

# TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into Budget Estimates 2018–19

Melbourne — 17 May 2018

#### Members

Mr Danny Pearson — Chair

Ms Sue Pennicuik

Mr David Morris — Deputy Chair

Ms Harriet Shing

Mr Steve Dimopoulos

Mr Tim Smith

Mr Danny O'Brien

Ms Vicki Ward

Ms Fiona Patten

#### Witnesses

Ms Gayle Tierney, Minister for Training and Skills,

Ms Gill Callister, Secretary,

Ms Jenny Atta, Deputy Secretary, Infrastructure And Finance Services Group,

Mr David Latina, Deputy Secretary, Higher Education And Skills Group, and

Ms Lee Watts, Assistant Deputy Secretary, VET Reform, Higher Education and Skills Group, Department of Education and Training.

**The CHAIR** — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2018–19 budget estimates.

All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Training and Skills, the Honourable Gail Tierney, MLC; Ms Gill Callister, Secretary of the Department of Education and Training; Ms Jenny Atta, Deputy Secretary, Infrastructure and Finance Services Group; Mr David Latina, Deputy Secretary, Higher Education and Skills Group; and Ms Lee Watts, Assistant Deputy Secretary, VET Reform, Higher Education and Skills Group. Any witness who is called from the gallery during this hearing must clearly state their name, position and relevant department for the record.

All evidence is taken by this committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Any comments made outside the hearing, including on social media, are not afforded such privilege.

The committee does not require all witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard. You will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, any PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

Witness advisers may approach the table during the hearing to provide information to the witnesses if requested, by leave of myself. However, written communication to witnesses can only be provided by officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way.

Members of the media must remain focused only on the persons speaking, any filming and recording must cease immediately at the completion of the hearing.

I invite the witness to make a very brief opening statement of no more than 10 minutes. This will be followed by questions from the committee.

### **Visual presentation.**

**Ms TIERNEY** — Thank you, Chair, and thank you, committee members. Thank you for the opportunity to talk to you today about the 2018–19 budget and how this government is meeting skills demand and creating jobs for all Victorians.

I am really proud to lead the biggest overhaul of TAFE and training in this state's history. Over the past three budgets this government has invested hundreds of millions of dollars to improve the quality of our training system. This massive investment has ensured our TAFEs are now financially stronger and providing the training that Victorians need.

I think it is important to reflect on the last three and a half years and what we have achieved in the training system. It is no secret that when we came to government in 2014 we found a training system that was in disarray. Poor quality providers and inflated student numbers had eroded trust in the training system. Our government refused to accept the decline of the TAFE sector that is so fundamentally important to our state. One of the government's first actions was to stop the decline in our training system and to set up a \$320 million TAFE Rescue Fund. The TAFE Rescue Fund has supported the reopening of closed campuses, including Greensborough and Lilydale. The fund has helped to upgrade buildings and workshops and given TAFEs cash support where necessary.

We have also cracked down on poor quality providers. Under our quality blitz in 2015 and 2016, we identified 62 training providers for investigations. Twenty-two of these training providers ultimately had their training contracts terminated, and a total of \$48 million in funds have been identified for recovery. We have also given industry a voice again after they were cut out of the training system under the former government, and that is why we have invested \$14 million into the new industry engagement framework.

**Mr T. SMITH** — On a point of order, Chair, I have been listening carefully to the minister's introductory remarks — and I have not done this at all during these hearings, and I do not propose to do this again — but I am struggling to see where any of her remarks relate directly to the 2018–19 budget.

**Ms SHING** — Further to the point of order, Chair, in the minister's opening remarks she began with the sentence, 'I am extremely proud of this budget, which delivers a record investment in relation to TAFE'. We are actually talking about the context for that.

**Mr T. SMITH** — Okay, that is terrific. I am not talking about the spin; I am talking about the substance.

**The CHAIR** — I think, Mr Smith, the minister is providing some background and context to the 2018–19 budget, as she is entitled to do so in her presentation. I think if you flick over to a couple of slides, there is further information in relation to the 2018–19 budget estimate. I ask the minister to continue with her presentation.

### **Members interjecting.**

**The CHAIR** — Order! Members, I would like to hear the minister's presentation.

**Ms TIERNEY** — I was about to mention that we had invested \$14 million in a new industry engagement framework. We have also invested \$90 million in targeted funding streams for innovation, regional and specialist training and money for high-need learners because we are trying to set up a training system that responds to community needs and industry needs. We are also continuing to invest in our TAFEs through a \$114 million Stronger TAFE Fund, which is helping TAFEs grow their enrolments. All of these actions are having a positive impact on our training system. We have rescued the system and we have stabilised it, but now we want to grow the training system and ensure that TAFEs can thrive.

Implementing Skills First has been a major focus over the past 17 months. Skills First was the result of significant consultation with industry, TAFEs, students and the community. They told us that funding was needed for innovation, regional markets and disadvantaged learners. They also told us they wanted a more managed and stable training market. Skills First aims to ensure Victorians can access high-quality training that both students and employers can trust. We are giving industry a real voice and funding to support innovative training through the workforce innovation fund. We are ensuring that regional and niche training needs are being supported through the Regional and Specialist Training Fund. We are providing funding for high-need learners, who need additional support to succeed in training, through the Reconnect program.

We are also ensuring that Victorians can get the right careers and training advice that they need so that they can make informed decisions about what is right for them. That is why we have established over 30 skills and job centres throughout Victoria. Skills and job centres are a one-stop shop for people wanting careers and training advice and for employers looking to fill jobs. The skills and job centres assisted over 40 000 people seeking training or employment across the state last year.

Our TAFEs are in the strongest financial position they have been in for a long time. The TAFE market share is improving, with TAFE enrolments now comprising 41 per cent of the market share. As the graph in the middle of this slide shows, Victoria is the only jurisdiction to show an increase in TAFE student share between January to September 2016 and January to September 2017. Training provided by our revitalised system now better reflects training demand and jobs growth, as demonstrated on the slide.

Victoria is experiencing record jobs growth. Now more than ever the skills we need to build our state are required at TAFE. Victoria's employment growth is the strongest in the nation, with over 330 000 jobs created since 2014. That is an 11.4 per cent jump. The Andrews Labor government's record investment in infrastructure projects, new schools and hospitals, and the NDIS has created a massive demand for skilled workers. With a high-quality TAFE and training system and the right careers advice, Victorians will be the first in line for these new jobs.

