

# VERIFIED TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into budget estimates 2007–08

Melbourne — 7 May 2007

#### Members

Mr G. Barber	Mr G. Rich-Phillips
Mr R. Dalla-Riva	Mr R. Scott
Ms J. Graley	Mr B. Stensholt
Ms J. Munt	Dr W. Sykes
Mr M. Pakula	Mr K. Wells

Chair: Mr R. Stensholt  
Deputy Chair: Mr K. Wells

#### Staff

Business Support Officer: Ms J. Nathan

#### Witnesses

Ms J. Allan, Minister for Skills, Education Services and Employment;  
Mr W. Hodgson, acting secretary;  
Ms P. Neden, deputy secretary, Office of Training and Tertiary Education; and  
Mr C. Ingham, assistant general manager, policy development, Department of Innovation, Industry and Regional Development.

**The CHAIR** — I now welcome Warren Hodgson, acting secretary, Department of Innovation, Industry and Regional Development; Patricia Neden, deputy secretary, Office of Training and Tertiary Education; Chris Ingham, assistant general manager, policy development, and who else have we got?

**Ms ALLAN** — I think that is it.

**The CHAIR** — We did have someone else down, but they are obviously not here.

We have a total of 45 minutes allocated to the skills portfolio. We are running a bit late, but I now call the minister to give a presentation of not more than 5 minutes on the more complex financial and performance information relating to the skills portfolio.

**Overheads shown.**

**Ms ALLAN** — We have just handed around our presentation.

As we have just concluded the discussion on education, it is very appropriate that we move on to the skills and training area. Alongside education, the skills area is part of our government's commitment to providing the best possible support to young people, but also in terms of providing our economy with the skilled workers that it needs. The Bracks government has very clearly identified that we need to invest in skills to drive future economic growth, and we certainly do know that making sure that we have the right supply of skilled labour requires an in-depth understanding of our local industry needs.

That is the rationale behind the creation of a dedicated skills portfolio which — as you can see on the overhead and the slides in front of you — has been the result of the move of the Office of Training and Tertiary Education from the Department of Education into the Department of Innovation, Industry and Regional Development. It has also seen the move of the adult community and further education area into the Department for Victorian Communities. Particularly the shift of OTTE into DIIRD will certainly help us better align the administration of our very good training system, which already has very good engagement with industry. It really will help drive that even further and recognise that skills are very much central to Victoria's future prosperity.

Since 1999 we have seen an additional \$1.1 billion invested in the skills and training area and that — as I said before — is alongside the \$6.1 billion in education. You can see the breakdown in front of you, but I will mention that last year we provided \$241 million in the skills statement, and there is a further \$72 million in this year's budget.

If you look at the next slide you will see that that investment is paying off. If you just take one example, Victoria is now training more apprentices and trainees than any other state. This chart shows Victoria's high performance to other states on apprenticeship completions.

For the Chair's information, we are also doing very well on apprenticeship commencements. We have recorded more commencements than the next-highest state. We have the most commencements of any state. The next-highest state is New South Wales, and we have more than 5400 extra people than New South Wales. I think that is just one example of the strength of Victoria's vocational education and training system.

It is not by accident; it has been very much the result of that additional \$1.1 billion worth of investment. It is also about where we have worked in comparison to other jurisdictions, where Victoria's system is more cost effective. As I have said, it has very strong industry engagement and continues to meet the needs of industries and individuals.

Considering the time, I will reference the slide that highlights 'Policy challenges', because that outlines the range of particular issues we have. We know about the ageing of the population and the challenges that we will have. There is also increased global competition. It is also about assisting employers with their needs to continue to invest in skills and training of their employees, and then there is a dual policy challenge around investing in higher-level skills to drive our innovation economy, which Victoria has a very strong priority on, and also upskilling the broader adult population. We have very much looked at identifying adults with lower-level skills and increasing their skill levels.

