



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**SELECT COMMITTEE ON ESTIMATES 2006-2007**

**(Reference: Appropriation Bill 2006-2007)**

**Members:**

**MS M PORTER (The Chair)**  
**DR D FOSKEY (The Deputy Chair)**  
**MR M GENTLEMAN**  
**MS K MacDONALD**  
**MR S PRATT**  
**MR B SMYTH**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**WEDNESDAY, 5 JULY 2006**

**Secretary to the committee:**  
**Ms S Lilburn (Ph: 6205 0490)**

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

Submissions, answers to questions on notice and other documents relevant to this inquiry that have been authorised for publication by the committee may be obtained from the committee office of the Legislative Assembly (Ph: 6205 0127).

## APPEARANCES

<b>ACT Planning and Land Authority</b> .....	<b>1131</b>
<b>Canberra Institute of Technology</b> .....	<b>1141</b>
<b>Department of Education and Training</b> .....	<b>1141</b>

*By resolution of the committee on 17 July 2006, the evidence from the Minister for Planning and ACT Planning and Land Authority representatives, which was previously taken in camera, was authorised for publication.*

**The committee met in camera at 3.03 pm.**

Appearances:

Corbell, Mr Simon, Attorney-General, Minister for Police and Emergency Services and Minister for Planning.

ACT Planning and Land Authority

Savery, Mr Neil, Chief Planning Executive

Thew, Mr Tony, Manager, General Counsel, Business and Information Services Branch

Calnan, Mr Garrick, Manager, Land Supply Policy, Strategic Planning and Land Services Branch

**THE CHAIR:** Good afternoon, minister, and everybody else. Thanks very much for coming in this afternoon for us. You should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you are protected from certain legal action, such as being sued for defamation, for what you say at this hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter. I am sure you understand that.

We are taking evidence in camera this afternoon. I remind the committee and those present that it is within the power of the committee at a later date to publish or present all or part of that evidence to the Assembly. I should add that any decision regarding publication of in camera evidence will not be taken by the committee without prior reference to the minister. Minister, do you want to make any opening remarks?

**Mr Corbell:** I thank you, madam chair and committee members, for the opportunity and I thank the committee for agreeing to consider these issues in camera. It is not, I know, a decision that any committee takes lightly to take evidence in camera but, given the nature of questions that committee members indicated they wished to ask in relation to the proposed development in Fyshwick and the associated leasing and territory plan issues, I think the committee has taken the appropriate course of action in taking evidence in camera.

I and Mr Savery, as the chief planning executive, and his officers are very happy to answer your questions as far as practicable. It is important to stress that Mr Savery has before him as the authority an application for a development on the site that is the matter that the committee wishes to explore this afternoon and, as such, I think it would be fair to say that he will be constrained in his ability to answer questions about the development assessment process itself in that that is currently under way, but I know that there is a range of other issues around the territory plan, the lease and so on, and we will, as far as practicable, endeavour to answer those questions.

I should stress too that members would no doubt be aware that this matter is the subject of some contention amongst other parties. That has been aired in the media over the last 24 hours in particular and it highlights the issues that I raised with the committee earlier that these matters are potentially in dispute and it has been very clearly signalled may be the subject of legal action against the territory if certain decisions are made. So it is important, I think, to stress the sensitivity of this issue in the context that the territory may be facing action in relation to this matter. With that, we will endeavour to answer your questions.

**THE CHAIR:** Thank you, minister.

**MR SMYTH:** To start at the high level, and I think I might have even started DV175, the intention of Fyshwick is as a retail area and, as a general rule, retail should not be conducted in Fyshwick.

**Mr Savery:** I don't believe that that would be our interpretation of what Fyshwick is able to do and also what the territory plans to occur. There are issues around the scale of retail development, which is the case, and the composition of retail development. I will pass over to Mr Calnan because I think he is in a better position to discuss and describe some of the intention around the territory plan and variation 175, but in general terms we are also operating in the context of Fyshwick occupying a large part of the retail turnover within the ACT, in excess of 20 per cent, and a not insignificant proportion of that is related to what I would describe as ordinary retailing. It is not in the sense of entirely being contained within bulky goods-type development. Fyshwick as an area in general contains or comprises a fairly significant proportion of retail outlets for the ACT and that is reflected in the amount of turnover that occurs in that area. But, as I say, I will pass over to Mr Calnan on perhaps the background or the interpretation.

**Mr Calnan:** The land use policies that apply under the territory plan relating to Fyshwick break Fyshwick into a number of subareas or precincts. There are areas that are dedicated to straight industrial-type uses where retailing and other commercial uses are excluded but the bulk of Fyshwick is actually subject to a policy that allows a mix of industrial and commercial uses under what is referred to in the territory plan as precinct B. In precinct B retailing has been permitted under the territory plan since the inception of the territory plan in 1993. As Mr Savery has mentioned, Fyshwick has, in terms of floor space anyway, the largest amount of retail space of any of the commercial centres; so it has long been an area where quite a bit of retailing has occurred.

Variation to the territory plan No 175 was a review of the industrial land use policy. Section 48, which is the area where the EpiCentre development is proposed, under the former territory plan was precinct A but, as a result of variation 175, was changed to precinct B. So the policy was changed to bring it within the rules that apply to the broader area of Fyshwick and a number of changes to the policies under the industrial land use policy were made in conjunction with variation 175.

Previously the policies applying under precinct B restricted retailing and bulky goods retailing to a maximum of 3,000 square metres per lease. However, as a result of variation 175 in relation to Fyshwick, the restriction on bulky goods retailing was removed altogether and the restriction relating to general retailing was changed to say it was 3,000 square metres per shop rather than per lease. There is an exception to that in

relation to food retailing, where there is a much tighter restriction which limits food retailing and supermarkets to a maximum of 200 square metres per shop.

In terms of what we were trying to achieve when we made those changes, we were trying to introduce greater flexibility, as I think everybody was arguing was required at the time, and I think we recognised that Fyshwick was performing a metropolitan function in terms of providing a range of services to the community. However, we did not want Fyshwick to become another development of the type that you see in the town centres and the policies that were crafted were aimed at ensuring that did not occur. The 3,000 square metres restriction on the size of shops was specifically identified to ensure the types of uses that are the key anchors to the town centres, such as discount department stores, department stores and major supermarkets, would not be permissible in Fyshwick. That is why we retained that 3,000 square metres restriction per shop.

**MR SMYTH:** When it was realised that the 3,000 square metres per block had been inadvertently amended out and it was put back in, wasn't it the intention to put it back in as 3,000 metres of shop per block rather than just 3,000 metres per shop?

**Mr Calnan:** I don't believe so. No, I think it was clearly the intention to relate it to individual shop sizes.

**MR SMYTH:** I understand that a brief from, I think, you, Mr Savery, to the minister, a brief signed by the chief executive on 6 November 2002, says, "The existing control that limited the floor area of a shop other than food shops in Fyshwick to a maximum of 3,000 metres squared per block was inadvertently amended, along with the proposal to remove the 3,000-metre limit on bulky goods retailing. The land use restriction for shop has been amended accordingly." Clearly, when you realised that that mistake had been made, and these things happen, the intention was to put it back in as 3,000 metres of shop per block.

**Mr Calnan:** I don't believe so. It was amended accordingly. We acknowledged that we did not propose to remove it altogether, but it was amended accordingly.

**MR SMYTH:** You said earlier that you did not want to see Fyshwick end up like some of the developments in the town centres. Can you tell us what the size of the EpiCentre development will be in terms of retailing, and how much for food retailing in particular?

**Mr Savery:** My understanding is that the total development is somewhere in the order of 60,000 of which 30,000 will comprise bulky goods and 30,000 will comprise direct factory outlet. Scattered in amongst that of various scales are some food-related outlets, but my understanding is that they do not exceed 200 square metres.

**MR SMYTH:** Each of them individually does not exceed.

**Mr Savery:** No.

**MR SMYTH:** But doesn't the territory plan say that the gross floor area for the sale of food shall not exceed 200 metres per lease?

**Mr Calnan:** No, it does not.

**MR SMYTH:** Is that the bit that has been amended out?

**Mr Calnan:** I will read what the territory plan says. It says, “In precinct B the maximum gross floor area for any supermarket or shop selling food shall be 200 square metres and other shops, except bulky goods retailing, shall be 3,000 square metres.”

**MR SMYTH:** The way the plan has been amended, it no longer puts in place a limit on the number of shops per block.

**Mr Calnan:** No.

**MR SMYTH:** Isn't that inconsistent with what you said earlier when you said that you did not want to see developments in Fyshwick that looked like town centre developments, that is, malls?

**Mr Corbell:** No, it is not. It is not inconsistent because, as Mr Calnan has indicated, limitations on food retailing and in particular limitations on large stores explicitly prohibit the type of retail environment that you would have in a mall. You cannot have a discount department store, you cannot have a David Jones, a Woolworths, a Coles, a Myers and so on which are the essential elements of a large mall, like we have at Woden, Tuggeranong, Belconnen and Civic.

**MR SMYTH:** There is still a limit on discount department stores, so they do not locate in industrial areas.

**Mr Calnan:** That is right. Things like Kmart, Target and Big W cannot be permitted in Fyshwick unless they are less than 3,000 square metres.

**MR PRATT:** Are you saying that it is basically Capt'n Snooze, Harvey Norman and a couple of cafes? Is that a generic description?

**Mr Corbell:** No. As Mr Calnan and Mr Savery have indicated, you can have retailing of a certain floor area as long as it does not exceed 3,000 square metres per shop and you can have bulky goods, which clearly would be larger than that. You can have something larger than 3,000 square metres, but it must be for bulky goods retailing in this particular precinct that Mr Calnan has referred to. You can have food of a particular floor space limit as well, food retailing, but you cannot have the large department stores and discount department stores that, rather than selling large bulky goods, sell other retail goods of the scale that is permitted in town centres. It is explicitly designed to prevent a shopping centre of the type we see in our town centres, with the exception perhaps of Gungahlin and Civic.

**MR SMYTH:** The response to the National Capital Authority's concerns states, “The changes made to the retailing aspects are about introducing more flexibility for existing uses rather than introducing a change from industrial to commercial activity. The use of the land remains predominantly industrial. The existing land use restriction”—the existing land use restriction—“of a maximum of 3,000 metres for shop use in Fyshwick has been reinstated in the recommended final.” Surely your response there indicates that it was going back to where it was, which was a limit of 3,000 metres of shop per block,

but you are saying that that is not what happened.

**Mr Corbell:** The NCA, at the end of the day, did not advise the territory that the territory plan variation was inconsistent with the national capital plan.

**MR SMYTH:** Perhaps they took you at what you wrote back to them, minister.

**Mr Corbell:** They saw the provisions and they made a decision based on them.

**MR SMYTH:** Which was the reinstatement of the existing.

**Mr Corbell:** They saw the provisions of the variation.

**MR SMYTH:** So that what you said in your response, that you would reinstate the existing use, was that carried out, because it sounds like what was reinstated wasn't?

**Mr Calnan:** I don't believe it says it was reinstated. I think it says it was adjusted accordingly.

**MR SMYTH:** I can give you this if you want. It says, "The existing land use restriction of a maximum of 3,000 metres gross floor area for shop use in Fyshwick has been reinstated in the recommended final."

**Mr Corbell:** Per shop use.

**Mr Calnan:** Per shop.

**Mr Corbell:** That is correct, per shop use.

**MR SMYTH:** But it says that it has been reinstated. When you reinstate something you put back what was there before.

**Mr Corbell:** That is what is in there, 3,000—

**MR SMYTH:** No, it is not what was there before 175.

**Mr Corbell:** We do not have the document in front of us, so it is a bit difficult for us to comment, but the point is, Mr Smyth, that the advice Mr Calnan has provided to you is accurate. The variation provides for 3,000 square metres per shop.