It is because of this jobs growth that we are investing an additional \$644 million in skills and training. This slide provides a snapshot of the training initiatives funded under this year's budget. We are investing more into the training system to ensure all Victorians have the opportunity to get the skills that they need. Skilled graduates are crucial to Victoria's economic growth. Our budget supports this with a \$304 million investment into extra

training. Our investment will enable TAFEs, Learn Locals and private training providers to deliver more than 30 000 additional training places. It will ensure our major commitments to major rail and road projects, new schools and hospitals, the rollout of NDIS and the prevention of family violence can be fulfilled.

We are creating an inclusive training system. This investment will ensure that people from all walks of life, whether they be asylum seekers, older Victorians or Victorians with a disability, can access training. We know that our work to break down barriers to training is working. For example, enrolments at Auslan courses have doubled between 2014 and 2017. Indigenous enrolments have also increased. Between 2015 and 2016, enrolment by Indigenous students increased by 13.5 per cent for Victoria.

Victoria also needs workers with the right skills in the right industries, and that is why we are investing \$172 million into free TAFE priority courses. From 1 January 2019, students who are eligible for Victorian government-subsidised training will pay no course tuition fees. This initiative will cover the tuition course fees for an initial 20 selected courses, with a further 10 to be confirmed following industry consultation, and 18 pre-apprenticeship courses that will provide pathways to apprenticeships. This initiative will reduce the financial barrier for students wanting to train.

We also recognise that apprentices are so important for our workforce as well. We are supporting apprenticeships by investing \$43 million in quality initiatives. We want employers to have confidence in the skills of apprentices, and that is why we are bringing back trade papers. Trade papers will serve as a signal to employers and customers that this person has done the hard yards. It is a passport to work. We are also introducing new independent assessments for apprentices. This will respond to industry's feedback that some apprentices are not job ready.

We are also investing in training materials and will work with industry and TAFEs to review and update apprenticeship curricula. As a result of these investments, employers can have confidence in the training of apprentices and apprentices can be confident in the training that they need to do to get the job done.

We are investing in TAFE to ensure students have the best training facilities and equipment. We are wanting to make sure our TAFEs are places that support students' training needs, meet community expectations and align with industry needs.

As part of this budget, the Andrews Labor government has approved three projects, worth \$120.4 million. We are investing \$35.5 million in the redevelopment of Federation Training's Morwell campus, and we are investing \$25 million in a new campus in Sale. We are also investing close to \$60 million to revitalise Bendigo TAFE's McCrae Street campus. These are significant investments for TAFE. These are particularly significant investments for regional Victoria, and particularly for the local communities of Sale, Morwell and Bendigo.

This is the biggest overhaul of TAFE skills and training Victoria has seen. It will make sure all Victorians get the training they need for a good job. We recognise the importance of a skilled workforce, and that is why we are investing in training. Chair, I definitely look forward to implementing these initiatives as I know they will make a real difference to all Victorians.

**The CHAIR** — Thank you, Minister. Now, the budget paper reference is budget paper 3, page 41. I refer to the 'Free TAFE for priority courses'. As the profile indicates, it is 24.3 million in 18–19, 44.7 in 19–20, 50.6 in 20–21 and 52.3 in 21–22. Minister, can you outline to the committee how you expect these free TAFE courses will support industry?

**Ms TIERNEY** — They will support industry in a number of ways, and again, it is government priorities that are driving this, given that we have a mammoth infrastructure pipeline. Indeed we do have, as we know, the rollout of the NDIS and the prevention of family violence. We also, of course, have an ageing community as well. So a number of the courses go directly to what those needs are. The diploma of nursing is for nurses to work in the hospitals that we are building. We have got building and construction, cementing and a whole range of courses that have been asked to be put on the list, so that we have the right people with the right skills, ready to be employed.

So this is a really unique opportunity for people to be able to go into a course and end up with a job. It also means that people cannot stand by and say, 'Well, I just can't find people who have got the right skills. I have got the job, but I just can't find the right people'. This now is an opportunity to ensure that this closes the circle

on that, but we are not stopping at the 20. We are adding a further 10, and that further 10 will go through a series of consultations with the Victorian skills commissioner and the industry advisory groups as well as, of course, the department of education. So we are really looking forward to seeing those consultations arrive at the next 10.

Of course we have also had 18 pre-apprenticeships put on the list. They are there to provide people with a taste of what it might be like if they were to take on an apprenticeship. As you know, there has been a decline in apprenticeship levels across the country over the last number of years. This is to try and incentivise people to seriously think about not just an apprenticeship, but the importance of applied learning — that not everything is about a university place. We now need to move away from that and put more value, more resources and more investment into applied learning, to the point where, as we see in northern European countries, there is a serious application to the value of applied learning and in terms of apprenticeships and master apprenticeships, for example, they are seen in the same light as a university degree. I think that that is where we need to take applied learning in this country, and I certainly want to advocate that within the state of Victoria.

**The CHAIR** — Thank you, Minister. The budget paper reference is budget paper 3, page 53, the TAFE facilities modernisation program. That is \$120.4 million across the forward estimates. Could you outline to the committee what sort of projects are likely to be funded by this initiative?

**Ms TIERNEY** — Of the 120.4, there are three major investments in regional Victoria. When I first became minister I was concerned about a number of things to do with the provision of post-school education, particularly in regional Victoria. Before Christmas — the first Christmas that I was in office, before that — a number of us actually went down to Lakes Entrance — got there very late one night so that we could make a start the next morning. What we did was we made our way through and visited almost every single campus that Federation Training occupies. That was a very important learning experience for me, because it demonstrated how a forced amalgamation under the previous government of Advance TAFE and GippsTAFE ended up with —

**Mr D. O'BRIEN** — That is wrong, Minister. That is wrong. It was not a forced amalgamation.

**Ms TIERNEY** — a range of facilities that were not fit for purpose and were not aligned with industry. So that was a very important exercise. Of course I also was receiving a fair amount of lobbying on behalf of Ms Shing in respect of facilities for Federation Training. But none of this can happen by one or two people. What we endeavoured to do was place resources down in Gippsland to investigate further, and then we undertook a very, very significant consultation process. We had a number of public forums, and we had over 500 submissions from the community and industry about what they wanted out of their Federation Training, their TAFE provision in Gippsland. Ultimately, with a lot of community support, community engagement we have been able to deliver a new campus for Sale and a new training centre for Federation Training at Morwell that will be on the same area as the brand-new tech school that Mr Merlino and I opened only three weeks ago.

