



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON EDUCATION, EMPLOYMENT  
AND YOUTH AFFAIRS**

(Reference: [Annual and financial reports 2016-2017](#))

**Members:**

**MR M PETTERSSON (Chair)**  
**MRS E KIKKERT (Deputy Chair)**  
**MR C STEEL**  
**MR A WALL**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**FRIDAY, 17 NOVEMBER 2017**

**Secretary to the committee:**  
**Mrs N Kosseck (Ph: 620 50435)**

**By authority of the Legislative Assembly for the Australian Capital Territory**

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

## **APPEARANCES**

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*Amended 20 May 2013*

## **The committee met at 3.28 pm.**

Appearances:

Fitzharris, Ms Meegan, Minister for Health and Wellbeing, Minister for Transport and City Services and Minister for Higher Education, Training and Research

Chief Minister, Treasury and Economic Development Directorate  
Cox, Mr Ian, Executive Director, Innovate Canberra  
Miller, Mr David, Director, Skills Canberra  
Arthy, Ms Kareena, Deputy Director-General, Enterprise Canberra

ACT Building and Construction Industry Training Fund Authority  
Carter, Mr Glenn, Chief Executive Officer  
Service, Mr James, Board Chairman

Canberra Institute of Technology  
Cover, Ms Leanne, Chief Executive  
Sloan, Mr Craig, Chair, CIT Board

**THE CHAIR:** Welcome to this public hearing of the Standing Committee on Education, Employment and Youth Affairs. In the proceedings today we will hear from the Minister for Higher Education, Training and Research in relation to the committee's inquiry into the 2016-17 annual and financial reports.

The proceedings today are being recorded and transcribed by Hansard and will be published. The proceedings are also being broadcast and webstreamed live. Witnesses are to familiarise themselves with the privilege statement provided at the table. Could you please confirm for the record that you have read the privilege card presented before you and that you understand the privilege implications of the statement.

Before we proceed to questions, would you like to make a short opening statement, minister?

**Ms Fitzharris:** Thank you, Mr Chair; I will be very brief. I do have an opening statement, noting how little time we have. I would like to highlight one or two things, in particular the continued success of Canberra as Australia's education and study capital. Already, in terms of our international students in Canberra, in August 2017 we had already exceeded the 2016 numbers by nine per cent. We see more and more students—locally, nationally and particularly internationally—choosing Canberra educational institutions, including, importantly, CIT.

There are many issues that we will probably get to in the questions, but one that I particularly want to note—we have gone through all my portfolios and I have not had as much of a chance as I would have liked to flag this—is that the work that we have been doing in preventive health is now very much a part of this portfolio for me. It is obviously part of the health portfolio; it obviously has a major intersection with transport, particularly active travel, walking and cycling. But equally it has been able to be brought into this higher education, research and training portfolio.

A couple of weeks ago I held the second preventive health forum, where I outlined the government's intent to make Canberra a centre of excellence for preventive health. That is not just about how we each individually and as a community live our lives and invest more in preventive health, but also about how our higher education, research and training sector, and our private sector as well, can join this effort.

We see around the country and around the world growing interest in how we continue to invest in preventive health. There are some terrific ideas in our higher education sector. There are some terrific ideas in the private sector. Our ambition to become Australia's centre of excellence for preventive health will include this portfolio as well. On that note, I am happy to take questions.

**THE CHAIR:** Thank you. One of the highlights mentioned in the annual report is that the CBR Innovation Network received funding of more than \$1 million to visit entrepreneurial capability supports, start-ups and innovative companies. What gaps in the market does that funding help? What sort of skills are we helping to build?

**Ms Fitzharris:** We are happy to answer that, but I will just note that a lot of this portfolio intersects very much with the Chief Minister's economic development portfolio. In terms of its link to skills as delivered through the VET system, I think we have the right officials to answer those questions. I will hand over to Mr Cox.

**Mr Cox:** The CBR Innovation Network is a partnership between the ACT government and the major institutions in town, being the University of Canberra, the ANU, CIT, UNSW Canberra, Data61 and CSIRO. What they are particularly interested in as an organisation is research translation. They come together under the auspices of the network. They bring their IP through the network. What they are looking for through the network construct is the ability to expose researchers, as well as students, to entrepreneurial opportunity in Canberra. In terms of the skill formation aspect of this, the network is about accelerating entrepreneurship skills with the universities, both at research level and at student level.

Around the network, there are a number of satellite programs, if you like, that have a much deeper engagement with the student cohort. For example, there is a program called Ribit, which is a platform to engage students with the business community. There is a program called Stir, which is an online platform that crowd-vets particular proposals that young students can bring to an innovation environment. The endpoint of that is a \$500 or a \$1,000 acceleration grant to actually build that program. In terms of skill sets, it is a bringing up or an exposing of students across those institutions to an environment that accelerates their entrepreneurship capability. The endgame in all that is, hopefully, company creation and wealth creation.

**MRS KIKKERT:** My question is based on page 69. Five availability indicators were not met. Two relate to the release of the national dataset of 2016 annual total VET activity by the National Centre for Vocational Education Research. Has that data been released, and what was the outcome?

**Mr Miller:** That data has been released. Unfortunately, the challenge we have with the particular dataset is that they have effectively changed the scope of the collection. They massively expanded through the introduction of this collection called total VET

activity. The nature of VET activity is now recorded and reported nationally, which is a fantastic outcome. But in terms of the particular statistics that were heavily impacted, those ones were all, unfortunately, impacted by the change in the scope of the data that is collected. So we cannot report now against that. The data has been released per se, but it is not released in a way that allows us to accurately measure our performance against the way that indicator was initially scoped.