**Mr Calnan:** The territory plan says what it says.

**MR SMYTH:** Sure.

**Mr Calnan:** What it says now is different to what it said prior to 175.

**Mr Corbell:** It is important to stress, too, that this territory plan variation has been subject to scrutiny by an Assembly committee and by the Assembly itself in that the territory plan variation is tabled in the Assembly and it is open to any member of the Assembly who is unhappy with a provision of the territory plan variation to seek to

disallow it in part or in whole. No member of the Assembly, either in committee or in the Assembly itself, sought to object to these provisions when the government put them forward through the variation process.

**MR SMYTH:** Except when you tabled it on October 2002 your explanatory memorandum said, “The existing control that limited the floor area of a shop other than food shops in Fyshwick to a maximum of 3,000 metres squared per block was inadvertently amended along with the proposal to remove the 3,000 metres squared limit on bulky goods retailing. The land use restriction for shop has been amended accordingly.” In other words, you have reinstated the 3,000 metres squared per block, but that is not what happened, is it?

**Mr Savery:** If I can comment on that, and again I think that Mr Calnan needs to speak to this because he was familiar with the actual exercise, a change was made as a result of submissions received during the exhibition of 175 and the provisions were altered but they were not reinstated precisely as they were prior to the variation. I think Mr Calnan can explain that.

**Mr Calnan:** They have been reinstated in a modified way.

**MR SMYTH:** But when you reinstate something you return it to as it was. If you are reinstating it in a modified way you are, in effect, modifying it. Your explanatory memorandum to the Assembly said that it was inadvertently removed and the land use restriction had been amended accordingly.

**Mr Corbell:** It was amended accordingly.

**MR SMYTH:** Yes, but that is not what the previous said. It was an accident that it had inadvertently been removed and the impression that it gives is that the land use restriction for shop has been amended accordingly.

**Mr Corbell:** I do not see any reason why my advice to the Assembly was incorrect.

**Mr Calnan:** The words of the variation were before the Assembly.

**MR SMYTH:** Yes, but a lot of us read the EM and take the EM at its word. Queanbeyan City Council, I am told, was told that only bulky goods would be allowed on that site in December 2004. Is that correct? Queanbeyan City Council has great concerns about the effect of such large scale retailing on that block, which is obviously on the main thoroughfare to Queanbeyan.

**Mr Corbell:** Queanbeyan City Council were consulted and were given the opportunity to comment on the draft variation and on the preliminary assessment in the same way as all other parties were.

**MR SMYTH:** In documents or letters to Queanbeyan City Council were they told that only bulky goods would be allowed on that site?

**Mr Savery:** I can't answer that. I would have to go through the records to see if that was the case, but our interpretation of this provision has been that you can have retail.



**Mr Corbell:** Quite clearly, as we have just discussed, retail is permitted on the site. Retailing has always been permitted on the site.

**MR SMYTH:** Yes, but previous to this it was only 3,000 square metres. Could you take it on notice and check whether Queanbeyan City Council was told that only bulky goods would be put on that site and give the documents?

**Mr Calnan:** I might also make the point that the draft lease was referred to the National Capital Authority for comment. It clearly articulated the range of uses that were permitted and the restrictions that would apply to them and the NCA did not make any comments about the purpose clause.

**MR SMYTH:** I understand that Austexx wrote to ACTPLA and the LDA and I think ACTPLA responded. Is it not normal when you are moving up to an auction that any responses are given to all the parties that have expressed an interest?

**Mr Savery:** No, not in respect of the types of inquiries that were made of us by two parties, and only two parties made inquiries of us. As far as I am concerned, the matters that we were dealing with were commercial-in-confidence and not for general distribution. These were matters that in my view the bidders were undertaking due diligence.

**DR FOSKEY:** In the old days of the NCDC there used to be a ratio for retail space per capita. It was a formula by which Canberra was designed, with its neighbourhood centres, intermediate centres and town centres. I was just wondering whether there is such a rule now. My only concern about this type of development is that, quite frankly, I think that we have enough bulky good outlets and enough food outlets. The consequences are unknown in terms of who will go out of business, who will be affected and so on. I know that that is another matter. That is probably why I am not engaging particularly. But it would seem to me to be a part of the planning to have a sense of a ratio of retail space to population, especially as Canberra is one of the highest consuming cities already without this new opportunity to go out and buy stuff.

**Mr Savery:** Bearing in mind that planning jurisdictions, by and large, aren't in the business of trying to restrict the market forces, planning nonetheless does take into account, particularly in the ACT with its leasehold system, the distribution of various land uses and the release of land for those purposes. So, in that respect, retail, just as is the case with commercial, office and industrial land use, is routinely monitored by ourselves and also parts of the private sector to determine whether or not there are adequate supplies of land for particular types of activity. Certainly when this development was being contemplated, before it was put forward as a development proposal, we obviously had a view as to whether or not we felt there was adequate supply and whether or not this was an appropriate location.

In the context that we did not necessarily anticipate the particular development that would come forward, we were of the view that this is not an inappropriate development at this point in time. Having said that and obviously at the risk of being controversial, we hadn't necessarily anticipated or would not support a DFO going on the airport. We do not believe that the airport is an appropriate site and this is retail development that is

happening not in accordance with the general planning that we would prefer occurred in the ACT, as per the spatial plan.

**DR FOSKEY:** And now we have two bulky goods outlets.

**Mr Corbell:** Potentially, we will have two direct factory outlets.

**Mr Savery:** And there may be further retail development in the future at the airport because we do not know what might happen there.

**DR FOSKEY:** I agree that that is a huge problem.

**MR PRATT:** One of the claims made while this debate has been raging is that this site was promoted by the LDA to a shortlisted group of bidders as a bulky goods site but is now under planning consideration as a more valuable retail site. That claim gives the impression that the marketing of this site was not transparent and open to all. What is your response to that?

**Mr Corbell:** The planning authority cannot respond to that as they were not involved in the marketing of the site, but I can as minister responsible for the LDA and I reject that claim absolutely. The reason I do that is that that argument was actually put to the Supreme Court in an injunction by one of the registered bidders, one of Mr Snow's companies, where his counsel argued that there was ambiguity around what was permitted on the site and the auction should not proceed. Justice Connolly, in his decision, ruled against Mr Snow's request for an injunction and said that it was quite clear what was being proposed to be sold because all bidders were provided with the full lease—they had the lease in front of them that specified the uses—so they knew exactly what they were bidding for and he saw no reason to stop the auction. He said that if there were issues around the interpretation of the territory plan or other issues around planning for the site there were other remedies available to parties that may be aggrieved in that way and there was no need for an injunction.

The LDA did promote the site as a bulky goods site, but it was quite clear in all of the information made available to all parties what the full range of uses was. Bulky goods are permitted on that site, but so is a range of other uses. It is quite common for the LDA to promote a particular use if it believes that is where the interest is going to be, but that does not mean that information is withheld or the full range of uses is not made available to anyone with an interest. They are. All the information, including the proposed lease and development conditions and the other issues that would affect a buyer's interests, was made available to everyone who expressed interest.

**MR SMYTH:** Can you, as minister for the LDA, provide copies of the material that was distributed and a copy of the lease to the committee?

**Mr Corbell:** I will seek some advice from the LDA. I am happy to get back to the Assembly on that issue.

**MR PRATT:** Minister, Justice Connolly's interpretation or findings aside, can you assure this committee that when that site was marketed the full retail potential was promulgated to all parties? Regardless of what Justice Connolly said, how do you feel,

minister?

**Mr Corbell:** The uses are what is in the lease and the lease was given to all parties.

**MR SMYTH:** In terms of the valuation, and I appreciate some of the concerns you have, was the valuation done as a bulky goods site, which is what you have said it was to be sold as and promoted by the LDA, or did the valuation take into account that 30,000 square metres of it might end up as retail?

**Mr Corbell:** The valuation was based on what was in the lease.

**MR SMYTH:** You said that the LDA promoted it basically as for bulky goods—

**Mr Corbell:** They emphasised its potential as bulky goods, that is true.

**MR SMYTH:** When the valuation was done, was that the emphasis that was put to the two firms doing the valuation?

**Mr Corbell:** The advice I have from the LDA is that the valuers have regard to the lease, the uses that are specified in the lease, and they also have regard to other external commercial factors—level of supply, recent sales if relevant, the range of factors that valuers have regard to. I am not privy to their explicit formula or consideration of these matters. I think the LDA still uses the Australian Valuation Office to undertake its valuations. But the key document in assessing a parcel of land's value is the lease and the lease spells out what the potential uses are.

**MR SMYTH:** Will you make the valuations available to the committee?

**Mr Corbell:** I am happy to take advice on that matter and provide an answer to the committee.

**MR SMYTH:** Were the valuations done before the advertising material went out or after?

**Mr Corbell:** I would have to take that question on notice. I just don't know.

**MR SMYTH:** If you see the advertising material and you get the flavour from the material, it might influence the way you value something. Will you take that on notice?

**Mr Corbell:** I don't know when the valuation was undertaken. I would have to take that on notice.

**THE CHAIR:** Mr Smyth, the next question will be your last because we have had half an hour now.

**MR SMYTH:** Have you read Justice Connolly's ruling?

**Mr Corbell:** Yes, I have.

**MR SMYTH:** The ruling really wasn't about—

**Mr Corbell:** The ruling was about whether or not an injunction was warranted and Justice Connolly decided that an injunction wasn't warranted.

**MR SMYTH:** But Justice Connolly made comments about adherence to the territory plan.

**Mr Corbell:** Yes, and he said that those were matters that the parties had remedies available to them if they were dissatisfied with interpretations on those issue.

**MR SMYTH:** I do not have enough time to explore that.

**THE CHAIR:** Thank you very much, minister, and your officers.

*Evidence was then taken in public.*

## **The committee met at 4.02 pm.**

Appearances:

Barr, Mr Andrew, Minister for Education and Training, Minister for Tourism, Sport and Recreation and Minister for Industrial Relations

Department of Education and Training

Bruniges, Dr Michele, Chief Executive

Adrian, Dr Colin, Deputy Chief Executive

Strauch, Ms Helen, Executive Director, Education

Houghton, Ms Anne, Director, Training and Adult Education

Donnelly, Mr Robert, Director, Budget and Facilities

Canberra Institute of Technology

Korsch, Ms Kathy, Chief Executive

Kowald, Mr Peter, Dean, Corporate Services Division

**THE CHAIR:** You should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you are protected from certain legal action, such as being sued for defamation, for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter. I am sure that you all understand that.

Welcome, minister, and welcome, officials. Thank you very much for coming back on this spillover day. It is very good of you to give us your time. This afternoon we are going to be dealing with vocational education and training, the Canberra Institute of Technology and CIT Solutions. Minister, do you want to make any opening remarks?

**Mr Barr:** No, madam chair, other than to thank the committee for making time available for us to reappear so late this afternoon. We certainly appreciate being able to do it at this time. I will take questions.

**DR FOSKEY:** What planning is going on with the community sector about training for employees of that sector?

**Mr Barr:** It is a matter of some ongoing work. I will get Dr Bruniges in a moment to outline some of the work that is occurring. It is certainly a matter that crosses over portfolio responsibilities, particularly in relation to some of the work that we have been doing in the task force in relation to the community sector. I do, from the outset, acknowledge the importance of the issues that you have raised and of that work. I can get more detail provided for you.

**Dr Bruniges:** Dr Foskey, I presume you are talking about community education for adults as part of your question.

**DR FOSKEY:** I am actually talking about community sector training, rather than

education for the community at large. Is that what you mean?

**Dr Bruniges:** Yes. I was just thinking about the notion of lifelong learning in the community sector.

**DR FOSKEY:** That is a different one again. I could ask you about that, but right now I am not.

**Dr Bruniges:** Some of the priority areas for the community sector in regard to the skill shortages that we have in the ACT are in terms of full support for existing workers and programs that we have got through specific program initiative funding through the user choice programs. There will be a variety of training opportunities afforded to the community sector through those programs. So, in terms of the nature of the programs and the numbers actually engaged in the programs, I am more than happy to provide information, but I would need to take that on notice.

**DR FOSKEY:** Where would I ask about lifelong learning programs? I note that mostly they are provided by individual institutions, colleges, the ANU and so on. That is not really an output of government, is it?