We will get a real synergy between the STEM-type courses and the young people coming through the new tech school system and the traditional trades and how we can actually merge some of that together so that there is a real hope and a real future that is being picked up in the Latrobe Valley that we have not seen for a while, but I can see it. I think the energy there is so full of ignition that we have got a real opportunity to break some cycles that have been evident in the past. I think this is a life changer. I think this is a game changer in terms of Morwell and indeed Sale.

**The CHAIR** — Thank you. That is a good segue now to Ms Shing.

**Ms SHING** — Thank you, Minister. That is a coincidence. I will pick up there in relation to a number of the catcalls and interjections that we have heard already from the opposition. Mr O'Brien was referring to 151 000 fewer students in training a year under the Andrews government. You have referred to cracking down on dodgy providers, you have referred to the preference of quality and pathways to employment over quantity and removing those courses that did not have a pathway attached to them and working with industry. In response to that particular claim — that there are 151 000 fewer students in training under this government — what initiatives, as you have described them in your presentation, are clearly linked to better outcomes in the long term for people in the TAFE and training sector?

**Ms TIERNEY** — There are a number of initiatives, obviously. One is the facilities in these regional centres will mean that people will be enticed to actually pick up a book and study. It means that there is an opportunity to get access to training through free TAFE, and this is going to make a difference, particularly in those disadvantaged communities that really have done it tough in recent times. I think this is a game changer for the current generation but generations to come when it comes to the Latrobe Valley and indeed Sale as well.

**Ms SHING** — Has that moved the focus away from the number of students to the quality of the education that they are receiving?

**Ms TIERNEY** — Absolutely.

**Mr D. O'BRIEN** — How convenient! It was all about the number of students being trained before, when you were in opposition.

**The CHAIR** — Order! The minister to continue.

**Ms TIERNEY** — This government is not just about numbers. This government is about ensuring that we have quality education. That is why we undertook the blitz. We undertook that blitz in 2015 and 2016. Not only that, we have a dedicated resource within the department that is ongoing.

**The CHAIR** — Order! We will come back to that.

**Ms SHING** — Thank you.

**Mr D. O'BRIEN** — Minister, budget paper 3 at page 168 outlines the training budget in total. When appearing at this inquiry in 2015 — and sadly I can remember sitting here asking the question — your predecessor Mr Herbert told us that:

... we are committed to 1.2 billion, which the former government was and which we are in terms of VTG contestable funding out there ...

Minister, is that still your position?

**Ms TIERNEY** — Thank you for that question. The 2018–19 budget demonstrates that this government is investing 1.3 billion to ensure that Skills First supports more people to undertake high-quality training that leads to jobs. Through Skills First we are more actively managing the training market and further strengthening the role of TAFEs. Under Skills First, the training subsidy budget, which is often referred to as the Victorian Training Guarantee budget, was allocated into a range of components to allow government to more actively manage the training market and to recognise the role of TAFE at the centre of the training system.

**Mr D. O'BRIEN** — Can I just ask, Minister, is that 1.2 billion still the contestable element of the funding bucket?

**Ms SHING** — It is 1.3, Mr O'Brien. It is higher.

**Ms TIERNEY** — It is \$1.3 billion.

**Mr D. O'BRIEN** — No, I am asking. You said that has been allocated to a range of different things.

**Ms TIERNEY** — The funding is used for subsidies, concessions and program responses, including targeted funding streams to fund innovation, regional and specialist training and support for higher needs. So it is not narrow. It actually is about the delivery of education.

**Mr D. O'BRIEN** — But that is actually what I am asking, though, Minister. Is —

**Ms TIERNEY** — Our TAFEs are central to the training system, and we are having that strengthened and maintained, that position, with additional funding through Skills First. As a result of the additional funding to respond to Victorian jobs growth and tuition-free priority —

**Mr D. O'BRIEN** — Minister, you have not actually addressed my question. What I am asking, and perhaps I will make it a bit more clear: excluding the 172 million to the free courses, which is only available to TAFE, how much contestable funding is actually available in 2018–19?

**Ms TIERNEY** — So the breakdown is \$990 million for training via subsidies and concessions.

**Mr D. O'BRIEN** — That is contestable.

**Ms TIERNEY** — There is \$15 million for high-need learners through Reconnect. There is \$30 million for the Workforce Training Innovation Fund, \$55 million for the Regional and Specialist Training Fund, and \$194 million for TAFE supplementary funding, which includes —

**Mr D. O'BRIEN** — So that is TAFE supplementary funding, but what I am asking, Minister, is how much is actually available for contestable funding?

**Ms TIERNEY** — This is an increase on our initial commitment when Skills First was first introduced, Mr O'Brien, to invest \$1.2 billion annually and to ensure training sets a high training quality benchmark and delivers programs that lead to jobs. All Victorians are guaranteed access to training to training to upskill their —

**Mr D. O'BRIEN** — Yes, Minister. There is a whole lot of waffle there. I am trying to get an answer —

**Ms Shing interjected.**

**Mr D. O'BRIEN** — I thought it was rude to interrupt. I thought it was rude. It was rude half an hour ago. Chair, I am trying to get an answer to this question —

**Ms SHING** — Unbelievable!

**Mr D. O'BRIEN** — No, because I am not getting an answer; I am getting a whole of spin. Minister, it is a fairly simple question: the \$303 million that you announced on 1 May for student training — is that the contestable budget that will be available this financial year?

**Ms TIERNEY** — This is real money, it is not spin. There is \$990 million for training by subsidies that is contestable, Mr O'Brien.

**Mr D. O'BRIEN** — Right. Thank you.

**Ms TIERNEY** — And, further to that, the Workforce Training Innovation Fund and the Regional and Specialist Training Fund are also contestable.

**Mr D. O'BRIEN** — Okay. And the figures on those again, please.

**Ms TIERNEY** — Nine-ninety million dollars for training via subsidies and concessions, 30 million for WTIF and 55 for RSTF.

**Mr D. O'BRIEN** — Okay; thank you. That took a while but we got there.

**Ms TIERNEY** — I had to tell the story.

**Mr D. O'BRIEN** — Minister, the Productivity Commission's *Report on Government Services* — ROGS — has revealed that only 698 million of the previous 1.2 billion contestable funding pool was spent in 2016. Can you give us an update on how much of that was spent in 2017?

**Ms TIERNEY** — The Productivity Commission *Report on Government Services* — ROGS, as it is commonly known — released its report on 1 February and presents 2016 training year data, which predates the 1 January introduction of Skills First reforms implementation. Under Skills First we are funding training through a range of mechanisms. The ROGS data does not reflect our total investment in TAFE or our Skills First projects, which I talked about in my presentation.