The final challenge we have is getting the federal government to invest more money, and you can see the differential there.

**Dr SYKES** — In all fairness!

**Ms ALLAN** — Yes, that is right. Bill, you and I are going to have some fun in Canberra. Finally — and I probably do not need to go through this considering the time and in the interest of getting you back on time, Chair — you will see a snapshot of budget items, and I am sure we will come to those during the presentation.

**The CHAIR** — Thank you very much, Minister.

**Ms GRALEY** — Berwick tech is a great initiative and very warmly welcomed by the members of my electorate. I refer you to page 9 of BP 3, which refers to the government's \$241 million policy statement *Maintaining the Advantage — Skilled Victorians*. Can you please outline what progress has been made towards the establishment of the technical education centres that were announced in that statement?

**Ms ALLAN** — Certainly. I mentioned this briefly in the previous presentation, because our techs are very much part of the range of different pathways that we are providing in terms of what goes on in our schools — with VCE, VET in Schools and VCAL — and of course the additional resources coming in this year's budget for our trade wings within schools.

The skills statement of last year, out of the \$241 million, provided funding to establish four technical education centres that will be based, as you have identified, in TAFE institutes. They will be purpose-built and provide high tech industry-standard facilities that will very much take advantage of the links that the TAFEs have with local industry and business. At the same time as providing students with access to the high-quality facilities and high-quality teaching and learning, we are also going to be able to provide them with those important links with industry as well.

Despite it only being announced last year, we have already delivered on two of the technical education centres. We have more than 170 students enrolled at Wangaratta and Berwick techs and those two techs started operation this year. The Chisholm TAFE operates the one that you probably know about and — Bill, out your way, Wangaratta way — Goulburn Ovens TAFE is providing the one at Wangaratta. We have also got Ballarat to come on line in mid-2007 and the Heidelberg one to come on line in early 2008.

I emphasise those links with TAFE and local industry and also the numbers of enrolments and how quickly we have been able to get them up and running because it certainly does stand in very stark contrast to the Howard government's Australian technical colleges that have very much suffered from delays, from cost overruns and very much too narrow a focus. I think that ATCs are an unfortunate example of how poor commonwealth-state relations can very much impact on service delivery. Instead of working with us — we would have been very happy to have worked with the federal government in this area and we would have loved to see the additional funding come into our TAFEs, loved to have seen the resources and supports for students in our TAFEs — unfortunately they have gone and set up an alternate system. It has resulted in great inefficiencies, but also, interestingly, it has seen the result that in fact five of the six ATCs we have here in Victoria are actually using our TAFEs to train the students. So really it is an example of where the federal government, in terms of service delivery, should leave it to the states, which have experience in this area — not spend millions and millions of additional taxpayer funding on an inefficient system. As I said, we would very much welcome those funds coming into our TAFEs, but it is not to be. We have our technical education centres that are doing very well and, as I said, sit alongside a whole range of other commitments. And also — importantly too, if I can emphasise again — the youth guarantee, which came on line this year and provides a guaranteed place in an education or training provider for young people up until the age of 20, is also a very much important part of our commitment to lift the numbers of young people completing year 12 or its equivalent.

**The CHAIR** — Thank you, Minister. Can I come back to your last slide. You mentioned the nursing skills centre of excellence at Box Hill. I am wondering if you could tell us about how this is going to tackle the nursing skills shortage?

**Ms ALLAN** — Yes, certainly. This is a great initiative. It is a consortium that has been established by Box Hill Institute of TAFE, in partnership with Deakin University, the Epworth Foundation and the Eastern Health network. This budget provides \$4.5 million towards the development of this centre; \$500 000 will be spent in the coming financial year for the engagement of the design work and the consultants on the project, with the further funding to come in the 08–09 year.