**Dr Bruniges:** No. What we have done in terms of the Department of Education and Training is that I have made links with Peter Kearns about setting up some seminars to do with lifelong learning and thinking about how we may in the future offer programs in different settings to cater for those needs. Part of the issue there is to assess the need and willingness and the areas in which people would seek ongoing training. It would be based really on a needs-based approach. I have had an initial meeting with Peter Kearns in terms of the community sector. I have sat down and had a discussion about having a series of discussion forums where we might look at what that actually means in the whole ACT community, what we have got, being able not only to put the Department of Education and Training there but what we have across the whole of government that may be a place for lifelong learning to be. It seems to be, in some senses, a word that captures a whole lot of things and it is incredibly important, I think, to unpack that for the different needs of different sectors within the community.

**DR FOSKEY:** Are you aware of the learning cities program?

**Dr Bruniges:** Yes, I am.

**DR FOSKEY:** Have you heard about a community initiative called Learning Exchange, which has recently come to my attention. A group of people are trying to set up what sounds a bit U3A in an attempt to go across age groups.

**Dr Bruniges:** No.

**DR FOSKEY:** I can tell you more about that later. Certainly, it is an organisation that wants to do that kind of thing without much money.

**Dr Bruniges:** And the name of that organisation is Learning Exchange?

**DR FOSKEY:** It is, yes.

**Dr Bruniges:** No, I am not aware of it.

**Dr Adrian:** Dr Foskey, if I might assist, I would suggest that you direct part of that question in terms of community sector training to disability, housing and community services. I am aware that they do fund some of that training in part through ACTCOSS and some of that is accessed through the ANU and UCan, as well as through private providers. That is mainly targeted at community organisations in terms of the capacity of those organisations in governance arrangements within their organisations—financial management, for example—and other training to help particularly some of the smaller community organisations. That would be the other source of advice on it.

**MS MacDONALD:** I have a question about the *Pathways to the future* report of the Standing Committee on Education and Training in the last Assembly. I was wondering whether there were any recommendations which had not been implemented and, if so, which ones and when it was envisaged that they would be.

**Mr Barr:** I have to admit that was before my time in the Assembly, so I will have to get some advice on that.

**Dr Bruniges:** I have been advised that every recommendation has indeed been covered from that report.

**MS MacDONALD:** Has a counter been set up in training and adult education for people to come to?

**Dr Bruniges:** Let me go back. TAE moved to the Manning Clark Offices at the beginning of this year. We have looked at space in the city for trainees and apprentices to come to and we are still in the process of looking at where that space may be. TAE is no longer based in Civic. The move to Manning Clark happened in January and I've got the whole department there together. Is there a particular recommendation that you are interested in?

**MS MacDONALD:** There was one on which there was an indication that it was problematic. People would go in and there would be a phone to ring. Is there actually a counter? It does not matter if it is in the Manning Clark Offices? Is there a counter for people to go in and actually speak to a person?

**Dr Bruniges:** Yes, there is. We have a whole reception area at Manning Clark on the ground floor and it is manned full time by staff there. I know that with the TAE situation here you would go up in a lift and there would be a phone there and that, I understand, was problematic. Being at Manning Clark now, there is a full reception area and waiting area there and that affords the person-to-person contact that you are speaking about.

**MS MacDONALD:** I apologise that I did not know, but I am not the chair of the committee any more. Ms Porter is the lucky one to do that.

**MR SMYTH:** Can we canvass the whole area, including CIT?

**THE CHAIR:** We are dealing with vocational education and training at the moment.

**MR SMYTH:** In terms of the skills commission, how will VOCED relate to that? Are you part of the skills commission? Will you have input to the skills commission? Can you tell us what you see as your role in getting the commission going?

**Mr Barr:** Yes, we will have input. It is being handled largely by the Chief Minister out of chief minister's. My understanding is that we will be providing a large range of data that we obviously already collect to provide advice. As I say, the major carriage of the project is with the Chief Minister. We see our role as providing support to that commission. It is not something that we will be running.

**MR SMYTH:** Will there be a seat on the commission for somebody from the department?

**Mr Barr:** We certainly will be involved in the process.

**MR SMYTH:** So you won't have a seat on the commission.

**Mr Barr:** You would have to direct that question to the Chief Minister.

**MR SMYTH:** Have you been offered a seat on the commission by the Chief Minister?

**Mr Barr:** At this point, personally or the department?

**MR SMYTH:** You, the department, Dr Bruniges.

**Mr Barr:** I have not personally been offered a seat on the commission.

**MR PRATT:** Have you asked for a seat on the commission?

**MR SMYTH:** Have any of your staff been offered a seat on the commission?

**Mr Barr:** No. My understanding is that at this point we have not, but the commission is still in formation and, as I say, the carriage of it is with the Chief Minister, not with me.

**MR PRATT:** Do you want a seat on the commission?

**Mr Barr:** We are certainly very happy to be involved and to support the work of the commission, yes, and we will be providing all of the data available to us to the commission.

**MR SMYTH:** Have you had any input or have the staff had input to the terms of reference of the commission?

**Dr Bruniges:** We have had initial discussions with representatives of chief minister's and I am very keen to pursue some of the avenues in terms of getting good, solid industry advice and, as part of the process in terms of our TAE area, make sure with regard to the information that we have in terms of apprenticeships and trainees that we have a good knowledge base to feed forward to the commission, but also looking at what the commission can provide in terms of our advice.



I think most people are aware of the fact that the ABS data for the ACT is always part of the New South Wales area and we can never disaggregate it at a level to have particular ACT data from some of the ABS data. I will be keen to pursue avenues whereby we can get a broader set of data from the skills commission and look at the data we have and identify gaps where we don't believe that we have enough data. I think that is going to be incredibly important as the existing sources from ABS just don't deliver some of the things that we would want to know in an ACT context.

I see part of the skills commission role as probably to do, first of all, a mapping exercise of the data that we have got, having a look at skill shortage areas, having a look at the data we have got, commencements, completions, national data, and I guess playing that brokerage role between what exists nationally at the moment in terms of data, what we have got locally and what we need for the ACT that is in the middle.

**MR SMYTH:** Have you started supplying data to the commission already?

**Dr Bruniges:** No, I have had one initial meeting with the commission to discuss issues that I am sharing with you now about what we see as important input that the Department of Education and Training would have and some of the areas that we feel that the commission could focus on.

**Dr Adrian:** With CMD.

**Dr Bruniges:** Yes, with CMD.

**MR SMYTH:** You spoke about identifying areas of shortage and areas where our knowledge is inadequate. At this stage, what do you perceive to be the areas of shortage and what are the areas of inadequacy in data collection?

**Dr Bruniges:** In terms of ABS data, our national data sources actually do not disaggregate to the ACT level and never have. So one area would be being able to have discussions through a skills commission mechanism with the ABS to ask on those very issues—what it would take for the ABS to be able to disaggregate some of the data so that, like every other jurisdiction, ACT data would be in one area. I would hope that we would be able to have at least those discussions from this jurisdiction with the ABS about concerns we have there. At the local level, we have valuable data on things like our new apprenticeships that we would feed through, the important programs and areas that are expanding. We would be able to share information from the schools with the vocational area. We are working hard at monitoring that and collecting that. I think we had 358 new school-based apprenticeships in the last year, which was a fantastic effort in terms of the school sector and apprenticeships. How they then carrying on and flow forward will be an important issue for us to monitor.

**DR FOSKEY:** What are the mechanisms for developing vocational education for Aboriginal and Torres Strait Islander students, refugees and other marginalised groups?

**Dr Bruniges:** The SIPP, the strategic initiatives priorities program, is a particular program where we need to target areas. I know from having a look at the last set of data that one of the interesting things around indigenous work has been that 75 per cent of our

indigenous programs are at certificate III and above. That is counter to trends where you have lots of lower qualifications. We are trying to get into higher qualifications for different groups and I was very pleased to see that result of 75 per cent of indigenous programs being at certificate III. I think we need to continue to push that trend. That might mean fewer higher qualifications rather than getting lower qualifications and getting runs on the board in that area. I think that needs to happen in each of the targeted groups.

In terms of refugees, I know that across not only this jurisdiction but others there has been an increase in the number of refugee people coming in. As part of the subcommittee in terms of training would be one area, but I do not have the figures at the top of my head. I would have to take advice and get back to you on notice in terms of refugees.

**THE CHAIR:** Take that on notice.

**DR FOSKEY:** I have just one more question and then I should be through. Does the vocational education area have any links with the Community Inclusion Board? Is it involved in the government's employment creating initiatives, if it has any, for people starting from a low skills base?

**Dr Bruniges:** Just recently I was fortunate enough to attend a joint meeting of the Community Inclusion Board that was set up in chief minister's and the contacts we have there in each of those areas certainly triggered the lifelong learning discussion that I had with Peter Kearns in particular in that area. There are set forums, I think, but it is only annually that we formally link with the Community Inclusion Board. Sorry, what was the second part of your question?

**DR FOSKEY:** It was about programs that assist people entering employment, the small percentage of intransigent people who remain unemployed. I just wondered whether the government is doing some work in terms of how to shift that group into employment. Clearly, vocational education would need to be quite cleverly targeted to assist those people.

**Dr Bruniges:** One of the programs that we do have is our training pathways guarantee program, where there is individual follow-up for school leavers and so forth. As to the data in that area in terms of the response to students whom we follow-up, the information goes from the Board of Senior Secondary Studies and we talk to CIT about making contact. There has not been a high level of response or need from young people in that group.

**DR FOSKEY:** Or expressed need.

**Dr Bruniges:** Or expressed need. I think there have been 11 follow-ups this year out of a pool that was much larger. I think part of the issue is there are some forms of employment, more casual employment, not necessarily full time, and it is a very complex issue. I think some young people are pursuing part-time jobs and seeing them as a stepping stone. I think my comment about moving from lower level qualifications to a higher level is going to be critical in our strategy in the ACT to further employment opportunities. If everyone has just got a certificate I, people will look for higher. I don't think we are doing as well as we can until we start to focus and push on higher level

qualifications, like the indigenous area.

**DR FOSKEY:** Older groups would need to be approached in different ways. Often there are groups which are quite disadvantaged in regard to gaining employment and have blockages for various reasons to re-entering education programs, embarrassing experiences or whatever. Those are just areas for which I was wondering whether we have any programs.

**THE CHAIR:** Ms MacDonald, do you have a question?

**DR FOSKEY:** Is there any response to that? It was a statement and I probably didn't go up enough at the end of the last sentence.

**Dr Bruniges:** The mature age workers cohort is quite a large group that we deal with, but I think the issues that you have raised about people feeling disenfranchised and disengaged and being part of a smaller group of those mature age people to return to the work force, have a career change or something else are something that we could do further on. But, with an ageing population, that is exactly what we have got. We have an ageing demographic and how we look at continual engagement, which has impacts on people's mental health, their self-esteem and all of those issues that are compounding, is going to be a significant thing for us to do. Again, it is not about lower level qualifications. It is about higher level ones and, I guess, having rewarding work lives for people who choose to seek a career change later in life.

**DR FOSKEY:** And recognising the skills that might have been picked up by being a mere housewife and parent.

**Dr Bruniges:** Yes.

**MR PRATT:** I seek some clarification. You talked about wanting to go beyond certificate I. Were you talking about vocational education at the secondary level? Were you looking at trying to up-gun the courses available at the secondary level, or were you talking more globally about the CIT?

**Dr Bruniges:** Probably both, Mr Pratt. Referring to vocational education and training in schools, this year we introduced computer courses to ensure we have a dual accreditation process in the schooling sector, so people can get a certificate I in computer design or software design and development. That has been one of our big initiatives this year. In the global sense the broader community must have access not just to lower qualifications.

We count numbers all the time and they show lower level qualifications. We need to push those boundaries into higher level qualifications and we need a pathway that begins in the schooling sector. We need equivalent pathways, parity for courses, and a learning network that provides the best pathways for all students. In the broader community we must also have the capacity to offer higher level qualifications.