**Mr D. O'BRIEN** — So the 2017 data presumably does include Skills First. Are you able to update the committee on those figures?

**Ms TIERNEY** — It is not available yet, but, you know, I am happy to —

**Mr D. O'BRIEN** — We are into May of 2018, Minister. Surely you know how much you spent in 2017.

**Ms TIERNEY** — Given that this continues to be misleading information that is peddled publicly, and myths seem to abound —

**Mr D. O'BRIEN** — Are you saying the ROGS data is misleading information?

**Ms TIERNEY** — No, I am talking about the way that you and your party peddle it. I am going to refer this matter to Ms Atta to step you through the facts.

**Ms ATTA** — Thanks, Minister. I am just happy to clarify a couple of points about the ROGS data. As the minister mentioned, it is 2016 data produced by the Productivity Commission. That data represents recurrent state and territory investment in skills and training, so it represents Victorian own-source revenue only. The total budget available for skills and training in Victoria also includes commonwealth funding that Victoria administers, so that is stripped out of those numbers.

**Mr D. O'BRIEN** — Okay. Sorry, my actual question was the 2017 data. Minister, I think you have told me you do not have it; is that correct?

**Ms TIERNEY** — It is too early.

**Ms ATTA** — And in terms of 2017 data, ROGS obviously have not completed their report and we do not yet have full-year validated data that I could report on today.

**Mr D. O'BRIEN** — All right, thank you. I will move on then. Minister, what advice did you take from the training sector and industry before announcing the free TAFE courses?

**Ms TIERNEY** — Thank you for that question. The advice that we received has been longstanding. It was advice that we have received from a number of quarters for a long time that the TAFE system wanted some stability in terms of policy. Students obviously wanted the barrier lifted from their participation, and indeed of course parents also are very supportive of having free TAFE, but they are also particularly supportive of free TAFE in courses that lead to jobs. I think most parents are of that view.

**Mr D. O'BRIEN** — Can I just ask on that point, Minister: your own review of VET conducted by Bruce Mackenzie found that low or no fee courses have:

... likely resulted in over-enrolments in some areas of provision ...

This is the issue. You are just talking about areas of training that will lead to jobs. Your own expert said that it will likely result in over-enrolments if you provide free training. Did you consult with Bruce Mackenzie on this decision?

**Ms TIERNEY** — Bruce Mackenzie was making comments about the system which was in place under the previous government. That is where his comments were directed. He talked about high volume, tick-and-flick —

**Mr D. O'BRIEN** — Low or no-fee courses.

**Ms TIERNEY** — of the type that were being undertaken when we had the previous government in place — the very type of providers that we had to conduct blitzes on in 2015 and 16. So he was actually making a commentary on the system that was in place under the former government.

**Mr D. O'BRIEN** — All right. So, Minister, you said you are going to consult the skills commissioner on the further 10 courses that you are going to —

**The CHAIR** — Order! Ms Pennicuik until 3.58 p.m.

**Ms PENNICUIK** — Thank you, Chair. Good afternoon again, Minister, Secretary, deputy secretaries and staff for coming today. I will briefly take the opportunity, as I do every year, to correct the record that the woes

of the TAFE system began in 2008–2009 with the introduction of full market contestability. I actually called for an inquiry in 2012 because the situation was so bad in terms of rorting by private providers, with very little regulation. I do say of course that under the previous coalition government things got a lot worse with the defunding. I acknowledge that, but I do wish to remind the committee that it all started a long time ago.

In the presentation you gave us, Minister, on page 3 — you are one of the few ministers who actually puts page numbers on your presentation, which is very handy — you have got \$48 million recovered in the quality blitz. Of course a lot of work has been done, I acknowledge, to crack down on the rorting that was allowed to run away for many years. So with that \$48 million, if perhaps the secretary could update the committee on where we are, how many providers out there do we think are still needing to be gotten rid of out of the system and money recovered? Where are we with that?

**Ms TIERNEY** — Thank you for that question. In general terms can I just reinforce the fact that, yes, we conducted those two blitzes, but there is a dedicated resource within the department and that unit looks at the enrolment figures and checks for spikes and declines as well, so that it can monitor and highlight to us as quickly as possible if there is something that looks as if it needs further investigation. Ms Lee Watts is a specialist in this area, and I think it is probably better for her to provide the detail.

**Ms WATTS** — Ms Pennicuk, across 17–18 the department has undertaken approximately 242 individual audits of Victorian government-funded training providers. These audits look into quality, they look into insurance and they look into financial management activities. This activity as well across this period of time has linked to a number of quite significant findings. We undertake site visits, unlike visits that are undertaken by the national regulator. We look at how teaching is being conducted as well by our providers. We examine qualifications to see whether or not those qualifications are being appropriately taught. And most importantly we ask our students and our trainers what they believe the quality of that activity is like. In addition to that we also have very strong and robust provider selection processes. It is not easy to in fact enter into the Victorian government-subsidised training market. This has meant that we only now have approximately 300 providers within our government-subsidised market, which is a significant —

**Ms PENNICUIK** — Ms Watts, I do apologise for interrupting you, but time will defeat us and I do want to ask another question. So if you have any more of that information that you are reading from there, perhaps you can supply that to the committee, because that was interesting that you were getting to the figures that there are the 300 providers et cetera. Whether you have information on what percentage of those have been visited in the way you have been describing would be very helpful to the committee. I just want to go back to the free courses. We welcome that because we believe that TAFE should be free. But if you look at budget paper 3, page 41, and the number of subsidised course enrolments in the TAFE network, it is only expected to increase by around 1000 in the year. What I am really asking is: with the free courses, you are not expecting that to cause a jump in enrolments; or is it just existing courses that are now going to be free? If you could talk about that.

**Ms TIERNEY** — One of the things is of course this does not take effect until 1 January. So that is one aspect.

**Ms PENNICUIK** — Of course, yes.

**Ms TIERNEY** — The other thing is that we are about to conduct a review of Skills First. So my thinking at the moment is just to have that figure remain the way it is for this period of time not because of any value decision. It is primarily because this review is taking place, and then I want to be able to have a conversation with the Minister for Finance. Once we have got some more evidence about where we are sitting with Skills First and some sort of indication of how free TAFE is going, to then adjust that target in an evidence-based way.