Chair, you mentioned addressing the needs of the health industry in terms of additional nurses. Since 1999, as the committee would be aware, the Bracks government has funded an additional 7200 nurses into our hospitals and health systems and we have provided extra supports, such as scholarships, for nurses to undertake postgraduate studies, particularly in those specialty areas such as mental health and critical care, emergency nursing and particularly midwifery, which we know is a critical area as well. We have also assisted more than 2500 nurses to re-enter the workforce by providing funding to help them to return to nursing and to go through the re-registration process.

So this initiative obviously builds on those additional supports of both putting extra nurses into the hospital system but also wanting to see them continue with their training to increase their qualifications, to go into those specialist areas, and also — and this is something I think I mentioned before — keep pace with technology and changes in medical diagnosis, improvements in medical technology as well. It does mean that there needs to be ongoing training for our health workforce and nurses are such a critical part of that. That is why, both in terms of addressing this from a skills shortage point of view but also in terms of assisting with the quality and the levels of skills within the profession itself, the Box Hill nursing skills centre of excellence will certainly be a great asset.

There is one additional area where we could do with some assistance. In 2007 the unmet demand for university places for nursing actually increased. We saw over half of the applicants in the first round who applied for nursing not offered a place, so I guess I would once again just repeat that we would love to see the federal government put some additional funds into university places in Victoria and see them go to those priority areas. Particularly at a time when we know we have got skills shortages, we know we have got a nursing shortage and we know we have got, at the same time, young people wanting to undertake nursing, it is an absolute crime that we are seeing young people miss out on pursuing a career in nursing just because, for some reason, Victoria has the highest level of unmet demand for university places of any Australian state.

**Mr WELLS** — Thank you, Minister. It is great to see your enthusiasm for tech schools. I thought it was federal Labor that shut down all the technical schools.

**Ms ALLAN** — Federal Labor?

**Mr WELLS** — Yes, under the Dawkins plan.

**Ms ALLAN** — No.

**Mr WELLS** — It wasn't?

**The CHAIR** — That is not on estimates.

**Ms ALLAN** — I think you might be getting confused between state education systems and federal education systems there, Kim. Dawkins was about — —

**Mr WELLS** — Dawkins was about the shutting of our technical schools.

**Ms ALLAN** — Dawkins was about technical and further education centres. Was there a question in that?

**Mr WELLS** — My question is in regard to BP 3, page 304, and also the editorial on page 305, in reference to the apprentice/trainee completion bonus, page 304. I refer you to the editorial that says:

Funding is provided to extend the current completion bonus scheme for one year ...

Does that mean it will be axed after the 2007–08 year?

**Ms ALLAN** — Thanks, Kim. Certainly this goes back to — as part of the presentation that I mentioned before, we are training more apprentices and trainees than any other state in Australia, with more commencements and more completions. I have got another little chart, with the committee's indulgence, that shows — if you can hand around — —

**Mr DALLA-RIVA** — You have got a chart for everything, haven't you?

**Ms ALLAN** — I do, just because I know I am going to get asked the questions about the detail, so it is easier to provide it in a chart. That shows how Victoria's commencements and completions are the best in

Australia. That is just for the committee's information. It is no surprise when you consider that we have got the best year 12 completion rates and the strongest investment in the skills system that we have provided over the last seven years.

In terms of the apprenticeship completion bonus, this was introduced back in the 03–04 budget, which you would probably remember, with a commitment of \$65 million over four years. Since then the Bracks government has introduced further initiatives to build on this area: the \$500 completion bonus for apprentices, which was in last year's budget; additional support through the skills statement for apprentice complete field officers; and the skills statement also provided 4500 additional pre-apprenticeship places with a tranche of these coming online in this year's budget.

In this year's budget we have provided, as you have indicated, \$24.5 million for the bonus to continue for one further year. We have done this quite deliberately to take the opportunity to sit back and consider the most appropriate and effective way we can support apprenticeships and traineeships, and I would hate this to be interpreted by any members of the committee as us stepping away from a commitment to apprentices and trainees.