To provide a bit more detail, effectively it was to do with all of those indicators being based on numbers of government-funded students. In previous collections that collection of government-funded students also included a subset of students that were supported through public providers, through a fee-for-service arrangement. If you think about CIT, obviously the vast majority of their training is government funded, but they also deliver through CIT Solutions, their private arm. Those students were also collected in the previous collection; in the new collection, appropriately I think, that has been stripped out, because they are not technically government funded in the same way.

So, unfortunately, we cannot match the data that has since been released to the actual targets. What we have been able to do, though, because we have re-based the targets for future years, based on the new data collection, is have a look, based on the targets for 2017-18, at our performance in 2016-17 against those potential targets. I would say we are tracking really well. We are bit underdone, by one per cent or two per cent on some of those indicators, but having re-based those indicators to match the new dataset we are broadly in line with our ability to achieve those targets. Sorry; that was a very long answer.

**MRS KIKKERT:** I appreciate it. Thank you.

**MR WALL:** The indicator previously only captured government funded or government supported VET places?

**Mr Miller:** It was described as government funded, so the NCVET collection was called the government funded—

**Ms Fitzharris:** Explain what NCVET is.

**Mr Miller:** The National Centre for Vocational Education Research. That is the national centre that collects all of this data from all states and territories and from registered training organisations across the country. The collection that they released was called government funded, but it did include some fee-for-service activity that happened to be delivered generally by TAFEs around the country. Now that they have clarified that, they are able to strip that activity out for the actual government funded, so that fee-for-service now does not count within the new collection.

**MR WALL:** That would be across any RTO that operates a fee-for-service?

**Mr Miller:** Yes, that is right. It now just collects the funded activity delivered through CIT and the other funded activity that we fund through our programs such as the Australian apprenticeships program and the skilled capital program.

**Ms Fitzharris:** It might be fair to say that the way that NCVER collects data may change and it will not have any regard to what our accountability indicators are in our annual report.

**MR WALL:** How inconsiderate!

**Ms Fitzharris:** Yes, and the same for everyone else. When that changes, sometimes it can be hard to compare apples with apples over the course of our annual reports. But Skills Canberra do a very good job in trying to keep up with what is a pretty complex national data collection effort.

**Mr Miller:** We have been able to rebase, as I said, the targets for next year, based on the new collection, which means that, whilst we lose the continuity in the dataset, we are well placed to at least continue to assess our performance in those areas. It is also worth saying that holistically the creation of total VET activity as a data collection through NCVER—that has been one of the real priorities for all states and territories, as well as the Australian government—is a tremendous outcome. It gives us a much greater picture of all the activity that is taking place than we have ever had before. Being able to provide a picture and understand what is happening in both government funded and the much broader fee-for-service market is a really powerful tool to continue to inform government when setting priorities.

**MR WALL:** I am amazed that they would not break that down, given that it would probably be even more powerful to know how people are accessing VET.

**Mr Miller:** There are ongoing conversations about how the collection can be further structured in the future so that we can pull out the relevant datasets. We have had a fair go at trying to maintain that dataset, but we were not able to do it in a way that made good sense.

**MR WALL:** With the field visits that have been undertaken to visit these apprentices and their employers, how do they identify who gets a visit and who does not?

**Mr Miller:** The field officer program has been in existence for a couple of years. Its initial intention, when it was first set up, was to target apprentices and their employers within the first 12 months of a training contract. The idea behind that was that you have a lot of drop-outs or cancellations of training contracts within the first 12 months. As a retention and support activity, it was about trying to get out there to resolve any minor issues that might lead to a student cancelling or leaving their training. That was certainly the genesis or one of the initial areas of focus for the field officer program.

As we have developed the program we continue to use it to respond to new identified priorities. Because there were concerns with our colleagues in the Education Directorate about school-based apprentices in particular, and particularly those undertaking qualifications in construction areas and things like that, we were happy to support their interest by targeting Australian school-based apprentices and then reorienting our focus areas to address ASBAs—not just within the first 12 months but really targeting a visit to Australian school-based apprentices within the first eight weeks of their training contract, to get out there early. They are potentially more vulnerable and less experienced and you want to make sure that they have all the

advice they should have about their responsibilities as an apprentice, as well as their entitlements as an apprentice and what they should expect.

We still have a broad focus of targeting people early on in their training contract. A lot of that focus over the last 12 months has certainly been about Australian school-based apprentices, but they are also responsive. We take lots of calls from apprentices, employers and potentially registered training organisations where issues might arise either in a particular industry area or with a particular employer. We will respond to that by having some more targeted field officer visits to go and respond to particular issues that have been raised.

**MR WALL:** When you say respond to various issues, what sorts of issues are the field officers having raised with them and what are they capable of doing to address those issues?

**Mr Miller:** The vast majority of issues, I would say, tend to be misunderstandings about responsibilities and entitlements under the training contract. Either they believe they were entitled to something that they were not or they are confused about aspects of the training arrangement. They might be raising concerns about whether or not they have been given appropriate release time by their employer to attend off-the-job training. The point of that is to then have a conversation with the employer to make sure that they are also aware of exactly what their responsibilities are under a training contract so that there are not any issues with the students being released for that training.

The vast majority of issues, I would say, are at that kind of level, where the initial conversation, and including the employer and the apprentice, helps to resolve a lot of those things. There are also a range of more serious issues. If there are concerns that relate to occupational health and safety or workplace health and safety, we would immediately refer those to work safety. We have a very strong working relationship with Greg Jones and the WorkSafe team, so we can respond and refer different queries to them for follow-up and assistance. They are obviously the work health and safety experts. We can identify the issue and then refer it on to the relevant area. Similarly, if there was an issue that needed to be referred to the Fair Work Ombudsman, we could help support them through referral of that issue.