**Ms PENNICUIK** — When are you expecting that review to be completed?

**Ms CALLISTER** — Sometime this year.

**Ms TIERNEY** — Yes, it is this year; definitely.

**Ms PENNICUIK** — As in?

**Ms TIERNEY** — It has not started yet. It will soon.

**Ms PENNICUIK** — Before the end of the calendar year?

**Ms TIERNEY** — Yes. And absolutely in time for next year's budget. That is what is driving it.

**Ms SHING** — Minister, I would like to go back to what we were discussing in the previous round in relation to the quality of course offerings and the linkages that they will provide to longer term employment. I note the priority courses that include courses such as agriculture, building and construction, and health and allied services are attuned to a number of key priorities that have been identified in the consultations you have referred to and also in the course of the Mackenzie review. Again let us just go back to claims being made that a lesser number of students must therefore equal a system which is not functioning as it should. To me that feels like saying that the US sub-prime market before the mortgage global financial crash was in fact just really a boomer of a year for residential home ownership and ignores the reality of the situation. What are the sorts of things that have been cracked down on in the qualitative assessments that have been undertaken and that are being undertaken to create those better linkages and to deliver a TAFE system that actually meets the objectives that underpin it?

**Ms TIERNEY** — Thank you for that question. I really appreciate the analogy. It is one that I certainly am tempted to agree with in terms of sub-prime.

**Ms SHING** — You can have it. I gift it to you here and now.

**Ms TIERNEY** — There are number of things. There is the way in which contracts are now entered into. Prior to contracts being processed there are a number of hurdles that a prospective provider needs to comply with. It goes to governance, it goes to their financial situation and it goes to a whole range of different quality mechanisms. So it is much harder for someone who is not doing the right thing — in fact it is almost impossible, Ms Watts — to actually get a government contract in terms of private providers. But there are also audits that are conducted on a continuing basis, and we are also doing student surveys across the board so that if we are not picking it up in terms of the investigative unit that operates in the head office at number 2, we will get it through a whole range of ways, so we know that those that are not doing the right thing will be picked up. And I think that we now are creating an environment where people know that they will be picked up, and they are either leaving the system or they are actually providing quality training.

The provider selection process is quite different, and it is complementary to the efforts that we have undertaken with the quality blitz. That is a major difference and a major reform that has been undertaken. To provide some stability those contracts now are for a two-year period. Is that correct?

**Ms WATTS** — That is correct.

**Ms TIERNEY** — So that we also can provide some stability to the —

**Ms SHING** — Beyond the initial one-year period that they previously had — was it one year previously?

**Ms TIERNEY** — That is right. It was one year. To provide some greater assurance and some stability in the market we have made that two years, but they need to obviously reach benchmarks that have been put in place as a result of the provider selection process.

**Ms SHING** — How do we actually make sure then that the priority courses and the preapprenticeship training that has been identified in the course of this year's budget offering will be consistent across the board? One of the things that we have seen previously, particularly in regional Victoria and particularly across Gippsland, has been the issue of variation in the consistency of engagement of student support and of outcomes around employability, and that is something I think that speaks to a previous lack of confidence in the rigour in the system. Has that been addressed as part of the development of these course offerings?

**Ms TIERNEY** — Yes, it is, because with industry now a serious partner with TAFE it is embedded in the system. Industry is keeping a very close eye on these free TAFE courses. They want courses that deliver for their business, so they are wanting to get involved. I have seen time and time again now industry reference groups where companies come together, sit down with TAFE teaching specialists and develop courses. We have seen that at Glenormiston in recent times, but we are seeing it in other places as well.

**Ms SHING** — Are other institutions and organisations jumping on board in the engagement around that offering as well and how that might affect what they offer to students?

**Ms TIERNEY** — When they know that TAFE has changed its pivot and is there to actually provide training to meet their needs, they are completely jumping on board. There are so many people that now get it, and with the free TAFE it has provided an extra level of confidence that this government is very serious about making sure that we have enough people funnelling into the right sort of jobs that are in existence.

**Ms SHING** — And the course offerings across regional areas, will they be specified to industries of greatest need within those areas or more generically?

**Ms TIERNEY** — The skills commissioner as well as the department will be advising various industry groups. As you know, the Victorian skills commissioner has done a lot of work in the area of workforce planning. He has released one report in relation to the Mallee. I have asked him to do two other priority areas. One is Gippsland and one is south-west Victoria. As a result of that work, which is local employers actually being the members of the consultative committee, they are indeed not just identifying what is needed — what courses are needed in those local economies — but they are also participating in assisting in developing the curriculum. But they are also coming together so that the students who are participating in the courses can go to their different workplaces to gain real, hands-on industry experience. So we are coming up with different types of teaching delivery and teaching experiences that make TAFE and local industry so much more connected and so much more relevant.

**Ms SHING** — In relation to staff support and the workforce assistance to be able to manage this change, it is a pretty significant change around the culture that, based on the evidence you have given and based on the public record, is designed to actually engender long-term change and improvement. How have staff been brought along on this journey and how have their workforce terms and conditions been developed to actually secure that level of confidence that is needed on the ground as these changes happen?

**Ms TIERNEY** — Thank you. It has been heartening to see that because the staff can see that there is a changed policy and that there is a government that wants to place TAFE at the actual centre, the heart, of the training system — that TAFE is to be the engine for skilling that leads to real jobs — they are really supportive. As you know, as you would have experienced, there has been a decline in morale for a long, long time. This actually has been essentially the light on the hill, so to speak, for a lot of people. They are now considering through a ballot a proposition that provides a wage increase and also —

**Ms SHING** — Through the enterprise bargaining framework?

**Ms TIERNEY** — Through the MEA, which also is about connecting up with industry. It has a proposed spread of hours that will enable greater flexibility for the delivery of training. It will also enable classes and hands-on experience to be delivered not just in the evenings up until 10 o'clock but also on Saturdays as well. They are on board, and a lot of the staff that I have spoken to actually relish the thought of being more connected up with employers — going on to the shop floor and delivering courses in a range of areas that industry needs.

The agreement also provides for a full 800 hours of teaching delivery per annum, up from the current maximum of 740. We believe that the agreement is a fair agreement, an affordable agreement and a reasonable agreement delivering annualised increases as well as additional payments linked to service delivery improvements.

**Ms SHING** — That includes productivity and efficiency gains that would be achieved through the reforms?

**Ms TIERNEY** — Yes. This will take TAFE teachers from the lowest paid nationally to amongst the country's highest paid TAFE teachers.

**Ms SHING** — It is a long way from basket weaving and waffle, isn't it, Minister? Thank you for that.

**Mr D. O'BRIEN** — Minister, just to quickly get an answer on the question I was asking last time. You said you were going to consult the skills commissioner on the further 10 courses. Did you consult the commissioner on the first 20?