The chart that I have just handed around shows how well placed Victoria is in this area, how we have been able to see Victoria's economy grow and continue the good economic prosperity that I am sure the Treasurer spoke to this committee about on Friday. But we want to take an opportunity to sit down and have a look, to talk with employer groups and talk with the sector more broadly to see how we can review in a broader context the range of incentives that are provided to industry, to individuals and to providers. It really is having a look to the future and seeing what it is that our workforce of the future needs.

I mentioned before the twin challenges that we face in the skills area: it is driving high levels of skills, it is putting more investment in higher end skills and getting people higher qualifications, and it is also about lifting the adult-level skills as well, particularly adults with low levels of qualifications. It is also another ingredient to put into the mix, and I say this quite seriously.

We have got some negotiations taking place later this year with the commonwealth for the next three-year funding agreement. We are yet to start negotiations, and obviously with the federal election it is going to cause a bit of back and forth as well. That will help us to also inform our future investment, and we want to work cooperatively with the commonwealth in whatever flavour that might be.

**Mr WELLS** — So there is no guarantee that this program will continue in the future after 2007–08?

**Ms ALLAN** — We are taking the opportunity to have a look at the program, although as I said it should not be interpreted that we will be stepping away in any shape from providing support to both industry and apprentices for them to continue to increase the number of apprentices and trainees that we have here in Victoria.

**Ms MUNT** — My electorate takes in Braeside, and in Braeside there are a number of large companies that supply the automotive industry in manufacturing. They are always eager to have a skilled workforce available to them, so I am interested in details on the Kangan Batman Automotive Centre of Excellence in Docklands, which will provide those employees to that industry. Could you please advise me how this initiative will link skills with industries such as in my area?

**Ms ALLAN** — Certainly, Janice. We have in this year's budget as you have indicated supported stage 2 of the development of the Kangan Batman Automotive Centre of Excellence down at Docklands, and whilst it is at Docklands as you said it is about supporting the automotive industry which is very important across the state whether it is in your electorate or many parts of country Victoria as well where there is industry that relies on the automotive industry here in Victoria.

This budget provides \$30 million, but this is for stage 2. Going back a couple of budgets the Bracks government invested in stage 1, which was \$20.5 million, and stage 1 if anyone has been down at Docklands, you could see it is up, it is operational and it is doing very well. So that brings our commitment to this centre over \$50 million, and it is also part of that broader investment in TAFE capital works of up to \$359 million since 1999. That is almost double the capital investment that was made under the previous government.

I know you are probably going to have a little smile at this, but I do have another chart that shows where we have made the capital investment over the last seven years. I think this is important, because when I said before about the

automotive industry is supported across the state, this chart will also show you where we put our investment right across Victoria, whether it is through our TAFE capital works program, funding more broadly through DIIRD through the Regional Infrastructure Development Fund or the science and technology initiatives that have provided funding to our universities. It is very much about driving investment in our TAFE and university facilities to improve educational outcomes which, as I said before has, a direct link to improving workforce participation and productivity.

Back to the Automotive Centre of Excellence, as you said the automotive industry is a very important industry to Victoria. It has an annual turnover exceeding \$50 billion and employment in excess of 400 000 persons both directly and indirectly. Victoria knows that we have to keep pace with this global industry. It is very competitive, and this centre will certainly help us do this in terms of providing the most modern facilities, the latest technology and the latest research that will help the Victorian workforce develop those skills to compete in this international economy.

Very briefly, I will also acknowledge the work that Kangan Batman has done in this area, because it has certainly got a very good relationship with industry, and certainly developing this central precinct will help drive that even further. There are also very important partnerships with other industry organisations in this initiative.