**MR PRATT:** Will you be seeking to put more effort and resources into achieving certificate II at the secondary level?

**Dr Bruniges:** Yes. There has been much debate across the country about certificate II, parity for leaving certificates, and the Australian qualifications framework. At the moment parity is certificate II at school leaving age. That is something we need to look at in the schooling sector. This is not just about achieving certificate I in school and achieving all the rest after school; it is about looking at sensible pathways, using the total amount of community resources we have available in the ACT community, and building networks that maximise students learning outcomes.

**MR PRATT:** I will ask you later how you intend to organise that, at which schools, and what streams will be available.

**MS MacDONALD:** My question relates to industry advice, which used to be covered by ITAPS and which was then covered by something else.

**Dr Bruniges:** ACTITAA?

**MS MacDONALD:** ACTITAA, thank you. Are you still providing funding for ACTITAA to continue?

**Mr Barr:** We have extended the funding. I will get Dr Bruniges to outline the process and to tell you how we are going forward.

**Dr Bruniges:** I extended ACTITAA's contract for three months and I need to look at advice in that period. Currently, directly or indirectly we obtain advice from the Vocational Education and Training Accreditation Board, the ACT Industry Training Advisory Association, the Adult and Community and Education Advisory Council, the Women in VET Committee, the ACT advisory group on people with disabilities in VET, the indigenous people in VET committee, the CIT Board of Studies, the building and construction industry, individual industry training councils, and ACTITAA. We now have a skills commission.

I need to have a close look at the range of advice we have received. In that exercise we look at duplication, targeting and at a range of data. I extended that contract in the interim to give us some time to have a good look at the industry advice we receive and to ensure we get the best quality advice from those sources. We look at what national sources provide in relation to industry advice, changes to ANTA and a range of other things that have played out in the last 12 months, and we look at data from the NCDR. We look at data at the national level, at local data, at the skills commission and at other data sources we have.

**Mr Barr:** At the ministerial council in Melbourne a couple of weeks ago there were three new ministers. Between us we had about 10 weeks combined experience in our portfolios. The level of complexity of advisory bodies was clear to those ministers, not just in their jurisdictions but also nationally. There was a recognition from all jurisdictions and the Commonwealth that we needed to do some work to simplify this area, which is mind-boggling at times.

**MS MacDONALD:** Yes, I know.

**Mr Barr:** You would know better than most, Ms MacDonald.

**MS MacDONALD:** I worked in the industry for two years.

**Mr Barr:** Because it is unbelievably complicated we are seeking, not just in the local area for my benefit, to make it easier for everyone to understand. I have already had a meeting with Rosemary Follett who chairs the VET board to work our way through that process. It is something we will be doing over the remainder of the year.

**THE CHAIR:** I refer to the fifth point on page 389 of BP4 under the heading, “Budget Policy Adjustments”, which deals with the rationalisation of training and adult education. How will that rationalisation be achieved?

**Mr Barr:** We identified earlier that there have been some accommodation changes and training and adult education is now back in.

**THE CHAIR:** So it is part of that?

**Mr Barr:** That is part of it. It is by no means the entire structure; we have to look also at staffing structures. We are seeking to make efficiencies across the area. There are some obvious areas of duplication now that TAE is back at the Manning Clarke centre and they are all together, so we can address some areas there. I will get Dr Bruniges to outline the work that is being done in that area.

**Dr Bruniges:** Last week I spoke about looking at the senior executive structure in the Department of Education and Training and reducing it from 15 to 13. The next phase of that process is to identify the functions for which the organisation is responsible. That will also include this area. As a result of the move of TAE to the Manning Clarke centre we need to look, for example, at the data area and at the data analysis area so we can get a critical mass of skilled people together that provide us with both education and training data from one source. That is one area we are looking at.

We will also be looking at regulation and at the regulatory roles of non-government schools, home schooling, tertiary and higher education. I have formed a governance regulation and risk area. The accommodation move brought us all together as the Department of Education and Training. We can then look for duplication and efficiencies that can be gained through corporate data. The combined education and training sectors will all use a data management warehouse to identify those functions and place them in a structure to ensure we deliver on them.

We have just commenced that process. I hope that, by the end of this month, we will have identified all the functions and the new structure. I will then have three months of consultation, which is required under the certified agreement, when the new structure and functions will be outlined. So by the end of the year we will be in a position to move forward with a new structure and its functions will be clearly articulated.

**MRS DUNNE:** I have a series of questions about other parts of the restructuring which include the transfer of appropriation to CIT. Before I get to that, I note with some dismay and regret that page 373 of BP4, 2006-07 priorities for the Department of Education and Training, makes no mention of training. Where does that sit in the panoply of things you think are necessary to be done in your portfolios this year? Does the silence on this

matter of priorities reflect how you will achieve improvements in training?

**Mr Barr:** I acknowledge that a dot point is missing in that area under our 2006-07 priorities. We have identified a range of important issues. The move to give CIT its own appropriation and to enable it to report directly to me as minister is an important step that should have been highlighted more directly on that first page. Obviously it is featured in other parts of the department's section of the budget papers.

**MRS DUNNE:** It is not there. We are closing schools, so this is a priority.

**Mr Barr:** I draw your attention to page 453 of BP4, which outlines that in the CIT section.

**MRS DUNNE:** In the CIT section, yes.

**Mr Barr:** To the extent that we could have included some of those points on the front page of the estimates for the department, I will cop that as a criticism. I will take it in good spirit and ensure that—

**MRS DUNNE:** You will improve in future years?

**Mr Barr:** Indeed.

**MRS DUNNE:** Can you give us an exposition on the changed relationship in those residual bits of the department that still have responsibility for vocational education and training and the changed arrangements with the CIT? How do you see those working and what will be the benefits?

**Mr Barr:** Dr Bruniges outlined some of the reasons why we relocated TAE within the department. I think it is important to have all those functions together. As has been outlined, the benefits we will get from some of that shared data are valuable. Looking forward to the future of the CIT, we have some opportunities in how we structure the CIT and how we look at its service delivery points across the territory. A glaring area that needs to be addressed is post-year 12 provision in Tuggeranong. I intend to do some further work in that area, as I believe there is a hole in our provision.

**MRS DUNNE:** What do you mean by that?

**Mr Barr:** We need physically to locate a CIT campus in Tuggeranong. Further work needs to be done on that.

**MR SMYTH:** Possibly at Kambah High School.

**MRS DUNNE:** It seems ironic that we are closing schools all over Tuggeranong but you want to decentralise the CIT.

**Mr Barr:** I think I identified at the public meeting the demographics of Tuggeranong. Children who were five in 1996 are now 15. At that time ABS figures showed that about 12.5 per cent of the population in that region were reaching an age where their needs were post-year 12. That priority area must be addressed. It is not something for which I

can immediately provide an answer. Looking forward—and you asked me to outline a vision forward—there is a gap in service provision. I intend to do the necessary work to ensure we fill it in future years.

**MRS DUNNE:** There is one issue on which we keep remarking. The other day at an estimates committee hearing the Chief Minister said something along the lines of, “No matter where I go in this town, when I talk to people in business the most common thing they say to me is that they do not have enough people with skills to do the job”. I am sure that every member of this Assembly has had employers saying those things. How will these changes make us better able to provide for those skills?

**Mr Barr:** An area I highlight is the collaboration that was done around the accelerated chefs program to meet particular needs in the hospitality industry. Industry was able to work with the CIT and with the Liquor, Hospitality and Miscellaneous Workers Union to ensure that a program that previously took up to four years to complete was able to be completed in two years. That was to meet a particular skill shortage we had in our economy. Those are examples of where the CIT can act and seek to respond to particular needs of industry, and there are other examples.

We have to be careful in the construction area where some of the skills sets are competency based. We would not seek to accelerate some courses and send people out unqualified. I think it presents us with an opportunity to be innovative in the more traditional teaching methods and in the time frames. We should be able to respond to particular needs in the economy, with all sectors and all stakeholders working together. As you can see, we have achieved some good outcomes.

I think this enhances our capacity to respond in that sort of context. I am sure you would be hearing the same things I am hearing from industry. Anything that reduces red tape at the government end and that makes us easier to deal surely is seen as a positive. I think that applies for students as well. They need to know which programs they can access. It should not be as complicated as it currently is. We can work towards making it simpler.

**MRS DUNNE:** Referring to output class 3, what are you using the residual \$22-odd million in the department for?

**Mr Barr:** I will ask the chief executive to give you more detail on that issue.

**Dr Bruniges:** A number of programs would come under that area. We have strategic priorities initiatives programs and user choice as school-based new apprenticeship commencements. During 2005, 353 school-based new apprenticeships commenced in areas like building and construction, hospitality, IT, hairdressing and automotive. In those skills shortages areas, it was an incredible contribution and kick-start for students in the schooling sector to be able to go down that pathway. I will ask Mr Donnelly to give you a breakdown of that program.

**Mr Donnelly:** The key element of funding that remains in the department predominantly relates to funding that is available for competitive purchase. The department will administer programs and the CIT might well end up being a provider of choice. However, a market process will be used and registered training organisations of different types around the ACT will be able to compete for that program. The two largest single

elements of that are the user choice program, which is apprenticeships and traineeships, and the strategic priorities program that Michele has already mentioned.

**MS MacDONALD:** Dr Bruniges, you referred earlier to 353 school-based new apprenticeships?

**Dr Bruniges:** Yes, school-based new apprenticeships.

**Mr Donnelly:** It is 358.

**Dr Bruniges:** I am sorry; it is 358, so there are five more.

**MS MacDONALD:** And they are starting in year 11. I refer to the existing school-based new apprenticeships that were provided prior to 2005. Is any work being done to follow up those who continue on a vocational pathway?

**Dr Bruniges:** We would have to do that mapping. I do not have that data here but I am happy to provide you with it.

**MS MacDONALD:** Do you have that data elsewhere? Is it something that you look at?

**Dr Bruniges:** We would have to have training contracts for apprenticeships, so it would have to be a mapping exercise and we would need the capacity to do that. It would be interesting to know what happens to those people. The big question is: Are employers taking up apprenticeships? That has been an issue across the nation.

People's willingness to take on apprenticeships in some of our industries is less than we would like it to be. We need to work with industry and obtain high-quality advice on their needs. Are we matching school-based apprenticeship programs to industry needs? If there is a mismatch how can we get that matching process right? That should lead to a higher uptake level of apprentices.

**MS MacDONALD:** It was indicated to me in conversations I had with people involved in the VET sector—Mr Pratt might recollect this as he was on the committee that looked into it—that a number of people who do vocational courses in the college sector go on to university when they finish college. There is nothing wrong with that, but how many of them are taking up places that could be provided to someone who would benefit from going on, for example, to the automotive industry.

**MRS DUNNE:** But students also need to know how to fix their cars.

**MS MacDONALD:** Of course they do. An example is the T3 program that is operated through Toyota.

**Dr Bruniges:** Yes.

**MS MacDONALD:** When we visited Hawker College a student who was doing that indicated to us that she was going on to university, which is great for her. However, there are students who are crying out to become mechanics.



**MRS DUNNE:** Maybe she is doing engineering?

**MS MacDONALD:** That is what she wanted to do, which is great. How many students would like to become mechanics?

**MRS DUNNE:** You want people in non-traditional areas.

**THE CHAIR:** You might have answered my next question in the discussions that you were having.

**MR SMYTH:** Is this a question to Ms MacDonald?

**THE CHAIR:** No, this is a question of the minister. Page 386 of BP4 refers to an 80 per cent satisfaction rate for apprentices and employers. Does that relate to what you were saying earlier about better targeting this area and having conversations with employers and others? Is that why there is a figure of only 80 per cent, or is that a national standard? I do not know what is the standard that is set by other states.

**Dr Bruniges:** It is a fairly small sample size. I understand our sample size for a survey is about 400. As it is a very small number you get a bit of volatility. What is a reasonable benchmark? One of the important things about that survey is that an independent group conducts it over the telephone. We use the diagnostic capacity of that survey to find out where we can improve. One of the findings in our most recent survey is that satisfaction ratings could be improved by increased contact between registered training organisations and new apprentices and employees.