**Ms TIERNEY** — It is not that I will consult with the Victorian skills commissioner, the skills commissioner will be conducting a consultation process.

**Mr D. O'BRIEN** — No, you actually said you would consult. In your opening presentation you said you would consult with the skills commissioner on the final 10.

**Ms TIERNEY** — Well, I will as a result of him conducting a consultation process first. He is the skills commissioner, he will be going out and speaking to industry and he will be ensuring that we provide the appropriate advice. In particular he will be providing advice on free apprenticeships —

**Mr D. O'BRIEN** — Can I just get a yes or no? Did you consult the skills commissioner on the first 20 courses?

**Ms TIERNEY** — Absolutely.

**Mr D. O'BRIEN** — Thank you. The not-for-profit adult and community education sector is very concerned about the free TAFE courses, I am sure you are aware. For example, Campaspe College of Adult Education delivers 10 of the 30 qualifications that will be free under your plan, and the Campaspe CAE's general manager stated:

... this will signal the death knell for many Learn Locals that are RTOs, including CCAE. We simply cannot survive, or compete against such ruthless and unfair funding tactics.

Minister, who at ACEVic did you consult about the free TAFE funding?

**Mr DIMOPOULOS** — God forbid we give young people a chance, Minister.

**Ms TIERNEY** — Can I say that —

**Ms WARD** — No respect for TAFE.

**Mr D. O'BRIEN** — No respect for adult education, not for profits, Learn Locals?

**Mr Dimopoulos interjected.**

**Mr D. O'BRIEN** — Sorry, what is more important, Mr Dimopoulos?

**Mr DIMOPOULOS** — Access. Adults have access to under this program.

**Mr D. O'BRIEN** — So we just kill the Learn Locals and —

**Mr DIMOPOULOS** — So let us protect the private businesses above access —

**Mr D. O'BRIEN** — No, these are not-for-profit community groups, Mr Dimopoulos. You might want to learn a bit more about it before you open your mouth.

**Ms WARD** — Come and talk to my Learn Local.

**Mr D. O'BRIEN** — Minister who did you talk to at ACEVic?

**Ms TIERNEY** — The fact of the matter is that the Victorian government, through the ACFE board provides subsidies for preaccredited training programs for people whose current or past life circumstances present barriers to training. The ACFE board grants, totalling approximately \$26.8 million in 2016–17, for preaccredited training and associated programs such as the Capacity and Innovation Fund —

**Mr D. O'BRIEN** — Sorry, Minister, this is not remotely related to the question I asked. Minister, I asked the question: who did you consult at ACEVic about the free TAFE courses?

**Ms TIERNEY** — In terms of the policy that has been adopted and the funding that it has attracted in this budget, it is predicated around the fact that, one, we recognise that we have a system, an education system, that starts with early childhood, schools. There are also of course Learn Locals, there are private providers and there is TAFE.

**Mr D. O'BRIEN** — And did you consult with any of them about this decision?

**Ms TIERNEY** — And then of course there are other opportunities if people wish in terms of university education.

**Mr D. O'BRIEN** — I do not need an explanation of the structure of the education system —

**Ms SHING** — You actually do.

**Mr D. O'BRIEN** — I just would like an answer to the question.

**Ms SHING** — You do.

**Mr D. O'BRIEN** — No, actually your mate next to you does, Ms Shing. I just want to know whether you consulted with ACEVic on this issue or not.

**Ms TIERNEY** — We make no apology that this budget is an injection primarily into government priority areas, but I will remind Mr O'Brien that there is \$303 million for the entire training sector. That includes Learn Locals, that includes private providers.

**Mr D. O'BRIEN** — Minister, you are not remotely trying to answer my question. I will take it as read that you did not consult anyone from the adult and community sector.

**Ms TIERNEY** — In terms of consultation, the consultation has been ongoing.

#### **Members interjecting.**

**Mr D. O'BRIEN** — Can I try another tack, Minister. The president of the VFF was so concerned about this policy's impact on agricultural training providers like Longerenong that he has actually said he has raised concerns with the Premier's office. What advice did you seek from industry before making this decision?

**Ms SHING** — Interesting, because the VFF absolutely loves the inclusion of agriculture on the 30 free courses list.

**Mr D. O'BRIEN** — That is not what David Jochinke said, Ms Shing. You might want to go and have a look at that.

**Ms SHING** — Do you want to have a look at what is included in the 30 free courses? Unbelievable.

**Ms TIERNEY** — I have consulted the entire time that I have been minister. I have made sure in terms of those courses on the TAFE free list that they are balanced in terms of those requirements that have been indicated to me in relation to regional Victoria. So there are agricultural courses, horticultural —

**Mr D. O'BRIEN** — Did you consult with the VFF, for example?

**Ms TIERNEY** — I consulted with a number of people through the course of the last 18 months. I am sure the skills commissioner has spoken to a variety of industry leaders. I myself —

**Mr D. O'BRIEN** — Did you ask them about offering free TAFE courses?

**Ms TIERNEY** — went and made sure that a whole group of stakeholders could see for themselves what was happening overseas. So in January this year the AIG, VECCI, a TAFE CEO — a hands-on general manager of the delivery of TAFE — COSS, Trades Hall and the AEU all went overseas to look at what is happening in post-school education, and they are all very supportive, Mr O'Brien.

**Mr D. O'BRIEN** — Thank you. Minister, how free will the TAFE courses be? Will there be any admin costs at all, for example? Will there be any administration fees or anything that go with them?

**Ms TIERNEY** — The free TAFE component is actually for the tuition fee.

**Mr D. O'BRIEN** — Right, so there will be some other fees then for admin and other costs?

**Ms TIERNEY** — The tuition fees for the duration of the student's course will be free. That of course comprises the majority of fees that students face throughout their studies. Students will still be required to pay other fees such as materials and student services. This is analogous to the government's school funding policy whereby additional items that the student consumes or takes possession of — for example, tools, books and uniforms — are covered by the parent in the case of the school funding policy.

**Mr D. O'BRIEN** — So it is not entirely free, but thank you.

**Ms TIERNEY** — The fee is free.

**Mr D. O'BRIEN** — Minister, can I ask another question with respect to training quality, because I know you have talked about it, and I know Ms Shing has decided that it is not about quantity anymore; it is about quality. Budget paper 3, page 191, shows the proportion of students with an improved employment status after training. Extraordinarily, it has declined even further and is now at just 47 per cent. That means less than half of students completing vocational education and training are more likely to get a job as a result of that training. Minister, are you disappointed by this outcome?