**Dr SYKES** — Minister, in view of the low year 12 retention rates or completion rates in country Victoria — 20 per cent below state average — that obviously increases the importance of alternative training options. I should say that I am a great fan of the school-based traineeship program, and Mansfield Secondary College in particular has been a key participator in that with wonderful outcomes for the students. But if we can just focus on apprenticeships — you have given us another chart, for which I am eternally grateful — but can you just give us another chart that gives a split into country and city apprenticeships?

Leading on from that, I understand I think in this budget there was an announcement of \$25 million going towards encouraging apprenticeship uptake. My recall is that in last year's budget there was a \$60 million reduction in support for employers taking on apprentices, and linked with that was payment only on completion — —

**Ms ALLAN** — Sorry, can you just repeat that last bit again, Bill?

**Dr SYKES** — It is my understanding in the last budget that there was a \$60 million reduction in incentives for employers to take on apprentices and that the payments were shifted to only payment on completion, not by year. Also, an employer needed a minimum of three apprentices to qualify for those incentives.

My question is: have those issues been addressed, keeping in mind that often in country Victoria the businesses are very small, often employing less than three apprentices, keeping in mind the severe impact of the drought, which is making it extremely difficult to keep the young people on, and knowing that that impact will last for several years yet?

**Ms ALLAN** — Thanks, Bill. I made comments on this in the previous presentation in terms of the different pathways, and you mentioned pathways at the start of your question, so I do not think we probably need to go back over that, other than to recognise — and you are right; country schools have been great in terms of providing, whether it is the VCAL or the VET in schools, to their students, recognising that that is the pathway that most country kids will take. That is a reality, and it has been very well supported by our schools in country areas.

In the terms of the \$60 million you are saying has been taken out in terms of incentives to employers, I can only assume you might be referring back to the — well, I am not quite sure what you are referring back to, other than the last changes that were made in this area with the 2003–04 budget, when we introduced the apprenticeship and completion bonus that we were just talking about a couple of moments ago.

In terms of what you made mention of, the criteria for three employees or more, I take it you might be referring there to the apprenticeship trade bonus that was introduced in last year's budget, that does have a requirement, I understand, for there to be a minimum of three employees, and that is where a payment is made to apprentices who reach the six-month point. So they get 250 bucks after the first six months and then a further \$250 when they reach the 12-months point. Other than that I am not quite sure what other areas you might be referring to — unless you want to — —

**The CHAIR** — You can take it on notice.

**Dr SYKES** — Can you clarify the split, country versus city? I can clarify — —

**Ms ALLAN** — What was the question about the split?

**Dr SYKES** — On the chart you have got impressive figures, on a statewide basis, of a 79.6 per hundred thousand commencement rate for apprenticeships and 45 per hundred thousand for completion. What is the country versus city split on that?

**Ms ALLAN** — Yes, we can certainly do that. We have got loads of different data that we can provide you with in terms of the split.

**Dr SYKES** — I just give you that on notice.

**The CHAIR** — That is fair enough.

**Dr SYKES** — I will get you to clarify the other three queries on notice.

**The CHAIR** — It seems to be it applies to one program and not to the other.

**Ms ALLAN** — Sorry, can I just clarify something?

**The CHAIR** — Yes, you can.

**Ms ALLAN** — I have just been advised that the criteria of three is actually the criteria for the apprenticeship and traineeship completion bonus, not the apprenticeship trade bonus. Everyone gets the trade bonus, but the criteria of three was for the completion bonus. Sorry about that — it was just to clarify it.

**Dr SYKES** — Are you doing anything to address that, given — —

**Ms ALLAN** — That goes back to Kim's question about having a review, taking the opportunity to review the apprenticeship and traineeship completion bonus. We are going to take the opportunity in the context of the commonwealth agreement coming up, the skills statement initiatives coming on board, and other incentives that have been introduced, to have a look at the make-up of that program. Also just on your question around participation in vocational education by country Victorians, 36 per cent in vocational education are from regional Victoria, and when you compare that to the population of 27 per cent, it shows that there are proportionately more country people undertaking vocational education training — again, not surprising, considering that is an option more country people take. I am happy to provide further information.

