 15 and 24, which is possibly the young person you are referring to, are simply not in education or work? Can you confirm that figure?

Natalie SULEYMAN: What I know, Mr –

Richard RIORDAN: No, no, no. Can you confirm that really high rate? As your budgeted employment figures show no change in employment at all, what hope have those 8.6 per cent of people between 15 and 24 got to look forward to?

Natalie SULEYMAN: Mr Riordan, what I can say is what we have delivered. Just recently I have delivered the Western Pathways program, a program dedicated to young people at school level.

Richard RIORDAN: Minister, we are just treading water. We are going nowhere over the forward estimates.

The CHAIR: Excuse me, Mr Riordan, please afford the minister the opportunity to answer the question. She is actually answering your question with some valid information that will form part of this report.

Natalie SULEYMAN: I just want to add how important the Western Pathways program is that we recently announced \$3.2 million. For the first time, we will have organisations such as the Jesuit Social Services and Opendoor actually visit and attend local schools in Melton, Sunshine and St Albans, dealing directly with young people and ensuring that young people have the opportunity to transition, whether it is to a casual job or a permanent job. These are opportunities and investments from our government. I do also want to state for the record that the labour market for youth employment has actually continued to rise. In 9300 –

Richard RIORDAN: But Minister, we have the worst rates in the country.

Natalie SULEYMAN: And that is why, Mr Riordan, we continue to invest in programs such as the Thrive Hubs.

Richard RIORDAN: Isn't it also true that 12.8 per cent of young men, in the youth unemployment rate, are currently unemployed? 12.8 per cent of young men and boys are sitting unemployed, 8.6 per cent of them are not in education or work, and your own figures say that for the foreseeable future there is no improvement in unemployment?

The CHAIR: Thank you, Mr Riordan. We are going to Ms Kathage.

Lauren KATHAGE: Thank you so much, Chair, Minister and officials. Unlike those opposite who want to cherry-pick and misread the overall employment situation in Victoria, I am interested in the programs that you are talking about and that extra attention to disadvantaged and regional jobseekers, and I would like to ask more about that. On the Thrive Hub that you were talking about, Minister, Seymour is close to my electorate and I understand the difficulties that town can face with different indicators. I am keen to hear more about the Thrive Hubs, what kind of work they do and how they are assisting those jobseekers.

Natalie SULEYMAN: Thank you very much, Ms Kathage, for that question and thank you for taking an interest in our program, the Thrive Hubs. I can say that our Thrive Hubs and the programs are driving better outcomes for locals and transitioning and placing Victorians into work. This program is leading the nation, and I am very happy that the local employment initiative kicked off in June 2024, with the first hub opening its doors in Frankston. Since then we have been able to secure federal funding and work in partnership with the Commonwealth to develop more hubs from Frankston to Broadmeadows, with joint funding of \$2 million. Despite a historic low unemployment rate, we know that some communities, our vulnerable communities and those from disadvantaged communities, are experiencing specific challenges when it comes to getting into work. I had a chance to visit the Broadmeadows Thrive Hub and listen firsthand to participants, whether it is receiving that first point of assistance, ensuring their CV and they are interview-ready, or matching their skills to industry, which is really important as well. I do want to note that this program is not just about ensuring that Victorians are actively in secure jobs, but it is also about partnering with industry to meet us at the centre.

The hubs have been accessed by locals, and I think that has been really important for jobseekers to get that practical support, as I have mentioned, whether it is their CV, whether it is upskilling them so they are ready for that first interview. And some of our participants who are seeking employment can have a number of challenges. Language can also be a barrier, so it is ensuring that we understand the jobseeker and have that one-on-one opportunity to provide that support, and then from there assisting with the referral. Or that participant might need extra training as well. This is what the Thrive Hub does. It is a one-stop hub when it comes to ensuring that jobseekers have the right employment connections but also the training and the foundations to be able to connect with industry and business, and I think that is really, really important.

As you rightly said in the beginning of your question, some communities face challenges, and that journey of navigating the system can also be extremely difficult for jobseekers. It is wonderful to see the centres in Broadmeadows, Seymour, Frankston and in other sites have been able to successfully – it is wonderful to hear that someone you have met who has gone through the program and is concluding has actually secured permanent employment. I think that it is really quite warming to know that these programs are actually making real impact in local communities for families and for young people as well.

These hubs are different because they are providing different responses according to the jobseekers' needs and aspirations. They have not been built on a generic model, so one rule does not apply to all. They do fluctuate in the needs and aspiration of that jobseeker. Each hub has a community investment committee made up by local employers, community organisations and other service providers, and that is really important, having that local content, ensuring that local employers are part of the solution. That is why I am very pleased with this program, because it is providing for community organisations, business and of course not-for-profit organisations to fill in those gaps and ensure that we are providing the right support and ensure that jobseekers are able to directly transition into secure jobs.

Lauren KATHAGE: It is a fairly new initiative. You have set out some of the things that make it different in terms of being more place based and the like, but are there other things that set this program apart, and have we learned anything, any insights, yet about this new approach to doing it?