**MR WALL:** Of the 567 apprentices that were visited for the reporting period, how many were school-based apprentices?

**Mr Miller:** I would have to take that one on notice.

**MR WALL:** Take that on notice, and perhaps also provide a breakdown of the 457 employees, perhaps by sector, just to make it a bit easier.

**Mr Miller:** Certainly, yes.

**MR STEEL:** My questions relate to the University of New South Wales establishing a campus in the city. What progress has been made on establishing a memorandum of understanding with UNSW? What is the relationship between the new campus and CIT concerning the site and the buildings?



**Ms Fitzharris:** Principally, this is being led by the Chief Minister, but obviously I am engaged with it. Ms Arthy can probably answer those questions. CIT, who are coming in later, can also speak about their discussions with UNSW, which have also been really productive. Perhaps we could leave some of that until CIT come in.

**Ms Arthy:** I am working with the University of New South Wales at the moment on the MOU. When the announcement was made about the intention to develop an MOU earlier this year, we said we would have a deadline of the end of the year, and we are on track for that. So we really are in the final stages of doing all of that finetuning of an MOU. Hopefully, it will be done fairly soon.

Alongside that we have been doing a lot of talking with each other about what the possibilities might be for a new campus, an associated innovation park and other facilities that might be on site, and generally exploring with other directorates of the ACT government the types of things they will need to be involved in. We are in the very early planning stages. We have been, for example, talking to the environment and planning directorate, the transport directorate and treasury, of course, just trying to line up everyone.

In terms of negotiations with CIT, again, there is nothing formal in place at the moment, except for preliminary discussions being held. Once the MOU is signed there will be a coordination group that will formally come together and meet very regularly. CIT will be part of that when it directly affects them and their considerations; alternatively, when it is not commercial-in-confidence, with University of New South Wales. That is a basic snapshot.

**MR STEEL:** Is the suggestion that they might be potentially occupying part of the site where CIT is currently, in Reid?

**Ms Arthy:** Everything is up for grabs at the moment. We are looking at lots of different models, but the general thing that we are trying to work towards is how to make sure that CIT and UNSW collocate or coexist in and around that Reid site. As to the exact form of that presence and how that will work, it is way too early for us to even give any indication.

**MR STEEL:** Have they given a general sense of the time lines for development?

**Ms Arthy:** No; it is too early. I cannot stress enough that this is really early. To be able to do a development of this scale is massive, so we are trying to focus on getting all the planning right and getting the information we need up-front about the potential parameters for a decision by both sides to continue. Until we do that exploratory work in a lot more detail, we cannot give any sort of real indication.

**MR STEEL:** UNSW has not given a sense of what sorts of courses they will offer at the new campus, if they were going to establish it?

**Ms Arthy:** I believe that in the press conferences, when the initial announcement was made, they said they would be focusing primarily on business, IT and engineering type degrees.

**MR STEEL:** How does that fit in with the existing universities that we have here, also located in and around the city?

**Ms Arthy:** I believe it really is quite complementary. If you look at engineering, IT and business, the skills are in such high demand that it does complement what is already in existence. The University of New South Wales have also indicated that their prime market will be international students. This is a fairly unique offering for international students. Again, it sits quite closely alongside what is happening in other universities in Canberra.

**MR STEEL:** Do you think that they will want to bring students from interstate to Canberra to do those courses or will they offer them in addition to the courses they already offer on New South Wales campuses?

**Ms Arthy:** I cannot speak on behalf of the University of New South Wales on that. I believe those decisions have to be made. But, as I mentioned, the students are mainly international, not necessarily interstate. The theory is that the University of New South Wales campus in Sydney is completely full and they have unmet demand for international students, so this is very much about how they meet the demand they already have.

**Ms Fitzharris:** I mentioned briefly at the beginning the reputation of Canberra as a city, and quite a unique city, across the country, not only in terms of what we have to offer with the complementary nature of our institutions but also because of the experience of living in Canberra. It is very safe; it is easy to get around; it is, in itself, very multicultural, and very accepting and welcoming of people from all walks of life. It is a tribute to the success of all the institutions working together and the ACT government really being able to partner with them in a way that probably other jurisdictions are not able to do. We see the growth of the sector as essential to growing the economy, to providing more jobs, more opportunities for students to come here.

I think it was only at the budget that the Chief Minister said that this sector cannot grow fast enough. Notably, the University of New South Wales have been in Canberra for 50 years and obviously delivering courses at the ADFA campus. Another thing they have done recently is provide engineering places to non-defence students. We have been able to partner with UNSW in that project and have some of the engineering students work on the light rail project, for example.

CIT can speak to this later. With the board of CIT being established, the new CEO has taken CIT to the next level. They were not an original founding partner of the CBR Innovation Network, but they have come into that. I believe Leanne Cover is currently chairing the board.

**Mr Cox:** She has acted on it.

**Ms Fitzharris:** She has acted as chair of the board. She has taken CIT to the universities and said, "We can partner with you." There were already existing partnerships, but there are more and more all the time. CIT has relationships with all

the institutions. It is talking to them about how they can partner, providing not only joint offerings but also complementary offerings to students in a way that is really quite nation-leading in the integration and partnership between a TAFE and our universities.