**The CHAIR** — I am sure, and on completion rates as well, Minister.

**Mr PAKULA** — Minister, I am interested in 'Returning to Earning', which is on page 309 of budget paper 3. Can you give us a bit of an outline about that program?

**Ms ALLAN** — Yes, certainly. The parents-returning-to-earning program is a continuation of the very successful parents-returning-to-work grants, which the Bracks government introduced back in 2003 and were tremendously successful in helping parents who have been out of the workforce for two years or more caring for children to re-enter, either through assisting with their retraining costs or, more directly, with their employment costs. Unsurprisingly, out of the 9000 people who received assistance from the parents-returning-to-work grant, 95 per cent of those were women.

We have continued this program, and we have continued it with \$13.2 million in this year's budget because we know that women caring for children make up the greatest proportion of people outside the workforce who are keen to get back in, and with the right set of assistance to help them, whether it is things like their child-care costs or their training costs, they can go on and participate in the workforce. This is very much something that came through the work we did as part of our \*Workforce Participation Task Force report, which I will talk about when I come back as employment minister. It is absolutely essential that in terms of continuing to drive economic growth and productivity in this state we lift participation in the workforce by women, and particularly by women with children.

Predominantly the responsibility for this sits with the federal government particularly around child care and tax concessions. I do not think one-off cash grants in an election year are going to fix the child-care problem; we need more structural improvements than that. However, the Bracks government is doing what it can by providing a targeted report to parents at this key point, and that is what is behind the parents-returning-to-earning grants. It will certainly provide approximately 12 000 grants over the next four years for the program. So when you add that 12 000 to the 9000 who have already been assisted over the past four years, there are some 21 000 people who are going to be helped back into the workforce, predominantly women who make a very good contribution not just to the local industry but also to the broader Victoria economy as well.

**The CHAIR** — Thank you, Minister.

**Mr DALLA-RIVA** — I refer you to BP 3, page 311, table A.10. I know you mentioned it briefly before in your discussion and provided us with asset investment initiatives. Do you think it is an admission that you have dropped the ball in respect of moneys that you provided given you have indicated that since 1999, \$359 million has been allocated? This financial year there is \$3.2 million allocated in the budget, which, some could argue, is about 0.8 per cent of what has been allocated. Do you think that is a fairly low average of asset initiatives for TAFEs given what you stated before?

**Ms ALLAN** — As I said before, the \$359 million is double the TAFE capital investment that was made under the previous government — —

**Mr DALLA-RIVA** — I am talking about this year.

**Ms ALLAN** — You have to look at it historically as well. We have made a significant investment in TAFE capital works over the last seven years, and you are seeing that work in the pipeline continue. It is actually \$38 million that we have in this year's budget. You have to remember that these budget papers only show new spending, and I am happy to come back with the funding from previous budgets which shows that we have actually got projects that would have been funded in last year's budget. For Richard's information, and I do not want to read budget papers to him, but if you take the automotive centre of excellence you will see how that is phased over four years. That will not be in next year's budget papers — as I understand it — because it will not be a new initiative.

This is a table that shows new asset initiatives, and in terms of our total capital spend, our total capital spend for this year — and Warren might have to give me a hand with this; it is a bit colourful — —

**The CHAIR** — It is part of the 28, 28, 28, 16 that we heard about on Friday.

**Ms ALLAN** — If I can maybe come back over the course of the hearing in terms of the total capital investment that we have made this financial year — if you can just give us a couple of minutes?

**The CHAIR** — Not too long.

**Ms ALLAN** — No.

**The CHAIR** — We can move on to the next question if you like.

**Mr DALLA-RIVA** — Just to clarify it. It is \$3.2 million — —

**Ms ALLAN** — The 3.2 is new, and we will get you the figure from the previous — —

**The CHAIR** — Okay, well why don't we do that.

**Ms ALLAN** — We will come back on that.

**The CHAIR** — We will move on to the next question.

**Mr SCOTT** — My question refers to equipment grants for community education providers which are referred to in BP 3, page 339. I would be grateful if the minister could advise how the government is supporting adult and further community education providers.