**Ms TIERNEY** — This is before the implementation of Skills First, and this decline —

**Mr D. O'BRIEN** — No.

**Ms TIERNEY** — It is. It is all about figures that came into effect —

**Mr D. O'BRIEN** — The 17–18 expected outcome, Minister — 47 per cent.

**Ms TIERNEY** — Forty seven per cent. I will take you through it.

**Mr D. O'BRIEN** — I am looking at your budget papers, Minister, 2017–18 expected outcome, 47 per cent.

**Ms TIERNEY** — You just do not want to listen.

**Ms SHING** — He is not interested.

**Ms TIERNEY** — Yes, not interested.

**Ms SHING** — If you want a briefing from the department, you should seriously just get a briefing. Get across the detail.

**Mr D. O'BRIEN** — Chair!

**The CHAIR** — The minister is answering your question, Mr O'Brien.

**Mr D. O'BRIEN** — No, Ms Shing is answering my question.

**Ms TIERNEY** — Thank you, Chair. This decline is attributed to a range of factors, including outcomes that predate Skills First, as I was trying to say. The 2017–18 data relate to training completed in 2016, which is the latest data available. This training was undertaken before the implementation of the Skills First reforms and before the impact of the quality blitz was fully realised.

**Mr D. O'BRIEN** — It was still your year, Minister.

**Ms TIERNEY** — Employment characteristics of change, 2017–18 data, include a higher proportion of employed people. It is more difficult for employed people to achieve an improved employment status compared to people who are moving from unemployment to employment. The survey is relatively new. The data for this measure has been collected for three years, and quality has improved each year. Variability in the data —

**Mr D. O'BRIEN** — Minister, the figures do not bear that out.

**Ms TIERNEY** — which will likely be reduced, in subsequent years —

**Ms SHING** — You are hearing the minister talk about variability in the data.

**Mr D. O'BRIEN** — No, she is talking about a different thing. Chair, can I please have some order from the other side?

**The CHAIR** — Order! Ms Patten until 4.24 p.m.

**Ms PATTEN** — Thank you, Minister and secretaries. I would like to turn the conversation to the careers education that is being introduced into schools. That is with the education minister rather than you?

**Ms TIERNEY** — Yes.

**Ms PATTEN** — I was referred to ask this minister, but that is fine. On the performance measures in budget paper 3 relating to government-subsidised enrolments, the budget paper noted lower enrolments in 2016–17, which was relating to the shift over to FEE-HELP and later to student loan arrangements. Can you tell me how many students have utilised FEE-HELP or student loans in the last year?

**Ms TIERNEY** — We do not have that data. The commonwealth has that data.

**Ms PATTEN** — One of the concerns that has been raised by the opposition here and that was certainly raised with me, and in listening to everything that was going on and trying to clarify in my own steep learning curve way in this area, the concern that has been raised with me and I think has been stated many different ways over there is that there is concern about the growth of TAFE funding at the expense of the independent VET sector. I think that was how it was put to me relatively succinctly. They were raising issues like child care — that courses like child care and that growing sector would be negatively affected by the increase in TAFE and some funding cuts for the independent sector. I am wondering if you could clarify that in the short time that I have.

**Ms TIERNEY** — Sure. The first point I would make, Ms Patten, is that there is \$303 million or closer to \$304 million —

**Ms PATTEN** — That is contestable.

**Ms TIERNEY** — That is contestable; that is for the entire training provider system. So it is not as if people have been cut off. In fact that is additional, new, money, and I think that is an important thing to say. In terms of the example you used of child care, there is a strong pipeline already of students studying and completing their childcare qualification. We covered off on this in the house. Over the last three years the government has subsidised over 45 000 places in early childhood education and care diploma and certificate III courses.

**Ms PATTEN** — Is there a breakdown between people doing that via TAFE and people doing it via the independent sector?

**Mr LATINA** — We do not have that today.

**Ms PATTEN** — On notice, thank you.

**Ms TIERNEY** — So there has been a strong pipeline there. We are conscious of the fact that we are in a contestable market and there are all sorts of different providers. As I have said and as the Premier has said, we make no apologies for putting TAFE back into the seat, into the heart, of the training sector, but at the same time there is the ability and the provision for other providers to go about their business as well.

**Ms PATTEN** — Do you anticipate that this focus — and I am not disputing that it is not a good focus — will result in the closure of some of the independent trainers that we have in Victoria today, that the market just will not be big enough to have the size of the independent sector that we have now?

**Ms TIERNEY** — That is not the information that we have been provided with —

**Ms PATTEN** — There is room for all?

**Ms TIERNEY** — or the information that has come to us from RTOs either, but once people understand that there is \$304 million in the system, then that makes a difference. People I think have been misled to believe that the 172 that is free TAFE somehow cuts them out and does not allow them to participate as a private provider.

**Ms PATTEN** — But there will certainly be less dollars in that contestable pool.

**Ms TIERNEY** — There are only 30 courses — the 20 plus the 10. There are hundreds of providers, so really there needs to be a reality check in relation to this. But also remember the indication of these courses is driven by what the government needs in a workforce. We are planning so that we have got enough people with the right skills for the infrastructure projects and the service delivery that is required, whether it be in the health sector or in independent support.

**Ms WARD** — Thank you, Minister. I would not mind taking you back to free TAFE if I can, Minister. While I understand that the federal minister thinks that it will result in over-qualified basketweavers, I think it is really important that we are showing very clearly that Victoria wants to be the benchmark when it comes to excellence in TAFE as well as affordability and accessibility. Could you please talk us through how the priority courses that you have identified will benefit the economy in Victoria?

**Ms TIERNEY** — It will benefit the economy in a very direct sense in that there are a number of courses that have been identified that go to the very heart of the infrastructure construction program that the government has. Whether that be the removal of level crossings or the Metro Tunnel, we will have an army of people ready to take on those jobs. When it comes to the rollout of the NDIS, we will have hopefully sufficient numbers of people to participate in what is going to be a dramatically important initiative in this country. When it comes to the prevention of family violence, many families, many women in particular, will rely on the support that they need through the initiatives that we have in determining the types of courses that we have on the course list. But it is not only that. It is also making sure that the government priority areas like food and fibre, agriculture, horticulture and regional Victoria also are energised as a result of this. We also of course have the nursing diploma — so that means that we have got nurses ready to work in the hospitals and health centres that we are building.

This all makes sense. It is about joining the dots, and I am really proud, as are my colleagues, as is every person I have gotten to speak to in the community, I must say. This has really got solid support, and people are really optimistic because they feel as if this is relevant, it is meaningful and it is going to touch their lives.