Natalie SULEYMAN: I think, as I have said, that this program kicked off in 2024. And I can probably state that it is different because it is very localised for each specific area. What is working well in Seymour might not be what is required in Frankston or Broadmeadows, so the community and clearly the demographics of the area will change with the way that that service is delivered and that program is delivered for each jobseeker. We know that services need to be able to directly deliver but also support. For instance, in Seymour, the Thrive Hub grew out of a sustaining economic empowerment and dignity for women project. As a result, it had a focus on supporting and connecting with women, who can sometimes face more challenges and require more support to

get back into work or to transition into employment. As I said, different communities will have different programs, so it is not one size fits all. As you can see from our Seymour experience, it has really been about targeting women getting back into work but also, importantly, those who want to get into work being able to navigate the transition into secure work.

Lauren KATHAGE: Thank you. Being jointly funded with the Commonwealth, do you think that it will have some impact or some influence on other employment service models?

Natalie SULEYMAN: I think what is important here is that we have been able to partner with the Commonwealth and deliver more Thrive Hubs. This sort of approach is quite specific when it comes to Thrive Hubs. I was very pleased that we were able to deliver through our partnership the Broadmeadows and Frankston hubs. I know that both are doing very well in supporting the local community. Of course, working with our partners is also making a real difference, and it is the partnership with the Brotherhood of St Laurence that meant we were able to then build on and open new Thrive Hubs in Seymour and Fitzroy. We are always focused on providing further investment and real, practical, tailored support for jobseekers. Whether it is through the Thrive Hubs or with our Western Pathways program as well, partnerships are absolutely integral to ensure that we are getting the right supports and have further opportunities to deliver services that are making a difference in those local communities. It is not a generic model, and I think that is what I do want to highlight. This has really been important for those specific regions and also in Melbourne as well.

Lauren KATHAGE: Thank you, Minister. I think what has been clear from your presentation and your answers to Mr Riordan is that you are not willing to give up on anybody, any jobseekers. One of the examples you gave was around supporting youth in the west to get into employment, the Western Pathways program. How does that one work, and is that also a local response? How does that support young people in Melbourne's west?

Natalie SULEYMAN: I am really pleased with the Western Pathways program and recently announced \$3.2 million of funding to work in partnership with Opendoor and also Jesuit Social Services as well. This will focus on young people in Melton, Sunshine and St Albans. I was very pleased to talk to some of the staff as well and hear that they had already been inundated with interest from local schools.

Lauren KATHAGE: Thank you, Minister.

The CHAIR: Thank you very much, Minister. Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Good morning. Can I ask: does the department collect data on workforce participation specifically of international students?

Matt CARRICK: Thanks for the question. I am not aware that we do, but if I have got any further information that I can come back to you with, I will do so.

Aiv PUGLIELLI: Thank you.

Matt CARRICK: I will just check with Mr Lyngcoln and see.

Julian LYNGCOLN: No, that is right.

Aiv PUGLIELLI: Okay. If you are able to come back, if there is any way of gauging what that workforce participation rate within the international student cohort is, that would be great to know – and perhaps even a breakdown of the sorts of roles that they are undertaking as part of the workforce.

Matt CARRICK: I doubt we would have information that is that granular, but we will provide whatever we can to help answer your question.

Aiv PUGLIELLI: Thank you. Speaking to this cohort more broadly, though, can you take us through what supports are available to them? How are we ensuring that they are not being taken advantage of, perhaps due to language barriers or perhaps due to visa concerns?

Matt CARRICK: Perhaps I can start in terms of – we actually have an international student hub in the city that helps service international students with a range of services. A lot of that is around support not just around

employment but also around general wellbeing, but it also does help in terms of some employment. I might ask one of our officials, if I can, to join us at the table. Ylva, do you mind coming up and talking a little bit more about the service we offer on that, please?

Aiv PUGLIELLI: Is it also possible to know what the FTE is of that hub?

Matt CARRICK: I think Ms Carosone might be able to elucidate on that. Sorry, it is not in this portfolio. I can come back with information, but it is not in this portfolio.

Aiv PUGLIELLI: What portfolio does it sit under?

Matt CARRICK: That is Minister Dimopoulos. I was about to say Minister Pearson, but things move quickly.

Aiv PUGLIELLI: Which Dimopoulos role, though? He has got a few portfolios.

Matt CARRICK: Economic growth.

Aiv PUGLIELLI: Economic growth. Thank you. Can I ask about the state visa nomination program? Is that under this portfolio?

Matt CARRICK: No, that is also under Minister Dimopoulos.

Aiv PUGLIELLI: That is all right. Can I just check, looking at the split-out of portfolios in the recent period, what main activities this portfolio has retained since it was split from small business?

Natalie SULEYMAN: Just one moment.

Julian LYNGCOLN: It is as outlined in the budget papers, so the initiatives around the employment support services, such as Thrive Hubs, Western Pathways and the like. There is also a federal initiative around First Peoples that we jointly deliver.

Aiv PUGLIELLI: Thank you.

The CHAIR: Thank you, Mr Puglielli. Minister and officials, thank you very much for appearing before the committee today. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request. The committee will take a short break before beginning its consideration of the portfolio of tourism at 9:50 am. I declare this hearing adjourned.

Witnesses withdrew.