That is one area at which we are now looking. One of the benefits of having survey information is that it helps us to engage in continuous improvement. Every year a new set of apprentices comes in. It is not the same cohort, so there is not a straight comparability of data. A benchmark of 80 per cent is one that we want to continue to see. We recognise that new apprentices are coming in. The most powerful information is where we can do better. This year's survey told us that we need increased contact between RTOs, employers and apprenticeships. We will work towards ensuring that we focus on an area in which it is perceived we can do better.

**MRS DUNNE:** Are the new apprentices school-based apprentices or a whole range of SNAPS people who have left school and are training?

**Dr Bruniges:** The whole range.

**MS MacDONALD:** Sorry, there was actually a question at the end of that rant. It went to what mapping was being done of students going from SNAPS into vocational education and training. I would be interested to know whether there has been any done and, if there has been some done, what the numbers are.

**MRS DUNNE:** We need to know that data.

**Dr Bruniges:** Yes. I understand that we had a CWCC survey last year.

**MRS DUNNE:** What does that stand for?

**Dr Bruniges:** That is a very good question, Mrs Dunne. CWCC is a company name. The project has indeed started and research is being done on the follow through to full apprenticeships. That work is currently being done. I am more than happy to share that with the committee or the inquiry that we have got going as it will be important.

**MS MacDONALD:** I am happy for it to go to the inquiry and I will follow it up with the committee.

**MR PRATT:** Minister, going back to the school-based VOCED programs, can you give us a bit of a macro on where the suite of courses will be organised against the framework of schools that we know are not closing? How do you intend to organise these courses? Where will they be located? How will you deal with the problem of dissipation of energy and address the broad hope that all schools will have all courses available to all people, which, of course, will be impossible? What do you have in mind?

**Mr Barr:** I think we would seek to adopt a regional approach to ensure that, where possible, we could offer the broadest range of courses within a region. Certainly the proposal we have put forward around schools has been based on a regional approach. I think it is important, though, to acknowledge that a program in itself is not necessarily tied to a physical building. In some instances, there is some infrastructure that is necessary to run particular programs, but in many instances that is transferable. So we would seek across the city to balance it around a regional provision.

I do take your point that you can't offer every course everywhere, that that is not possible, but in a macro sense, yes, I think it is important to have a regional-based approach and also to be flexible around ensuring the continuity of programs, recognising that they are not necessarily always tied to a particular building, that they can go to other facilities and run from a different building.

**MR PRATT:** How will you organise the progression from certificate 1 to certificate 2 courses between, say, high schools and colleges? How will you organise the streaming? Clearly you must be talking about high mobility at the college level to allow students to exercise choice.

**Mr Barr:** I can see someone champing at the bit to give you some more detail.

**Dr Bruniges:** In 2006 there has been a whole range of course offerings, expanding to include hospitality, business administration and horticulture, where we have actually linked our eight colleges to deliver those. Establishing the links between college provision and high schools is an important part so that they partner. Those pathways don't happen by accident; they happen by design. We need to ensure that we have got pathways monitored as to where they are working and where they are not, pick up the areas of need, take the industry advice, and have a look at the pathways from the school-based courses into further education. I think that is where the research that we have just spoken about in the apprentice area will be really useful to us.

Along with that is actually our work force development in both the high school and the college sectors. We have to have teachers with appropriate qualifications to be able to deliver. How we can do that? I guess that is where the links between the Department of

Education and Training and CIT are of benefit in looking at a network of educational provision and they are going to be critical into the future, something we probably have not tapped as well as we should have in the past. Using the full resources of the education and training community in a different way to maximise pathways will be critically important, and that starts by linking the high schools and colleges, linking in the CIT, bringing in the ANU, and really thinking about things quite differently than we have in the past.

**MR PRATT:** Some colleges have in the last four or five years focused quite successfully on certain VOCED courses and some colleges are much stronger than others. Will you be reinforcing success, so to speak, and designing your pathways and your suites of available courses around those successful colleges?

**Mr Barr:** Certainly. We have put forward some proposals, particularly around Copland. When you look across all the north side colleges, you will see that there are not as many students north of the lake and more colleges to spread them over. I think it is important with some of those other links and new pathways that you can seek to attract new students who would otherwise not attend, but it certainly does help to ensure ongoing viability for some of those colleges.

These are some of the very difficult issues that we face in that there was on the south side a rationalisation whereby Stirling college was merged with Phillip to become the Canberra college. That did then mean that you had some critical mass around the south side colleges, but we do have a problem on the north side that there are fewer students and more colleges. The only area of real increased demand is Gungahlin, where we will obviously need to make future provision. That is what we have done in the budget. I think you have correctly identified an area that does present a challenge, particularly around seeking to maintain such a wide range of facilities in the northern part of Canberra.

**MR PRATT:** Whereas you have some successful colleges away from where the student mass is living. Are the early intervention courses successfully launched at Copland for students with difficulties, if I can use that euphemism, increasing? Is the availability of those sorts of courses increasing?

**Mr Barr:** It is certainly an intention of the proposals that we have put forward. There is considerable debate in that part of the city about the proposals we have for those educational facilities. There are mixed views about some aspects of it. If I could make a broader reflection, the college system overall is seen to be able to meet the needs of the 30 per cent of students who will go on to university and the advocates of that are very vocal and have been very vocal at all of the public meetings that I have held in the last two weeks, but the people we have not heard a lot from are those who, if you like, perhaps represent the other 70 per cent who will not be going to university and would like to access a range of other programs. I think you are correct in identifying that some of the programs at Copland have been working and can be strengthened. That is something that we are definitely looking to do as part of this process.

**MR PRATT:** Do I detect a concern about that style of early interventionist course at Copland?

**Mr Barr:** I would not say it is a concern. My concern is that it receive broader community support. I think that there is a definite need for those programs. The college review did highlight where people can fall through the cracks and there is a sense in the college system that you arrive at year 11 with all of this freedom, you have free lines, it is a different learning environment, and that if you do not survive that it is your own fault. It is very clear that there are some people that don't necessarily flourish in that environment and that we do need to address those issues. One of the things that we are seeking to address in the 2020 proposal is exactly how we address years 11 and 12, particularly for students who do not see university as their study pathway and who might want to take up other options. I lament at this early stage in the consultation process that it has almost been entirely dominated by those who support the strength of the college system in feeding into university.

**DR FOSKEY:** Mightn't that be because that college feels under attack and is in a position where it has to defend itself?

**Mr Barr:** That is very important and I do not at all seek to walk away from that, but I think I do as minister have a responsibility also to ensure that the pathways that are there for the other 70 per cent are strong, are viable and are linked into the opportunities that we have in post-year 12 education as well. That was a rather long-winded way of saying that I agree with your initial statement that there are some good programs at Copland and that we should be seeking to develop them.

**MR PRATT:** How much have you increased resources and funding in the early to mid-high school years to identify and sell those sorts of pathways to students who are not connected with the normal stream of schooling?

**Mr Barr:** I do not have any information off the top of my head. I will seek some advice.

**Dr Bruniges:** There has been a range of initiatives around the school-based new apprenticeships in terms of leaflets and flyers that we have put out to promote different pathways. They seem to have yielded results in some ways, with the 358 last year being a really good result. Clearly, students are making the choice that this is a viable option and one that they wish to pursue. I think that is really encouraging. As to how we actually integrate other courses, IT is one that we have done with the link between high schools and colleges, but we also want to do that just through offering a timetable and the college handbook—for the first time, as I have said, we have one college handbook—and expanding that to include areas like hospitality, business administration and horticulture and really having a close look at what are the skill shortage areas and how we can, as an education community, support industry. Have we got that mix right is another challenge. In terms of the evidence, the 358 students on that side, the promotion of that seems to have worked quite well in the school settings and, as I said, the other big push should be not to the lower qualifications but to higher ones. I think we are seeing that with indigenous people and we have to continue in that whole improvement area.

**MR PRATT:** There were big gaps in the identification of students who perhaps ought to be encouraged to go down some of those pathways. Have you increased your effort in that area?

**Dr Bruniges:** In the schooling sector?

**MR PRATT:** In the schooling sector, yes.

**Dr Bruniges:** Yes. In terms of counsellor support, youth support and so forth, there has been quite a program of that. If you look at some of the targeted groups, we know exactly how many indigenous students we have. We are creating individual learning plans and pathway plans for students in that area. We put considerable effort into that, but that is not to say we can't do better. Never be complacent about it. We have to continue to monitor that. While the outcomes evidence is there in terms of students taking up those new apprenticeships, where students are actually seeking other pathways, I actually think that is probably good, solid evidence to say that what we are doing is working and we should continue to monitor that and see if we can work even harder at it.

**Mr Donnelly:** There has been a couple of budget initiatives introduced over the last couple of years. You will forgive me if I can't remember the exact dates, but the student pathways initiative is now, I understand, successfully completing a pathways plan for every student from years 9 to 12 and that will pick up a lot of the issues which you are canvassing there. The other one was a budget initiative from probably two or three years ago, the career transition service, which again is starting to ramp up.

**MR PRATT:** Are these growing?

**Mr Donnelly:** Yes, absolutely.

**Mr Barr:** If I could just, in closing, respond to Dr Foskey's comment. My observation around, if you like, the 70:30 issue was based not on one public meeting but all of them and the entire debate and I do not shy away from the fact that we need to have a discussion about pathways for the 70 per cent of students who will not be going on to university.

**MRS DUNNE:** I have a question on the subject of the 70 per cent of students who are not going on to university. We have roughly 30 per cent going on to university and that is slightly more than the national standard, but what do you think about that as being the desirable level of people going on to higher education compared with countries in Europe where those figures are substantially higher? In Ireland, close to 60 per cent go on to university and another 20 per cent go on to training. Do you see that as the level that we should be aiming at?

**Mr Barr:** That is an interesting question, Mrs Dunne. I think we could have a very interesting discussion over a considerable period about that. It is possibly something that you and I could engage in over a cup of coffee at some point, Mrs Dunne.

**MR SMYTH:** Has the government considered, given that you now have to tailor programs inside the system to meet the requirements of the different students, whether we adequately meet the needs of the 30 per cent that go on to higher education and the 70 per cent that do not?

**Mr Barr:** There are governments across the country and there is a role for—

**MR SMYTH:** I am asking about your government.

**Mr Barr:** I do not think we can operate in isolation from the commonwealth, particularly in relation to universities.

**MR SMYTH:** We do with the college system.

**Mr Barr:** Particularly in relation to universities, Mr Smyth.

**MR SMYTH:** But the point Mrs Dunne makes is: have we considered the system that we are setting up?

**Mr Barr:** Yes. I think that a considerable amount of research has gone into it over a considerable period of time, going back to when I was a student, possibly even back to when you were a student, Mr Smyth.

**MR SMYTH:** I doubt that.

**Mr Barr:** You doubt that. It was a while ago, was it?

**THE CHAIR:** I am conscious of the time and I am not quite sure whether we are just having conversations.

**MR SMYTH:** No, it is a reasonable question. In your reforming agenda, have you taken into account that 30 per cent will go on to university?

**Mr Barr:** Yes.

**MR SMYTH:** Is that appropriate? Is that adequate? Have you made provision for the 70 per cent that do not go on? Of the 70 per cent that do not go on to higher education, what percentage are we facilitating to go to VOCED and what are we doing for the ones that do not go on to any tertiary education at all?

**Mr Barr:** You will forgive me if I do not have the exact percentage figures for each of those questions you have asked off the top of my head, but I did indicate earlier that I have a strong sense that there is education provision lacking in post-year 12 in the Tuggeranong Valley, that that is something that is high on my list of priorities to meet that need.

**MR SMYTH:** Sorry, at a much higher level rather than individual facility. How are you shaping the system to meet the needs of the 30 per cent, the 70 per cent and the components of the 70 per cent?

**Mr Barr:** I think that by seeking to offer some alternative education models within our government schooling system we are seeking to meet the different needs, some of the new educational models, particularly in relation to the options around Copland and also Campbell high. There are some new and innovative measures that we are putting in place to seek to meet particular needs and also, as I have been blunt about in the public meetings, to seek to offer choice within government schooling and to provide a clear competitive point with the private sector, in that if we are not in the business of offering some different educational models and we are trying to provide a one size fits all solution

that is tailored to the needs of those going on to university I think we are failing as a government in only providing a very narrow system.