Whatever form that partnership might take on the campus, I am pretty sure it will benefit both CIT and the University of New South Wales. Because CIT has a campus in Bruce, there is a geographic closeness to the University of Canberra campus. There is also an opportunity because CIT's health precinct, its health centre of excellence at Bruce, is really close to UC, which has complementary courses. As well, a public hospital is being built on the University of Canberra campus.

It is a very integrated sector. One of the ways that we are able to boost the sector as a whole is through the vice-chancellors forum, which the Chief Minister chairs and which I sit on. It involves the vice-chancellors or CEOs, directors and local heads of all the institutions here. That has been a very effective way of building the relationships and building the sector as a whole.

**Ms Arthy:** I can give you a practical example, building on what the minister was saying about the potential benefits of the expansion of the higher education sector. We have been doing a lot of work on defence and cyber and space. We know from working with all of the companies here in Canberra—we have also recently visited some of the big multinationals in the US; they are all saying this—that they cannot get skills fast enough.

When you look across the world, you see that we have some of the best offerings in these skill areas here in Canberra, at both ANU and UNSW. We are getting told by both local industry and international industries that we cannot produce enough of these skills quickly enough. If you put CIT in the mix, who also do a lot of the vocational side of these sectors, we have a fairly unique offering that we can grow over the next few years as the University of New South Wales campus comes online. It really points to a different way of approaching higher education as a city. It is about providing a really total, complete offering as a city to meet some of these really high growth areas, both here and internationally.

**MR WALL:** On the time line for this initiative, you mentioned that the MOU was currently in its final stages of development?

**Ms Arthy:** Yes.

**MR WALL:** What is the anticipated sign-off on that?

**Ms Arthy:** We are hoping before Christmas. The MOU is very much just identifying the areas that we are going to work on and how we are going to work together. The government has not made any decisions yet. This is really about the MOU, about how we develop the answers to some of the questions that both the University of New South Wales and the government need to know before they can make a decision.

**MR WALL:** So the development of a proper business case, essentially, is still some time off?

**Ms Arthy:** Still to happen; that is right.

**MR WALL:** What are the next steps, from the MOU being signed?

**Ms Arthy:** Once the MOU is signed, it will then be the University of New South Wales and the various directorates of the ACT government and CIT working together to identify things like the sorts of services to be provided on site, the scope of the campus and the related infrastructure. For example, the University of New South Wales is looking to do a research precinct. We want to know what that means.

We need to look at the impact on CIT and potential staging. We also need to look at anything to do with the land and anything to do with access into and out of that land. We also need to look at the impact on the local community. A lot of work will be done over the next three to six months to determine, and at least agree on, the parameters before anything gets taken forward.

**Ms Fitzharris:** The business case is really UNSW's.

**Ms Arthy:** Yes.

**MR WALL:** Obviously it has to be financially viable for CIT to be in it, the government and UNSW.

**Ms Arthy:** Yes, that is right.

**MR WALL:** The government, from what you are saying, is of the mind that this is a positive. It is a matter of making sure it stacks up for UNSW to put their money down and make it happen.

**Ms Fitzharris:** Yes, that is right. There is not a business case as such for the government to consider.

**MR WALL:** Not in a traditional sense.

**Ms Fitzharris:** The other aspect of this is that CIT, as I think we have discussed in previous hearings as well, has already done quite a lot of thinking about its campuses, and what it calls the campus modernisation program. That work has been underway for quite some time. It aligns very well with the changing needs of the CIT campus. What a future modern, purpose-built, student-focused campus might look like for CIT aligns really well with a partnership. That northern side of Constitution Avenue, where CIT is, almost certainly will not be the first part of the puzzle. It is the land on the southern side of Constitution Avenue.

**MR WALL:** Between Constitution and Parkes?

**Ms Fitzharris:** Yes.

**THE CHAIR:** But the city was clearly chosen by them. Did they give a reason why the city campus was preferable to somewhere else in Canberra? Was that discussed?

**Ms Arthy:** From my understanding, because I was not here, it was more about looking at where the opportunities are for collaboration. If you look at the sort of work that the University of New South Wales is doing, which is around IT and business, there is a natural pathway there into what CIT at Reid is doing. That was really where it started from. It was also about providing a really good education precinct in Canberra. Again, because no decisions have been made on that site or otherwise, it is what we are working towards. But we need to get to that point of having a decision.

**THE CHAIR:** I note that the ACT international education strategy was launched. There is a particular part I want to ask about, specifically that “the ACT government will work with stakeholders and representative bodies to continue to uphold Canberra’s strong reputation for safety and wellbeing”. How are you doing that specifically?

**Mr Cox:** It is through the study Canberra program. The study Canberra program was introduced in its original form in 2013-14. It has just been recommitted to by the government. A very significant part of the study Canberra program—it has got four or five major elements, but the essence of it—is student experience. There are a number of sub-elements of the program that directly engage with the student cohort; for example, an ambassadors program. I think we have about 20 student ambassadors. Their role is to engage with their student communities on campus, including through issues that may arise.

**THE CHAIR:** In the wake of some international students being attacked, how does your work come into that situation?

**Ms Fitzharris:** Are you referring to the students at Woden interchange? They are high school students. There has been considerable work through the Education Directorate, but obviously in partnership with this part of the Chief Minister’s Directorate as well. The relationships between the high school students and the Education Directorate are very close. Because they are high school students—they are not yet fully fledged adults—there is an extremely close connection. The Education Directorate works directly with those students. It is something that we have made sure the government as a whole has responded very strongly to. We have considered it in the context of Canberra being one of the safest cities in Australia. The vast majority of international students in Canberra are in the higher education and training sector, not in the school sector.