**Ms WARD** — Absolutely. My TAFE, that was closed under the previous government —

**Ms TIERNEY** — Greensborough.

**Ms WARD** — has now reopened. It is thrilled with this — Melbourne Polytechnic — as is my own local LLEN, Banyule Nillumbik LLEN. Minister, could you please tell us how many students are expected to enrol in these courses.

**Ms TIERNEY** — We think that it is going to be very popular. The key at the moment is to get the —

**Mr D. O'BRIEN** — Surprise, surprise! Free stuff is popular!

**Ms TIERNEY** — Getting a job is very important too. What we are focusing on now is an implementation plan so that we know that we have got the teaching spaces organised — the number of teachers needs to be expanded upon, grown upon — all of the things that are needed to underpin what is going to happen come 1 January next year. That is our focus, and I am sure through word-of-mouth and social media this whole issue of free TAFE will be up there with understanding who is playing who in the AFL at the moment.

**Mr DIMOPOULOS** — Minister, in the 90 seconds we have got remaining, I might just ask you fairly quickly: in your presentation you talked about the workforce innovation fund, and I am aware of that fund because you gave me the opportunity to represent you at Holmesglen TAFE when we launched the centre of excellence for HVAC — heating, ventilation and cooling. The industry could not be any more supportive of that initiative. We are talking about the private sector supporting what we are doing 100 per cent. Could you give me either now or on notice other examples of where that fund is being used. I know what the purpose is, but that example of HVAC at Holmesglen is just fantastic. I want to know what other examples there are.

**Ms TIERNEY** — This is the cornerstone of collaboration and bringing together what we heard in the formulation of Skills First, where people wanted TAFE to be not just about skills training and apprenticeships; they wanted it to be seen as excellence and innovation.

**Mr DIMOPOULOS** — And feeding back into the market.

**Ms TIERNEY** — And feeding back into the market and being connected to industry. What we have seen is a real appetite in terms of the applications that we have received. People are encouraged to have a partnership before they even apply, and there is rigour —

**The CHAIR** — Order! Mr O'Brien until 4.34 p.m.

**Mr DIMOPOULOS** — If I could get that on notice, that would be great. Thank you, Minister.

**Mr D. O'BRIEN** — Minister, just going back, if I may, to the figures on page 191, budget paper 3, 'Proportion of VET completers with an improved employment status after training'. Last year at these hearings you told us that in relation to quality, 'We have arrested the decline'. In 2016–17 the actual figure was 50.6 per cent of completers with an improved employment status, and this year it is 47.1 per cent. When in fact will you turn around this figure?

**Ms TIERNEY** — Again, we have not changed the targets yet. We are undertaking a Skills First review. In the meantime we have been cranking up our quality measures and our compliance measures so that there can be improvements in this area. What happened in the TAFE sector is a story that is understood but not really understood, Mr O'Brien. I have always had an interest in TAFE and applied learning. It was not until I became minister that I saw firsthand the absolute devastation that was created as a result of past policies, and it is going to take time to turn it around. But it is not just turning it around.

**Mr D. O'BRIEN** — You said last year, 'We have arrested the decline'.

**Ms TIERNEY** — It is now about targeted funding — free TAFE that connects real skills to real jobs. And we are very proud of making sure that we have got a system that is embedded with relevance. Without relevance, then it is easier picked off —

**Mr D. O'BRIEN** — But on exactly that point, Minister, you said last year you had arrested the decline, and it has actually got worse.

**Ms TIERNEY** — and we are never going to allow a situation that allows any government to come in and smash TAFE the way that you did.

**Mr D. O'BRIEN** — You have been here three and a half years. You said last year that you had arrested the decline but, Minister, your own budget papers show that it has still got worse.

**Ms SHING** — You did not hear the answer to the previous question, did you, Mr O'Brien? You did not hear the discussion on ROGS. You did not hear the discussion about targets.

**Mr D. O'BRIEN** — What are you —

**Ms SHING** — No, you have actually just missed the point of the last 15 minutes.

**Mr D. O'BRIEN** — Minister, can you answer the question. When are you going to turn around this quality issue?

**Ms TIERNEY** — Overall training quality has improved. Both students and industry are more satisfied with training.

**Mr D. O'BRIEN** — But not by your own figures.

**Ms TIERNEY** — Student satisfaction increased from 82.5 per cent in 2015 to 84 per cent in 2016. Employer satisfaction increased from 76.5 in 2015 to 76.8 in 2016.

**Mr D. O'BRIEN** — Minister, you have talked about the importance of connecting people to a job, and on your own figures it has got worse.

**Ms TIERNEY** — Note that 2017–18 budget targets and outcomes relate to 2016 data, which is the latest available.

**Mr D. O'BRIEN** — Minister, the latest available was on 1 May in your own budget papers. It shows that the quality measures that you use in your department have actually gone backwards. I am not going to ask any further because you are clearly not going to try and address that question.

**Ms TIERNEY** — You just do not like TAFE.

**Mr D. O'BRIEN** — On the question of student numbers, Minister, the same section — BP3, page 189 — shows the number of government-subsidised course enrolments. The figure has fallen, as we have been saying, by 151 000. Minister, given that student numbers have fallen yet again, what do you attribute the latest decline to? You said last year that it was a result of an overinflated system where we had a number of people enrolled who did not exist. Have you found more people that did not exist?

**Ms TIERNEY** — Thank you. There has been an overall decline in 2017–18 of government-subsidised course enrolments, a decline from 389 414 in 2016 to 353 681, and this reflects a planned shift away from pointless, or low-quality, training to a market that overall —

**Mr D. O'BRIEN** — What, like basket weaving?

**Ms TIERNEY** — You presided over that — is higher quality and more targeted.

**Mr D. O'BRIEN** — Hang on. I have had that thrown at me all week by your mob over there. That is exactly the same thing you are talking about.

**Ms TIERNEY** — The continuing effects of previous policies, including reducing core subsidies with high growth to contain the budget. The fact of the matter, Mr O'Brien, is that you are not wanting to listen to the answers.

**Mr D. O'BRIEN** — You are not answering my questions.

**Ms TIERNEY** — The fact of the matter is that the decline is attributed —

**The CHAIR** — Order! I would like to thank the witnesses for their attendance: the Minister for Training and Skills, the Honourable Gayle Tierney, MLC; Ms Callister; Ms Atta; Mr Latina; and Ms Watts. The committee will follow up on any questions taken on notice in writing. A written response should be provided within 10 business days of that request.

**Committee adjourned.**