That is exactly what we are seeking to address as part of these proposals to provide some different options, to meet some of those needs and to ensure, particularly as this is an issue that was highlighted in the college review, that that transition between year 10 and year 11 is handled better and that we do not just say sink or swim for all the students who transfer out of year 10 into years 11 and 12. We could go back and look at the origins of the college model back in the 1970s. I think it was in the minds of the people who devised it then seen as a universal application. It was there largely as a pathway to university and it does need to adapt to meet the needs of students who are not following that path.

**MR SMYTH:** So, for instance, a technical high school is on your agenda.

**Mr Barr:** Indeed, and we are certainly seeking to strengthen links with the CIT, particularly around the Campbell—

**MR SMYTH:** No, as distinct from the CIT.

**Mr Barr:** That certainly is something that we can consider in looking forward, and we have put up some innovative models as part of the 2020 package.

**DR FOSKEY:** Mr Barr, you keep saying the 2020 proposal is meant to attack this, but most of the changes there are at the primary and lower level, and the area that is seen as needing the most input and that you are really talking about here is the secondary level, where there is least change suggested. I was trained as a technical school teacher in a now defunct system in Victoria. I just want to put that on the table. I also want to say that I am not sure whether there was a kind of anti-elitism, and I am sure you did not intend that, but when you talk about our system catering for those who go to university now and the focus on young people I believe—I would be interested to know if you acknowledge this—that what we see now for people is a multitude of careers in their lifetimes, myself and many of us here, I am sure, and that what we need is a system that is healthy for people to enter and go out of all their lives through, whether it is to do a few university courses or to learn a trade and so on, especially when we are talking about people who are going to be working till they drop, because that is the whole way this discourse about our ageing demographics is going. It just concerns me that, in fact, most of the changes that you have put in place through the 2020 proposal are aimed at that lower end, unless we are going to get the kids out working earlier, too.

**MR SMYTH:** But that is because 2020 stands for 20 preschools and 20 primary schools for the ACT.

**THE CHAIR:** If it is all right with everybody, we will go on to the CIT, and I welcome the officers from CIT. You should understand that these hearings, which are legal proceedings of the Legislative Assembly, are protected by parliamentary privilege. That gives you certain protections but it also places on you certain responsibilities. It means that you are protected from certain legal actions such as being sued for defamation for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. The Assembly will treat as a serious matter the giving of false or

misleading evidence. I am sure you all understand that.

**Mr Barr:** Madam chair, I do not have an opening statement so we can go straight to questions.

**MR SMYTH:** Let us start with numbers. How many staff does the CIT currently have and how many will it have at the end of the reform process that the minister is carrying out?

**Mr Barr:** Currently it is 794.

**DR FOSKEY:** Including casuals, part-timers or full-timers?

**Mr Barr:** Yes. It is 794 FTEs, reducing to 706 FTEs. Of that 88 reduction, 78 will be transferred to the shared services centre and there is a reduction of 10 casual and contract teaching FTEs due to proposed productivity savings under the new certified agreement.

**MRS DUNNE:** I understood that IT staff would be going out of the CIT and into InTACT.

**Mr Barr:** Yes, that is part of that.

**MRS DUNNE:** Is that part of the 78?

**Mr Barr:** That is part of the 78, yes.

**MRS DUNNE:** How many are going into shared services and how many are going to InTACT?

**Mr Barr:** It is the same thing. InTACT is part of shared services.

**MR SMYTH:** How are productivity savings made on the 10 teaching FTEs?

**Mr Barr:** It is an increase in class sizes, from 15.5 to 16.

**MRS DUNNE:** So that number will increase?

**Mr Barr:** Largely, yes.

**MRS DUNNE:** It is not apparent here. If the IT people are moving out of CIT and into InTACT will they be physically relocated?

**Ms Korsch:** No, they will be on the site at the CIT.

**MRS DUNNE:** With InTACT taking over responsibility for running IT for the CIT, will we move to a standardised desktop or whatever?

**Mr Barr:** No, there will still be a separation in the ACT government network.

**MRS DUNNE:** I did not mean it in those terms. Part of the rationale for setting up



InTACT in the first place was to achieve economies of scale with everybody having the same sort of equipment, et cetera. Madam chair, I admit that I am asking this question with my parent's hat on, as children in the graphics design course use Apple computers. Will there be a move away from what is considered to be optimal equipment for a particular course? That is the case with kids who are doing graphic design.

**Mr Kowald:** The high standard of our IT equipment will be maintained; there will be no move away from it. Referring to the software that is on the desktop, the important issue is that the CIT, as a tertiary vocational education provider, has particular software applications that are unique to it, for example, the Banner student information system. On many desktops that piece of software is unique to the CIT; it is not the standard set of software you would find in a government office. The CIT as an educational institution has a suite of educational software as well.

**MRS DUNNE:** In addition to that, are the hardware and software combined? You said you were not looking for standardisation, but will you be able to ensure that you get the optimum piece of equipment for this course?

**Mr Barr:** Are you asking whether students will still be able to use their Macs?

**MRS DUNNE:** That is one of the things. If it is decided that Macs are optimal for these courses, will students still use Macs or will they use something else?

**Mr Kowald:** That is correct. You are probably already aware that Macs are the industry standard in design courses. We have high-quality Mac machines in place in our faculty of design and they will remain until that industry standard is replaced.

**MRS DUNNE:** So that will be reflective of the industry standard, not what is convenient for InTACT?

**Mr Kowald:** That is correct.

**MRS DUNNE:** Is that an undertaking?

**Mr Barr:** It is an undertaking. For Mrs Dunne's parent's hat, yes, it is.

**MR SMYTH:** There was a second part to the question I asked earlier that related to dollars.

**THE CHAIR:** Mr Smyth, do you believe the second part of your question was not answered?

**MR SMYTH:** The second half of my first question related to dollars. What was the budget for the CIT in 2005-06?

**Mr Barr:** I refer you to the budget papers.

**Mr Kowald:** It was \$60,359.

**MR SMYTH:** That was its budget for 2005-06?

**Mr Kowald:** Yes, on page 454 of BP4.

**MR SMYTH:** What is its budget for 2006-07?

**Mr Kowald:** Sorry, that figure of \$60,359 is for 2006-07.

**MR SMYTH:** So it is \$60,359 this year?

**Mr Kowald:** Yes.

**MR SMYTH:** What was its budget for the previous year, 2005-06?

**MRS DUNNE:** That is hard.

**MR SMYTH:** Yes, that is right.

**Mr Kowald:** Yes, it is hard. On page 463 of BP4 the first note is \$58,689.

**MRS DUNNE:** There is an apparent \$2 million increase in the appropriation. I have been told that over the life of the budget there are savings of close to \$4 million.

**Mr Barr:** There may be confusion between the TAE savings and the CIT savings.

**THE CHAIR:** Mr Barr, I cannot hear you.

**Mr Barr:** There may be confusion about the TAE savings. Mrs Dunne, you might have been given a figure that related to the entire VET sector.

**MRS DUNNE:** No, it is not about the VET sector; it is about the CIT.

**Mr Barr:** There are efficiency savings.

**MRS DUNNE:** Yes. There are efficiency savings of about \$4 million over the life of the budget. On page 457 we see a small increase over the life of the budget for inputs into CIT. At the same time we are told that there is a \$4 million efficiency. How are we getting more and less at the same time?

**Mr Barr:** There is some money for the wages supplements, as salaries and wages flow through into the outyears. Obviously the fees are a factor as well.

**MRS DUNNE:** So the modest increases are as a result of the fees?

**Mr Barr:** Not entirely, no.

**MRS DUNNE:** Not entirely?

**Ms Korsch:** No, there would be supplementation of an anticipated wage increase.

**MRS DUNNE:** It was about \$500,000 in the first year. What would there be in the next

year?

**Mr Kowald:** There is a significant increase in the cost of superannuation, which is common across the ACT government, and that is an amount of \$2.134 million. There is also the teachers' wage supplement of \$1 million in the first year to pay for three per cent of the four per cent teachers' wage increase in that first year. That is offset by various reductions. The net total of efficiency savings in 2006-07 is only \$627,000, \$1.265 million in the next year, \$874,000 in the next year, and \$848,000 in the year after that. So the \$4 million figure in efficiency savings is not correct.

**MRS DUNNE:** I said it was a figure in the vicinity of \$4 million, or about \$3.5 million. Do the figures that you just read out also take into account an increase in student fees of \$300,000 this year and up to \$1 million in 2008-09 and 2009-10?

**Mr Kowald:** Yes, that is correct.

**MRS DUNNE:** So without the offsetting increase in fees what are the efficiencies?

**Mr Kowald:** The shared services savings in the first year are \$600,000. The procurement savings through access to cheaper supplies are \$177,000.

**MRS DUNNE:** Can we go back to that later?

**Mr Kowald:** Yes. The efficiency savings in the first year are \$750,000.

**MRS DUNNE:** What were the efficiency savings?

**Mr Kowald:** In 2006-07 they are \$750,000.

**MRS DUNNE:** And the \$600,000 was savings in shared services?

**Mr Kowald:** Yes.

**MRS DUNNE:** Which is separate from the \$750,000?

**Mr Kowald:** Yes, that is correct.

**MRS DUNNE:** How much of that amount of \$750,000 in efficiency savings is not from shared services?

**Mr Kowald:** Those efficiency savings are to be gained by the CIT in savings in corporate costs and other internal efficiencies.

**MRS DUNNE:** Could you give me the figures for the drop in the budget in the outyears? An amount of \$600,000 is going to shared services.

**Mr Barr:** Are the outyears not reflected on page 457 of BP4?

**MRS DUNNE:** Sorry, they are.

**DR FOSKEY:** Has a new director been appointed to the CIT?

**Mr Barr:** No.

**DR FOSKEY:** Given the cost cuttings and other difficulties, I think it is fair to say that the CIT has had to do more with less over a number of years.

**Mr Barr:** From time to time all organisations across government are asked to make efficiency savings. To the extent that you might wish to characterise that as doing more with less, I am happy to accept that that philosophy should apply across government. The important thing is that you should not seek to compromise educational outcomes and you should ensure that the administrative end, which will be a proportion of any organisation, is as efficient as possible.

**DR FOSKEY:** Given all those wonderful things that education providers need—

**Mr Barr:** I call them commonsense operating procedures for organisations.

**DR FOSKEY:** I have not yet asked my question.

**Mr Barr:** Sorry, Dr Foskey.

**DR FOSKEY:** What sort of person do you think would best be suited to lead the CIT?

**Mr Barr:** Dr Foskey, I do not think it is appropriate to speculate on that in the context of estimates committee hearings.

**DR FOSKEY:** Are we looking for a vision, an administrative expert, or an economist?

**Mr Barr:** We are looking for a whole range of issues.

**MR PRATT:** A magician?

**Mr Barr:** It is not really appropriate in the context of budget estimates committees.

**MS MacDONALD:** I ask a supplementary question. I will not ask you what type of person you are looking for because I know you are not involved in that. How far off is the announcement decision? I understand that it is in play.

**Mr Barr:** That is correct, Ms MacDonald.

**MR PRATT:** Who wrote the advertisement?

**Mr Barr:** I would not seek to put a time frame on it, but in the near future.

**MR SMYTH:** That is unacceptable. The traditional answer is soon.

**Mr Barr:** Soon, is it?

**MR SMYTH:** Which can mean any time from about 6 o'clock onwards.

**Mr Barr:** It will not be this week, as I am going to Brisbane tomorrow for MCEETYA and I will be there until Friday.

**MRS DUNNE:** So that means fairly soon.

**Mr Barr:** Fairly soon.

**MS MacDONALD:** Seriously though, are you looking at making an announcement next month?

**Mr Barr:** Yes, around then.

**DR FOSKEY:** I refer to the implications of the loss of the English for employment and further study contract. I know people who teach in that program and I believe it delivers an excellent service. What are the cost and revenue implications of the federal government's decision?