It will be part of the discussion that we have at the upcoming vice-chancellors forum, not only to continue to build on our collective efforts and responsibilities to promote Canberra as an education city but also to make sure that we are doing everything that we can to respond to particular incidents. The other item that the Chief Minister has said he is keen to discuss with vice-chancellors is the early work from the Human Rights Commission—forgive me, I have just forgotten the name—on sexual assaults at university campuses. We will be having a discussion with vice-chancellors in the context of that forum in December.

**MR WALL:** On the assault that occurred at the interchange, to what extent does your

directorate area monitor how that event played out internationally, obviously in the target markets for these students? I recall a number of years ago when there were some race-motivated issues in Melbourne.

**Ms Fitzharris:** In Melbourne, yes.

**MR WALL:** That was quite detrimental?

**Ms Fitzharris:** Yes. That is a good question.

**Ms Arthy:** Yes. At this point it has been run out of the Education Directorate. I am a part of a group that gets regular updates. The education department is working with the Department of Foreign Affairs and Trade, who are monitoring certainly social media in China. It is also working with the embassies to make sure that we understand how this is playing out within country. At this point, I am not aware that it has really taken hold. There was some activity definitely. But, as far as I know, it has not been sustained. To follow up, that is more of a question for the education department at the moment. At the higher education levels—that is why I am involved on these—

**MR WALL:** Absolutely. The higher education side of it is probably more—

**Ms Arthy:** It is about reputation management.

**MR WALL:** Yes.

**Ms Arthy:** The Education Directorate and I have met with the universities and CIT. We have checked that they have things in place that they are looking at, how they work with their international students. We are checking in with them to see whether they have picked up a problem. Most of the universities have outposts. We are trying to use their networks and intelligence to see whether there is anything more sustained.

Again, we have not picked up anything. As the minister said, we are putting it on the agenda for the VC forum in December. Even though the issue has been handled very well now, we need to be mindful of keeping on top of it so that it does not come back and bite us later on. We are very much alert to what could be happening. DFAT and others are certainly monitoring everything that is going on.

**THE CHAIR:** Thank you. We shall transition to the ACT Building and Construction Industry Training Fund Authority and CIT.

### **Short suspension.**

**MR WALL:** I have a question about apprentice numbers and the way that people are engaged. The number of apprentices that have been employed through group training is largely maintained; there has been, though, a drop in apprentices employed directly. What sort of work is being done to try to boost the direct employment of apprentices? Does the training not have much of a role in that space?

**Mr Carter:** Yes, we do. We fund an incentive program for approximately 14 trades

that are listed and advised by industry as having a shortage of skills. And we provide incentives directly to independently employed apprentices with employers of those trades. Last year we reported around 120 additional incentives to independently employed apprentices through the skill shortage training program, which is part of our existing worker program in the annual training plan.

**Ms Fitzharris:** David Miller might be able to answer that more broadly.

**Mr Miller:** In terms of the broader remit of all apprenticeships, not just in terms of the construction industry, there are certainly a range of things that we have done in recent years to try to increase the number of apprenticeships. I do not have the numbers in front of me, but there was a significant decline in overall apprenticeship numbers after 2012. There are a range of reasons for that, but probably the most salient one was a change to the employer incentives that were paid by the commonwealth government on commencement of existing worker trainees who still count as apprentices. That has led to a significant decline in apprenticeships since that time. It was mainly in traineeships rather than the more traditional trade apprenticeships, but it has certainly been subject to significant discussion, both nationally and with all states and territories.

In response to that decline, the ACT did a number of things. One of the key activities we undertook in 2015 was reviewing the pricing structure and the way that we funded apprenticeships and supported RTOs in delivering training. It is about not incentives that we provide to employers but the funding that we provide to the training organisation. We went through a really substantial pricing review process that completely recast the funding model for apprenticeships in the ACT and allowed us to really focus on allocating resources to the identified skills needs areas for the ACT, which include a lot of the traditional trades for which there is ongoing need.

As a result of that pricing review, across a lot of qualifications the amount of money that we fund RTOs for significantly increased. That has had a really good impact on the apprenticeship numbers in the ACT since that time, in 2016 in particular. The increase in apprenticeship numbers from 2015 to 2016 increased by about 26 per cent right across the board. Over the last couple of years we have been one of, I think, only two jurisdictions across the country that have not only ceased the declining number of apprentices and trainees but actually started to bump those numbers up.

**MR WALL:** While we are on the training fund, the annual report highlights that the higher than expected income is as a result of projects such as light rail. What sort of proportion of large government capital works such as light rail or the University of Canberra public hospital—I imagine that would be in the same reporting period—

**Mr Service:** I think it might have been the year before, Mr Wall.

**MR WALL:** That was the year before?

**Mr Service:** Yes. The light rail amount was—

**Mr Carter:** It was 906 for the non-building approval works, which is works that sit outside the BA process.

**Mr Service:** That is \$906,000.

**Mr Carter:** Those works are calculated for all the civil works, and that was paid as a single project only payment across the duration of the project.

**MR WALL:** What is the outlook, then, for future years? Is revenue going to dip back to around that \$4 million mark?

**Mr Service:** Yes; that would be generally our view. I have said to this committee many times that we naturally see some fluctuation from year to year, just depending on building approvals and demand. At the moment, in the residential space particularly, there is quite a lot of construction out there. Will that high-rise or that medium-density residential construction continue year on year? There will be some dip going forward; there must ultimately be. There is only a little settlement there. But at the moment there is sufficient construction for us to say that, for the next couple of years at any rate, the levy revenue is likely to be reasonably stable. We are not seeing great weakness. We are not seeing great growth, but the economy in the construction area is reasonably stable.