**Ms ALLAN** — Certainly. This is a very important part of Victoria's education and training system when you consider the investments we have made in schools and in TAFEs and the vocational education system more



broadly. We have also provided additional support to the adult and community education sector. Since 1999 we have actually increased funding to this area by 43 per cent, or around \$15 million. When you consider the importance of the adult community education sector, it provides great access to people for education and training. We have, I think, over 340 adult and community education providers in the state. They have a very wide spread, they have a very high presence and profile in country Victoria in particular. They do provide that entry point to further training.

I mentioned before the parents-returning-to-work grants. Many of those grants were used in the ACE sector by women undertaking entry-level courses so that they could get back into the workforce. That is why in this year's budget we have provided an additional \$4 million over two years for equipment grants to ACE providers, to assist those providers with accessing and purchasing the latest and newest technology, and eligible organisations will be able to apply for two types of grants: one of up to 5000 and the other up to 10 000.

There is a range of categories that they will be able to apply for, whether it is for improving communications and computer equipment, assisting equipment for learners with special classroom needs and particular learning needs, things to assist with administration and also providing some equipment in the ACE area that will be the equivalent of the sort of equipment that will be used in the workplace as well. It is really making sure that we can support TAFE's with equipment and put tech things into the schools. It is about providing the ACE sector and those learning environments with the equipment and with the facilities that they need to support a very big group of learners in our community.

We often think of the ACE sector as providing those short courses, but they do provide a very important role in terms of helping young people improve their literacy and numeracy, adult learners in particular with literacy and numeracy, and, as I said, it provides a really important accessible point to education and training for people who can then go on to TAFE or university and further education. That is why we are seeing this investment in equipment grants for the ACE sector.

**Mr DALLA-RIVA** — Minister, I refer you to budget paper 3, page 59, 'Later years and youth transitions'. On two of the quantities under major outputs/deliverables in performance measures — the first one is the enrolment in VET in School certificate programs. I note in 2005–06 the actual is 47 000, the expected outcome for the current financial year is 45 and the expected target for the next financial year is 45.

The question is: why are the enrolments in those certificate programs dropping? It is akin to the second last on that same page 'VET in Schools students completed a qualification'. In 2005–06, 13 077, expected outcome is a reduction to 12 800, with the target again set at 12 800. Again, why are there less VET in School students completing qualifications? Perhaps you could cover that particular issue?

**Ms ALLAN** — Certainly. Just to confirm — you are talking about the ones that talk about VET in Schools? That is actually a question that is Minister Lenders' responsibility. If you remember back in the education services presentation I said anything that happens in the post-compulsory area outside of schools is mine and anything that happens inside the schools is John's.

**Mr DALLA-RIVA** — So both those questions relate — enrolments and the VET — —

**Ms ALLAN** — Yes, they would be best for John's area. Yes, because it happens in schools. As I said, if it were VET outside of schools — so in TAFE's or in the ACE sector or somewhere else — that would be my responsibility. I know it gets a bit confusing; it is like this with education versus education services from time to time.

**Mr DALLA-RIVA** — No, that is all right.

**Ms ALLAN** — That is one I can happily pass on to John for you.

**Mr DALLA-RIVA** — I am sure and now predict his question will come, I guess.

**The CHAIR** — Hansard will record it, and I am sure it will be passed to the minister.

**Mr DALLA-RIVA** — I am sure there will be 43 advisers onto it!

**The CHAIR** — We might have a short break. I thank the witnesses for their information on the skills portfolio. We will come back in a couple of minutes regarding employment.

**Witnesses withdrew.**