**Mr Barr:** Thank you, Dr Foskey. I will ask Kathy or Peter to answer your question.

**Mr Kowald:** An amount of \$700,000 per annum is the value of the contract.

**DR FOSKEY:** What will happen to the fabulous set-up that has been developed over the years with the language laboratory, computers, smart boards, et cetera? Will they be redeployed?

**Ms Korsch:** We will redeploy them and use them with other programs that are similar in nature. So a couple of programs will work more closely together. Quite a bit of work is going on at the moment.

**DR FOSKEY:** Are there any concerns about the tender process? Has the CIT or the ACT government sought information on why a reputable program based on years of development was overlooked in favour of an organisation that does not have any training infrastructure in Canberra. Are you investigating that?

**Ms Korsch:** I should take that question on notice, but I do not believe we have had feedback yet. It is a fairly recent announcement. I will double check and get back to you on that.

**DR FOSKEY:** You referred to feedback. Does that mean you have asked them questions?

**Ms Korsch:** Usually you can ask some questions about why you did not get it.

**DR FOSKEY:** On the same line, have you put in a tender for the technical college in Queanbeyan that was announced by the federal government?

**Mr Barr:** I understand that such facilities were on offer only for marginal coalition seats.

**DR FOSKEY:** Queanbeyan is in one of those, as we well know.

**Mr Barr:** It is in a marginal coalition seat. That is correct.

**DR FOSKEY:** It is our neighbour. I am sure we get a lot of students from Queanbeyan right now. Given that it is obviously going to be a competitive institution, I am wondering if you are aware how that is progressing.

**Ms Korsch:** We do not have a tender in at the moment. In the past we discussed it with a number of people but, no, we do not have a tender in.

**DR FOSKEY:** Have tenders been called for?

**Ms Korsch:** I believe there were at least two tenders put in, and neither of them was acceptable. There is some process still going on.

**DR FOSKEY:** There is a bit of a lag.

**MR PRATT:** Minister, you can make a contribution to that marginal seat.

**DR FOSKEY:** There is word that CIT and University of Canberra are looking at a shared campus in Tuggeranong. How firmed up is that proposal? What is the time frame, and is there anything in the budget in relation to it?

**Mr Barr:** It is an issue I am pursuing. No, there is nothing in this year's budget in relation to that proposal. But as I identified earlier, I believe there is a need for post-year 12 educational facilities in the Tuggeranong Valley. It is something I intend to pursue. At this stage I have simply asked for the preliminary work to begin towards developing a proposal.

The budget provision this year relates to a feasibility study of the co-location of a CIT campus with a college in Gungahlin. There is money in the budget for that this year. We will look at Tuggeranong in future budgets.

**MS MacDONALD:** I refer to the ongoing \$2 million for capital works and Mr Stefaniak's question from last year: how is it being spent and how will it be spent? You have allocated \$2 million in the previous year for capital works at CIT. That is pretty much the same amount that is allocated every year.

**MR STEFANIAK:** Over the last 10 years, I think.

**MS MacDONALD:** Yes, while you were minister as well, Mr Stefaniak.

**MR STEFANIAK:** That was always \$2 million.

**MS MacDONALD:** How will the \$2 million be spent this year?

**MRS DUNNE:** We are conservatives, aren't we? Some of us are more conservative than others.

**Mr Barr:** I will defer to my more knowledgeable officials on this matter.

**Mr Kowald:** These are my new works projects for 2006-07. That is what we apply the \$2 million to, because our major capital money comes from the commonwealth. We have 13 projects in the plan, with a focus on refurbishment of existing facilities. Perhaps I could read two or three as an example, rather than the whole lot.

**MS MacDONALD:** Sure.

**Mr Kowald:** The first one is refurbishment of the metal fabrication workshop on the Fyshwick campus at a cost of \$250,000. The fourth project is to construct a naturopathy clinic on Bruce campus.

**MS MacDONALD:** No, you do not want to do that.

**Mr Kowald:** The last example is replace dust extraction plant, G block, Bruce campus. Those are the sorts of things. The cost range is from \$60,000 to \$250,000.

**MS MacDONALD:** You mentioned that there was money for major capital works which comes from the federal government. Is that amount listed in here?

**Mr Kowald:** Yes, in the bottom set of figures on page 457—\$5,170,000. That has three components, with \$2 million for minor new works.

**Mr Barr:** The bottom half of page 457, “Changes to appropriation—departmental.”

**MS MacDONALD:** Yes.

**Mr Kowald:** \$2 million minor new works, \$2.72 million capital from the commonwealth and \$450,000 ACT capital equipment. Those three figures add up to \$5.17 million.

**MS MacDONALD:** That is not listed in here, though.

**Mr Barr:** It is not broken down.

**MS MacDONALD:** It is not broken down, so I cannot tell from that which is the component coming from the commonwealth.

**Mr Kowald:** I assure you my advice is correct.

**MS MacDONALD:** That is fine. I will look at the transcript to remind myself of what you said.

**MR SMYTH:** On page 457 there are three items relating to the transfer of funds to shared services—consolidating IT, consolidating procurement and consolidating human resources. The three amounts add up to \$594,000 that you are transferring out of the CIT.

If you then go to page 459 under “supplies and services” you see initially what looks like a very generous increase of about \$3 million from the outcome of last year to the budget for this year. But in the note on page 464 it explains that the increase of \$3 million in the 2006-07 budget is the estimated outcome to the corresponding fee for service payment to

the Shared Services Centre. Why are you surrendering \$594,000 to pay \$3 million?

**Mr Kowald:** What is going on here is that in the shared services transfers there are identified savings. They are given on page 457. What will happen is that, rather than the money to pay for the shared service being in CIT salary funding, we will be paying a bill when the shared services arrangements start, which is in the order of \$5 million for those various shared services.

**MR SMYTH:** What is it currently costing you to provide those services in-house?

**Mr Kowald:** In the order of \$6.1 million.

**MR SMYTH:** \$6.1 million, and you are now going to pay \$5 million for it.

**Mr Kowald:** Yes, that is correct. There is a net savings figure to be gained of about \$1 million.

**MRS DUNNE:** Here you are saying that the saving is net, but you said before that it is net \$600,000.

**Mr Kowald:** No. I was referring to particular components of those. If you add up those figures which relate to shared services—

**MRS DUNNE:** They add up to \$597,000.

**MR STEFANIAK:** Yes, close to \$600,000.

**Mr Kowald:** Consolidating information technology service is \$98,000, and consolidating human services is \$491,000.

**MRS DUNNE:** The half-year effect.

**Mr Kowald:** Sorry. That is only the half-year effect. You are correct. When I was talking about the \$1 million, I was taking about the full-year effect.

**MRS DUNNE:** The \$600,000 you spoke about before is in this year and the full year is—

**Mr Barr:** The Shared Services Centre does not start until February.

**MR SMYTH:** The \$3 million is there for a half-year effect.

**Mr Kowald:** Yes.

**MR SMYTH:** In a full year, what will the shared services cost you?

**Mr Kowald:** \$5.1 million.

**MR SMYTH:** So you are getting an extra \$3 million for half a year.



**Mr Kowald:** Yes.

**MR SMYTH:** In the out-years do you get \$6 million for the full year?

**Mr Kowald:** It is not extra money, it is what we are paying for the service.

**MR SMYTH:** Will the bill be \$6 million?

**Mr Kowald:** No, it will be \$5 million in the full year.

**MR PRATT:** Minister, clearly you do not have any money in the capital works program to look at the CIT campus in the Tuggeranong Valley yet but, basically, what sort of ballpark figure do you have for the new campus? \$40 million or \$50 million?

**Mr Barr:** No. The work is at a preliminary stage, so all I have done is signalled an intent to have that work done. We then present that in future budgets. I have identified what I believe to be a service gap and am seeking to have the work done over the next six months in preparation for future budget rounds.

**MR PRATT:** So it is a priority need. What about \$60 million? Would that be enough?

**MR SMYTH:** No. We will put it all into the Tharwa primary school.

**Mr Barr:** Obviously we would need to do some detailed work around that. As I said, I am signalling an intent to have that work carried out.

**MR PRATT:** But you have identified a campus as a priority community need in the valley.

**Mr Barr:** Yes. It is my view that we should seek to provide that facility.

**MR PRATT:** Why don't you scrap the prison, and then you can get straight on with this project. You could build two.

**THE CHAIR:** I do not think—

**MR PRATT:** It is a serious question.

**Mr Barr:** Obviously there are whole-of-government responsibilities. Whilst I have particular needs that I would seek to meet within my portfolios, I will of course have to balance those against the whole-of-government priorities.

**MR STEFANIAK:** What a diplomatic answer.

**Mr Barr:** I will be going forward in future budget rounds with proposals.

**MRS DUNNE:** Hopefully—

**Mr Barr:** It is all about being part of a team, Mrs Dunne, isn't it?—something that on your side of politics is not often observed.

**MR PRATT:** But surely, minister, the educational needs of the valley are a screaming priority over and above the need for a prison.

**MS MacDONALD:** You cannot pre-empt what is coming up in future budgets.

**MRS DUNNE:** Mm.

**MR PRATT:** Don't agree, Mrs Dunne.

**MRS DUNNE:** No. If that is the case, we could include the priorities of the people in Belconnen.

**MR PRATT:** We could be putting the roots down now for a campus.

**MS MacDONALD:** My question also relates to the Tuggeranong flexible learning centre. In relation to any future proposals, will you be considering the future of the Tuggeranong flexible learning centre?

**Mr Barr:** Yes, certainly.

**MS MacDONALD:** It has been pulling at the edges for a while now. I know there has been a desire for it to expand by certain people who operate it and I understand it is often the case—Ms Korsch will probably correct me if this is wrong—that there are no seats available in the flexible learning centre in Tuggeranong. It is a different model to a CIT campus model. Will that be taken into consideration?

**Mr Barr:** Yes, certainly. Very much so. That is a very important point to make.

**DR FOSKEY:** Still in Tuggeranong, is CIT working with communities in Tuggeranong to develop proposed—

**MR STEFANIAK:** Can we get away from Tuggeranong please? Sorry, go on.

**THE CHAIR:** Mr Stefaniak, we are not having running commentaries. All right.

**DR FOSKEY:** Is CIT working with communities in Tuggeranong to develop those school options with Gugan Gulwan in Erindale, for example, or Galilee on Kambah Pool Road? Who are you working with?

**Mr Barr:** Is that just a general question or are you talking specifically about what I have done?

**DR FOSKEY:** No. These are specific organisations that would probably benefit greatly from the conversation.

**Mr Barr:** I think the question you are asking me is whether I would be consulting, in putting forward a proposal, with those and other groups in the valley. Answer: yes. But if the question is: outside of any proposal for facilities into the future, does that currently occur, I will—

**Ms Korsch:** I am not aware of any projects with Galilee currently, but in past years we have had some very successful projects with Galilee at Youth Haven. What was the other one?

**DR FOSKEY:** Gugan Gulwan—the Aboriginal Youth Centre at Erindale.

**Ms Korsch:** I would have to take that on notice. I am not aware of anyone, but we will double-check with our Yurana Centre.

**DR FOSKEY:** This is my final question for now, to save punishing you further.

**Mr Barr:** It is not punishment, it is an interesting exchange of views.

**DR FOSKEY:** The truth is that I added this question. It is about year 12 at CIT, and I am aware that it is a program. I believe the numbers have been reducing in CIT. I am wondering why that might be, because it is obviously a pathway for students who do not succeed at college in the way that Mr Barr was referring to earlier. Year 12 is essential for getting into so many things. I am wondering what we can do to boost its attractiveness and get more students in there.

**Ms Korsch:** You are correct; the numbers were down this year. We are looking at various ways of delivering it in a different way, having a look at more integrated vocational/year 12. We have a major project on this year to look at what we can do with year 12 to make it more attractive. You are right. It is a very good opportunity for people to come back and study.