**MR WALL:** The final question there is: do you foresee the need to adjust the value of the levy at any stage?

**Mr Service:** The actual value is a matter for the government of the day. From our point of view, we have done two things. In the history of the authority we have been pretty good at budgeting our income and expenditure, and we have always made sure that we retain sufficient reserve funds so that in any particular downturn in the industry we can at least meet the authority's commitment for six months or more for all of the forward funded training. That has always been an important policy position for us: that we can maintain investment in training going forward.

**MR STEEL:** In the last annual report hearings we discussed the access and equity program. I understand that the applications drive expenditure in that area, but expenditure has increased again in 2017. I was wondering whether you had a greater handle on what was driving the increase in applications that you might be seeing for the program.

**Mr Carter:** For that program, the two key areas are those apprentices that nominate on an ACT contract of training as being Aboriginal or Torres Strait Islander—or female in a non-traditional trade. They would be the two key areas. We have had small support for people with disability; those disabilities tend, across the industry, to be about literacy and numeracy support. It is predominantly in Indigenous and women in non-traditional trades.

**MR STEEL:** Is there greater awareness about the training opportunities?

**Mr Carter:** Yes, I think so.

**MR STEEL:** You have a role in communicating that as well?



**Mr Carter:** We meet with Skills Canberra and with the apprenticeship centres that do that initial work with employers to undertake the ACT contract of training—they are a part of our regular network—and catch up, just reinforcing it. We provide them with a training plan; we provide them with information about how those students that they sign up can access the training fund for training purposes.

**MR STEEL:** Do you have any other indicators under the access and equity program?

**Mr Carter:** No.

**MR STEEL:** Other than expenditure?

**Mr Carter:** No, only in terms of the expenditure. We provide an incentive in addition to the other incentives that may relate to skills shortage trades; they also apply to the group training organisations.

**MR STEEL:** You cannot go down to the individual level and work out how many people you are supporting?

**Mr Carter:** I could. I could take that on notice and get you that for the last 12 months.

**MR STEEL:** Yes. It might be useful to have it in future reports as well—

**Mr Carter:** Sure.

**MR STEEL:** in terms of working out exactly how many people you are supporting through the expenditure. An expenditure chart is useful as well. Thank you.

**THE CHAIR:** I think you are good to go.

**Mr Carter:** Thank you, chairman and committee members.

**Mr Service:** Thank you very much.

### **Short suspension.**

**THE CHAIR:** I understand that CIT offered wind energy technology qualifications and training for the first time in 2016. What has been the take-up rate for that course, and do we know how successful people who have taken those courses have been in finding employment in the relevant field?

**Ms Cover:** The wind energy sector, as you know, is in the early stages of development. I think it is fair to say that the national training packages or units of competency that are endorsed for CIT to deliver were a bit slow off the mark in getting ready for the sector. We have a course running right now for some preparatory units of competency that complement the wind training: working at heights, remote first aid and that type of course that underpins the remoteness of working on wind farm technology at the moment. It is early days, but, now that the units of competency have been endorsed nationally, CIT has taken up those courses and is ready to meet the demands, which we expect to grow quite rapidly, particularly in this region.

**THE CHAIR:** How many students, roughly, are involved in that stream or that cohort?

**Ms Cover:** Directly it is still a very small number. If you go out to any of the wind farms in the regional areas you will find that a lot of the maintenance is done by a very small number of people with those sorts of specialist skills. Behind the scenes back at, say, Neoen or Siemens, which controls the Hornsdale farm from Canberra, there is a lot of technology and data to analyse and monitor to keep track of what is happening on those farms. On the farms themselves there are still a very small number of emerging workers in that sector.

**THE CHAIR:** What are your expectations for growth in demand for these courses?

**Ms Cover:** Quite high. It is gearing up across the whole of renewable energy. It is not just about the wind farms; it is also about solar and battery installation. In the related areas of electrical qualifications we have seen a large increase in the last couple of years. The industry more broadly than the specifics of, say, wind, is gearing up for those new renewable technologies and training areas. Through Australian apprenticeship programs we are expecting quite an increase in those numbers.

**THE CHAIR:** Excellent.

**MR WALL:** What is the process for CIT in determining whether it establishes a course in a given field of study or, at the other end of the spectrum, ceases offering a particular course or qualification?

**Ms Cover:** The CIT predominantly runs what we call nationally accredited courses. Those courses are developed by industry. They are made up of a series of units of competency which have to be endorsed by industry. Industry develops those into what we call training packages: clusters of units of competency put into courses. Those courses then are nationally accredited and put up on the national system for registered training organisations to apply to have on their portfolio of offerings. CIT does that through the national system like every other registered training organisation. That is part of the puzzle.

**MR WALL:** What are the mechanics once you have taken the decision to offer a course?

**Ms Cover:** Then we work very closely with Skills Canberra in terms of working out, for the ACT and the region, what the skills of demand are both for now and, as I mentioned earlier with renewable technologies, for the future as well. We have an academic council within the institute that looks for demand and makes sure there is good industry support for that particular course. Each of our teaching colleges has an industry advisory committee which is made up of key industry bodies from the ACT and the region. They meet regularly to provide advice to CIT, coupled with the advice we get from Skills Canberra and from the national scene as well.