The reasons for the decrease in numbers we think are due to a wider variety of ways for people to get into university. The universities have colleges or access points that do not necessarily require UAI. It is an interesting reflection. It is probably the wider range of ways of going to university that have caused that effect. We are looking at different, more interesting VET solutions to integrate with year 12. That project is not completed yet, but we can keep you informed when it is.

**DR FOSKEY:** Referring to your vocational courses, in the early nineties I taught at Victoria University in Melbourne. I had to teach refrigeration students and so on, who were not very keen on doing the sorts of subjects they had to learn. I am wondering if there is still a requirement that students study a communications subject, no matter what course they are doing, or whether they can do some other humanities or arts type critical subject instead, or as well.

**Ms Korsch:** Since the early nineties there has been the introduction of training packages, so the industry has a greater role in defining what should be taught in those programs. There is usually an integrated part of the communications still involved in the programs. But it has changed to some degree from the eighties and early nineties.

**DR FOSKEY:** We are talking nineties.

**Ms Korsch:** The nineties, but there has been a change.

**DR FOSKEY:** I taught in the nineties.

**Ms Korsch:** I taught in TAFE back in the seventies.

**Mr Barr:** That is a good clarification to make, Dr Foskey.

**Ms Korsch:** You are correct. Communications is an integrated part.

**MR SMYTH:** The minister was still in shorts in primary school then.

**MRS DUNNE:** In the olden days.

**Mr Barr:** The 1990s? No.

**MRS DUNNE:** I would like to go back to the question that Mr Smyth started. I then went on with it, we got interrupted and Mr Smyth then went back to it. I said I would like to come back to the savings you are proposing to make by efficiencies in procurement, which is different from the procurement money that is going to shared services. What is the amount of \$177,000 for?

**Mr Barr:** At the top level, my understanding is that we will be able to source supplies at a cheaper rate, but there might be a more sophisticated answer than that that Peter could give.

**Mr Kowald:** The transfer to the procurement solutions function provides the opportunity for greater whole-of-government contracts, which is expected to lead to cheaper prices.

**Mr Barr:** Economies of scale.

**Mr Kowald:** Economies of scale for whole-of-government.

**Mr Barr:** I have been waiting a while to say that.

**MRS DUNNE:** So we are going to have a big central storehouse full of big borrowers.

**Mr Kowald:** No. It is from the point of view of how the contract tendering and negotiations take place, not from the point of view of putting everything in one location. We will still continue to exist as separate agency requirements. Those efficiencies are certainly noticeable within the commonwealth, where their much larger departments are able to make major savings gains.

**MRS DUNNE:** That \$177,000 in the first year and then increasing to \$365,000, et cetera, is from smarter buying?

**Mr Kowald:** That is correct.

**MRS DUNNE:** That is a saving that we will see. I do not know if I have actually seen it in other agencies, but perhaps I have not been here.

**Mr Kowald:** My understanding is that it is across government.

**Mr Barr:** Yes, there are.

**MR STEFANIAK:** Minister, I wish to ask a couple of questions. For the first time since 1999 I note that student fees will go up at the CIT.

**Mr Barr:** My understanding is 1998.

**MR STEFANIAK:** For the first time since 1998?

**Mr Barr:** Yes.

**MR STEFANIAK:** For the first in time eight years student fees will be going up, I understand by about 30 per cent. Having regard to our skills shortage, what impact will that have on apprentices? People who want to go to the CIT might be unable to pay those fees. Given that we are facing a skills shortage, what sort of incentive does that give people going to the CIT, and does it address the skills shortage issue? I understand that a \$500 course will increase to \$650 in one semester, which could be prohibitive for someone on an apprenticeship wage. I am concerned that that will drive people away from the system. How do you reconcile that with the skills shortage? How much additional income will that give you?

**Mr Barr:** I think we might have addressed that question, but we can provide that information again.

**MRS DUNNE:** I think it is \$300,000, \$600,000, and \$1 million over three years.

**THE CHAIR:** Mrs Dunne, the minister can answer the question.

**Mr Barr:** I will leave the room now.

**MRS DUNNE:** The minister can correct me if I am wrong.

**Mr Barr:** The advice I have received is that for first-year apprentices and trainees the fees will remain capped at \$250, plus the CIT student association service fee. For second-year and other apprentices the fees will be adjusted by 10 per cent, effective from semester one of 2007, and they will increase by 10 per cent in 2008-09.

**MR STEFANIAK:** And other fees?

**Mr Barr:** The advice I have is that the contribution that students pay towards the cost of their education will remain at five per cent of the total cost. These increases reflect inflation over that period. Of course, the fee concession policies will still apply, so there will be a 50 per cent reduction in program fees for students who receive social security benefits. The CIT will also continue to offer scholarship and loan schemes to assist students.

**MR STEFANIAK:** How much do you envisage getting? I noticed a figure in the budget papers but it included things other than fees. How much additional money will you receive per annum?

**Mr Barr:** I will get Mr Kowald to answer your question.

**Mr Kowald:** In the first year, 2006-07, \$300,000; in the second year, \$600,000; and in the third and fourth years, \$1 million.

**Mr Barr:** I think Mrs Dunne was correct.

**Mr Kowald:** Yes.

**MR STEFANIAK:** Yes, she was correct. I note you are aiming to save \$1.5 million in each full academic year from 2007-08 onwards. That amounts to about a three per cent saving on your CIT budget, an area that has certainly made its fair share of savings in the past. I acknowledge that because I imposed them.

**Mr Barr:** Certainly, yes.

**MR STEFANIAK:** I also acknowledge that when Mr Veenker went the CIT, of all the departments, had done its fair share yet it suffered a three per cent cut. What will that mean on the ground? How many teachers or full-time equivalent staff will lose their positions? What effect would that have on part-time positions, and what effect would it have on general staffing?

**Mr Barr:** I think Mrs Dunne is champing at the bit to provide an answer for you again. I answered this question earlier.

**THE CHAIR:** I thought you answered that question earlier. It should be in *Hansard*.

**MR STEFANIAK:** Fine, thank you.

**Mr Barr:** I advise you to look at the *Hansard* or to consult your colleague to get the answer.

**MR STEFANIAK:** If you have answered that question already that is fine.

**Mr Barr:** I have, yes.

**MR SMYTH:** When will the fee increases start?

**Mr Barr:** In semester one of 2007.

**MR SMYTH:** Will you put the fee increases on hold until the skills commission reports on what is needed to increase the skills base in the ACT? If one of the prohibitive factors in getting more people into skills is the fee that they pay, will you reverse this decision?

**Mr Barr:** That is a hypothetical question, Mr Smyth. I have received no advice in that regard. Unless there is other advice, no. We will go ahead with the fees as proposed.

**MR SMYTH:** You said it was a hypothetical question. Is it not presumptuous to say on the one hand that skills shortages are the number one issue and you will set up a skills

commission to inquire, report and deliver, and then to say on the other hand, “We will put up fees that lead to more skills in the community” before you have that report?

**Mr Barr:** There has been no fee adjustment since 1998 so you would have to acknowledge that a considerable period has passed since then.

**MRS DUNNE:** But CIT students have to pay up-front.

**Mr Barr:** We are capping the fees for the first year.

**DR FOSKEY:** There is no HECS is there?

**MRS DUNNE:** There is no HECS. They have to pay up-front, or their parents pay up-front.

**Mr Barr:** I have answered your question.

**MR SMYTH:** Thank you very much.

**MRS DUNNE:** Minister, can you explain to me how the government’s arrangements for the CIT will now operate?

**Mr Barr:** It is directly accountable to me, so there is a direct line to me now. I will ask Kathy to provide you with the fine detail. The direct line of reporting to me as minister is a key feature of the change. It reduces a layer and there is a post box effect through DET. Those are the key features that I wanted to highlight.

**Ms Korsch:** Yes, I think that is about right. Instead of some of our arrangements being worked out through TAE and DET, what we deliver will be through a statement of intent to Treasury.

**MRS DUNNE:** That was the bit that I do not quite understand. What will be the relationship between the CIT and Treasury?

**Ms Korsch:** Peter might want to answer that question.

**MRS DUNNE:** Is the CIT answerable to the minister, or is it answerable to Treasury?

**Ms Korsch:** To the minister.

**Mr Barr:** It is answerable to the minister.

**Mr Kowald:** We have changed financial arrangements, as Kathy mentioned. What was previously the funding agreement has been absorbed into the statement of intent. The other major change in the financial arrangements is that there is now a direct appropriation to CIT rather than via the department.

**Mr Barr:** So it is no longer a post box.

**Mr Kowald:** Yes.

**MRS DUNNE:** You are obliterating the post box but the arrangement still stands?

**Ms Korsch:** The minister will still sign off on the statement of intent, as well as Treasury.

**Mr Barr:** Yes.

**MR SMYTH:** So that is why you are keeping fireworks.

**MRS DUNNE:** One of the things I do not understand is what is the power relationship in this with Treasury? Does it write the cheque or does it have any other role?

**Mr Barr:** No, I think it is largely a cheque writing and accountability mechanism. My office would not be handing over the cash, so to speak.

**THE CHAIR:** It is a big cheque.

**Mr Barr:** Yes, it is. If you are asking me to say that I will let Treasury get its grubby hands on the policy, no I will not.

**MR PRATT:** That is the spirit minister. Lay down the operational and user requirements.

**Mr Barr:** I say that in a collegial way, Mrs Dunne.

**MS MacDONALD:** We still have to deal with CIT Solutions and the construction industry.

**MRS DUNNE:** I refer to course completion targets on page 456 of BP4. The 2005-06 budget target was 5,500 courses completed by students and the outcome was 5,025, and the budget target for this year is 5,000 courses.

**Mr Barr:** Is there not an explanatory note to that, Mrs Dunne?

**MRS DUNNE:** The explanatory note states:

The 2005-06 targets were amended by a notifiable instrument under *Financial Management Act 1996*.

Referring to courses completed by students, there seems to be a fall in outputs as well as a cut in money, and an increase in the fall in outputs.

**Mr Barr:** The contact hour target is higher than it was in 2005-06.

**MRS DUNNE:** The contact hour target is higher but there are fewer completed courses.

**Ms Korsch:** Some of them will not graduate for two years so that could well be the problem and, of course, there is more money.



**MRS DUNNE:** It has always been the case that some of them will not graduate for two years. Perhaps you could take that question on notice.

**Ms Korsch:** We have the answer.

**Mr Kowald:** The 5,500 number was too high, which is why it was reduced to a lower number by a notifiable instrument.

**MRS DUNNE:** So was the figure of 5,500 a mistake?

**Mr Kowald:** Yes.

**Mr Barr:** The target was too high. The estimated outcome is close to the outcome for 2005-06. It correlates with the 2006-07 target. Is that a fair way of describing it?

**Ms Korsch:** Yes, that sounds right.

**MRS DUNNE:** So I would have to go back to previous budgets to see that?

**Mr Kowald:** Yes.

**MS MacDONALD:** Are we dealing with CIT Solutions?

**THE CHAIR:** Yes.

**MS MacDONALD:** On page 468 of BP4 user charges for the ACT government brings in \$1,804,000. People taking courses incur most of those user charges. Why are the courses that those people are taking not fully funded and for what purpose is that money being used? Does that make sense?

**Mr Kowald:** No.

**MRS DUNNE:** Why are there ACT government user charges?

**MS MacDONALD:** Yes, why are there ACT government user charges?

**Mr Barr:** Peter will be able to help you.

**Mr Kowald:** Those are revenues from international student fees and from other ACT government departments that enrol their staff in courses offered by CIT Solutions. So that categorisation is correct.

**MRS DUNNE:** I always thought that categorisation was appropriation for a particular agency. But it is for anyone from the ACT government?

**Mr Kowald:** Yes.

**THE CHAIR:** Does anyone have any questions for the Building and Construction Industry Training Fund Authority?

**MS MacDONALD:** No.

**MR PRATT:** No.

**THE CHAIR:** Thank you minister, and thank you officials.

**Mr Barr:** Thank you committee members. It has been a pleasure going through my first estimates committee process.

**MR PRATT:** It has been our pleasure too, minister.

**The committee adjourned at 6.02 pm.**