There is a set of industry advisory groups that sit at a national level and feed information down to sectors on a national scale and to the ACT as well, people like

the Training Fund Authority, who you have already heard from today, the CITC and other bodies. We would get advice from them on the demand for particular courses. We look at what the skill need is and at what level here in the ACT. In some areas, cyber for instance, we might be looking to run higher level courses because of the education qualifications already existing within the workforce here. Or in an emerging area we might want to run a lower course and then build that course up over a number of years.

So there is an internal process that aligns with the national units of competency registration, and then we make sure that there is demand for that. We work with Skills Canberra to make sure that that is part of our statement of intent for our profile hours that are purchased by the government on an annual basis as well. So there are a number of factors that align to make those decisions.

**MR WALL:** At the other end of the spectrum, at what point would you say that the demand for a course is not there? What are the thresholds you are looking at then as an institution?

**Ms Cover:** Invariably demand fluctuates from year to year. It is a challenge. You have got to try to balance your resources to make sure you can meet the needs of the workforce now but also bring on new skills and new qualifications in that process.

First and foremost we look to see whether we can deliver the course in a different way that still meets the needs of industry and students that might be more flexible. That does not necessarily mean online. Online does not necessarily mean cheaper. Sometimes you can teach a small number of students if you have integrated courses. Let us say OH&S is a core unit of competency in a number of areas. You might be able to teach parts of that in a combined group and then have specialisation in some areas.

The first thing we do is look to see how we can deliver that course more flexibly. Then we watch and measure the trend data all the time. We work with Skills Canberra to get intel from them about, if there is a decline in a particular area, why that is. We work with employers to try to find out whether the decline is a response to something we are not doing to meet their needs, or whether something is happening in the industry that we are not aware of that we could adjust our course to in the way we are delivering it. So a number of factors would go into making decisions about repositioning resources within the institute for courses to accommodate those areas that are increasing in demand versus those that are trending away from what the industry needs.

**MR STEEL:** What progress has been made on exporting CIT's education internationally in the reporting period?

**Ms Cover:** We have about 1,000 students who come internationally to Canberra, but we have also got some work we are doing in-country in other countries. Predominantly in recent years we have been working with the Australian government in the Indian market. We are a very small player, obviously, Canberra. I mean that CIT within Canberra is a reasonably small player in the very large market of, say, India. But we have been working with other partners, like the Australian government,

who have a larger footprint in terms of their recognition within countries like India.

We have taken, over the last couple of years, over 200 students to a number of countries on VET mobility programs which are sponsored by the commonwealth government. That is not only about giving our students an in-country experience in training but also, as part of that program, building relationships and partnerships with other industries with the potential to deliver to students in-country in those places as well. Through the company CIT Solutions we have been doing a lot of work in the Pacific in recent years as well, working with the Australian government, again, to look at, address and build skills in governance, particularly in the Pacific Islands.

**MR STEEL:** Is that working with the UN Development Programme as well?

**Ms Cover:** A number of agencies. It tends to work with partnership agencies from within the commonwealth government, depending on the country we are working in.

**MR STEEL:** Is the work in pursuing business opportunities internationally underpinned by a CIT strategic plan? Is it one of your priorities over the coming years?

**Ms Cover:** It is. Our board chair might have some comments to make about this as well. But in the last couple of years, since the board has been in play, we have been very much focused on looking after and making sure we are meeting the needs of the Canberra community and the workforce of Canberra, the region, the national picture and then the international market as well. As I said, for us in the VET sector, where we are at the moment and in our collaborative work that we do with the ACT government through the VC forum and other networks within the ACT government, the focus is very much on bringing international students here to gain a global experience within the Australian education and training context.

Remember that the Australian vocational education and training system is very highly regarded internationally, so there is a strong market for us to bring students here. Being in the seat of government here, we are often asked to demonstrate and showcase what we are doing at CIT to the international market, not just for students but also for various delegations that come here to learn about the Australian vocational education and training system. That has been more the focus in the last couple of years since the board has been stood up.

**MR STEEL:** You have 5.6 per cent of students from overseas. Are they residing permanently in Australia or are they just here for the completion of their studies?

**Ms Cover:** In the VET sector they are predominantly here for the completion of their studies. Sometimes students are here with their families, perhaps with a diplomat attache, that type of student. But predominantly the thousand-odd students we have who are international students specifically choose to study with CIT for the duration of their course and then they are taking those skills back to their home country.

**MR STEEL:** Has it increased over time?

**Ms Cover:** It is steady for us, which is quite remarkable when you look at the public

provision across Australia. I think we are the only jurisdiction, from a public perspective, that has maintained its international students. It is pretty remarkable when you think about the level of competition across Australia for vocational education and training students who are international students, when you think about the players that are in the market, for the CIT to maintain its 900 to 1,000 students on an annual basis. It has been quite steady.

I think that that is built on the very strong reputation of Canberra and the quality of the universities that are here in Canberra, for students who come to do their study here and may wish then to apply for further studies with the universities here. I think Canberra has a really good reputation from a student perspective as a very livable city as well.

We have had a really rich history of servicing international students. We have over 80 countries represented at CIT. Those countries bring a really rich diversity to the student experience. The students are integrated throughout the courses at CIT; they are not specialised into specific international student courses. We know from student feedback how much they enjoy that integration with students. Most of them obviously are adults. They live in their own accommodation arrangements that they find for themselves here in Canberra. We know that they really enjoy the Canberra experience and the very diverse set of cultural experiences that they have while they are here at CIT.

**THE CHAIR:** Could you tell me about the recent CIT ApprenticeLink events.

**Ms Cover:** Sure; very happy to. We have been working with our CIT Student Association. We are one of two organisations in Australia that have a vocational education and training student association. The student association partners with us because they can take the pulse of the students better sometimes than we can and they are set up primarily to support students. They have realised over the last couple of years that there are some unique offerings that they can assist with, with apprenticeships.

The institute and the CIT Student Association work with Skills Canberra, the ACT government and our industry connections and networks to work out who the small employers are that have apprentices in the ACT that are looking for an apprentice. I think it is the second one we have run recently. Perhaps they have already got an apprentice or perhaps they have never had an apprentice before and they want someone to help steer them through or navigate through how to sign up an apprentice. We run the sign-ups, if you like. It is a speed dating sort of arrangement, where we pre-register employers and pre-register potential apprentices. Having said that, on the night parents rock up with their sons or daughters who wish to take up an apprenticeship and we can accommodate those as well.

We try to cluster those apprenticeship nights. We might do a focus on building and construction; we might do some other services like hairdressing or hospitality in clusters. We do a lot of work behind the scenes so that on the night we can assist students to talk directly with employers who are most likely to be seeking their skills. Parents come along as well. Our staff are there; the CIT Student Association are there, to wrap around, if you like, and make sure that that very first connection between

student, employer and registered training organisation, being CIT, has a really strong footing and a successful one.

We have found that running them in the facilities of CIT also helps to expose students to the fantastic facilities that we have. Sometimes, for many Canberrans, they may not know the quality of the facilities we have at CIT, which are exceptional. So to bring employers into the education and training space and to bring students there on day one to meet those potential employers is quite powerful.

**MR WALL:** From CIT's perspective, what does the UNSW proposal mean for the Reid campus? We had a brief discussion before about the proposal as a whole and the government angle. From a CIT perspective, what does the future look like with that kind of collaboration?

**Mr Sloan:** To us, it is quite an exciting opportunity to see how we actually can partner a lot closer with another university. We do quite a bit at the moment with the University of Canberra, and we work with the ANU and a couple of other regional universities. I think this gives us a real opportunity to be collocated with a university and it will allow us to share facilities and get a unique precinct between a university and a TAFE environment, and allow some really great synergies. I think it is a really good opportunity for not only students but the industries which we service as well.

**MR WALL:** How do you see the course offering evolving with CIT through the partnership?

**Ms Cover:** We see quite complementary pathways with not only, as Mr Sloan said, the existing universities but potentially with University of New South Wales collocating to a spot close to us. Obviously, students are very interested in pathways between vocational education and training on to higher education in a university setting. Equally, students are very interested in what you might call reverse articulation pathways—they have a degree and they want to perhaps add some skill sets to that, some specialisation.

We are looking forward. We think it is going to be quite complementary, and not just for our work with the University of New South Wales. We already have some work we do with them, in terms of the ecosystem of education and training within the ACT and the work that we do in collaboration with the ANU, the University of Canberra, the Australian Catholic University and the University of New South Wales already, and also with Charles Sturt University. So there is quite a strong relationship that already exists in between the university sector here in Canberra. The University of New South Wales is already part of that, so we are looking forward to that sort of synergy continuing.

**MR STEEL:** My question is in relation to the simulated hospital work environment at the CIT Bruce campus, providing opportunities for students training in the health area. Could you comment on what the benefits of that are and also the opportunities for them to potentially work in the new University of Canberra public hospital, to receive training there?

**Ms Cover:** CIT has what you might call strong para-professional allied health

services or training that we have been doing for many years. The new centre of excellence that has been established at the Bruce campus brings all of our related health—fitness, wellbeing, massage—courses into one spot. We see that really adding to the precinct of Bruce. That is very focused in that area. It complements the University of Canberra's plans for the hospital that is there. It complements the sports precinct of the AIS and the recreational facilities in that area.

The facilities at Bruce are absolutely amazing in that they do simulate what it looks like and feels like to work in those clinical settings. That is because we have really strong partnerships with ACT Health and other industry players. In establishing what those facilities look like, the equipment that goes into it, the technology, the way that the rooms are established between areas for working with clients and areas for staff to work, they all replicate very much what you would see in any of the service provisions that are not only within existing health facilities but in the ones that will be built at UC as well. That means our work with ACT Health gives a great grounding, if you like, to take some pressure off by simulating those practices and developing those skills and students' confidence before they go into those settings.

With our Bruce health precinct, collocated there with the University of Canberra hospital, we think there will be greater synergies between our courses and we think students can move pretty seamlessly back and forward across Haydon Drive to share facilities and work on more integrated courses in that space.

**Ms Fitzharris:** One of the great things that I noticed when I visited was that it is simulated to the extent that there are not real patients but there are patients in the beds, as well as stories about the patient. You got a sense, if you were in training, that there was a person with a story behind them and with different needs. You might have an elderly gentleman in one who has had a fall and is hard of hearing. The stories behind the patients that they might be dealing with really added to that sense of simulation and what it would be like to work in a real setting with real people with very diverse needs, as opposed to a nameless, faceless patient that would be the same from bed to bed. It is a really great facility.

**Ms Cover:** Some of that simulation comes about because most of our staff are actually coming out of industry. Our teachers are coming out of industry, so they have those specialisations and they have those stories of their own that they bring to the workplace to share. You then add to that the allied health areas such as fitness and massage; they are running as real gyms and clinics, with real people going in every day and real clients operating. It adds that diverse range of stories.

**THE CHAIR:** On behalf of the committee I would like to thank all of the witnesses who have appeared today. The secretary will provide you with a copy of the proof transcript of today's hearing when it is available. If witnesses have taken any questions on notice today, could you please give those answers to the committee secretary within five business days? Thank you, everybody.

**The committee adjourned at 4.37 pm.**