



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

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

(Reference: [Annual and financial reports 2015-2016](#))

Members:

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

TRANSCRIPT OF EVIDENCE

CANBERRA

THURSDAY, 9 MARCH 2017

Secretary to the committee:
Mr A Snedden (Ph: 620 50199)

By authority of the Legislative Assembly for the Australian Capital Territory

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

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Amended 20 May 2013

The committee met at 3.41 pm.

Appearances:

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

Chief Minister, Treasury and Economic Development Directorate
Cox, Mr Ian, Executive Director, Innovate Canberra
Miller, Mr David, Director, Skills Canberra

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

Canberra Institute of Technology
Grayson, Ms Carolyn, Deputy Chief Executive
Stenlake, Dr Nicole, Executive Director, People and Organisational Governance
Maslen, Ms Sue, General Manager, Student and Academic Services
Caig, Mr Karl, Director, Corporate Services

THE CHAIR: Good afternoon, everybody. Welcome to today's hearing of the education, employment and youth affairs committee for the Ninth Assembly. Good afternoon, minister. On behalf of the committee, I would like to thank you, minister, and relevant directorate and agency officials for attending today. In this afternoon's proceedings we will examine a number of annual reports on higher education, training and research services delivered by the ACT government.

I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the pink privilege statement that is before you on the table. Could you please confirm for the record that you have read and understood the privilege implications of the statement? So noted; thank you very much. I remind witnesses that the proceedings are being recorded by Hansard for transcription purposes, as well as being webstreamed and broadcast.

Before we proceed to questions from the committee, minister, would you like to make an opening statement?

Ms Fitzharris: I would. Thank you very much, chair. I would like to talk about some of the achievements that have occurred within this portfolio during the reporting period.

The introduction of new administrative arrangements in 2015-16 saw the establishment of this portfolio and my appointment as minister, which is a role I am really pleased to be able to continue in. The establishment of the new portfolio delivered on a number of the government's key objectives. It fulfilled our commitment to bring a strong economic development focus to our relationship with Canberra's higher education and research institutions; it brought skills development and vocational education within the same portfolio as higher education, allowing us to

adopt a seamless approach to these sectors to ensure Canberra is developing the skilled workforce required for our growing 21st century economy; and it provided a closer relationship between CIT and the higher education sector, resulting in new opportunities for seamless pathways between our higher education and training institutions.

I will talk briefly about each of those. The education and research sector contributes approximately \$2.7 billion per year to Canberra's economy and creates approximately 16,000 full-time equivalent jobs. It is quite likely that figure has grown since it was first released in 2015, meaning that the contribution of this sector of the economy continues to provide economic growth.

ANU, for example, has committed \$500 million to new capital expenditure between now and 2020, including approximately \$300 million for the redevelopment of Union Court and \$200 million on new student accommodation. The University of Canberra has also committed to spend approximately \$2 billion, including \$1.7 billion on student accommodation, as part of its campus development program.

I know that attracting students is vital to our institutions. Due to the stature of our universities and training institutions, we are really becoming known nationally and globally as a great place to study. In 2014 international students contributed \$451 million per annum to Canberra's economy, and more recent ABS data shows that this has increased to \$508 million per annum, up more than 10 per cent. To give you some context, education exports are now around 2½ times our equivalent international tourism value.

The ACT government is committed to working closely with the higher education and training sector to help grow our education sector through a number of initiatives, some of which I will briefly mention. In September last year, we released our international student attraction strategy, "Canberra: Australia's education capital". This strategy complements our education institutions' own strategies by focusing on promoting Canberra as an education destination of choice and enhancing the student experience in Canberra. In a recent media article, ANU Vice-Chancellor Professor Brian Schmidt said:

Giving international students a feeling of welcoming and being part of the city is one of the things that the ACT Government does really well. The best way to attract international students and staff is to have your current international students and staff be really, really happy.

The ACT government also established the ACT Vice-Chancellors Forum, which meets twice a year and oversees the implementation of our commitments to the growth of the sector. Tomorrow morning I will be officially welcoming more than 250 students from interstate and overseas to Canberra for the beginning of the academic year.

In the vocational education area, we have continued to undertake a range of reform activities to achieve a flexible, responsive and high quality vocational education and training sector in the ACT. We have been working to ensure that only training organisations that can demonstrate the provision of high quality training in accordance

with our comprehensive quality and performance criteria can deliver government subsidised training in the ACT.

We should all be proud of our VET sector here in the ACT, which has proven to be of a very high quality, delivering the best outcomes and graduates in the country. We know this is not the case for a number of VET sectors across the country, which have seen significant gutting of the sector and a real loss of reputation in other jurisdictions; we have not had that same impact here, which we are really proud of.

At the recent Australian training awards, we punched above our weight, picking up not only the 2016 Australian apprentice of the year but also the small employer of the year and small training provider of the year, while a young student from Radford was named runner-up in the Australian school-based apprentice of the year. So that is a significant achievement by ACT students. We have a great VET sector that offers real career opportunities for Canberrans. As minister, I am proud to support this sector.

The ACT government is committed to ensuring that Canberrans are able to meet the skills needs of local businesses in a diverse range of areas, from cybersecurity, space and spatial technology to construction and child care.

The new CIT governing board is also driving changes. The government introduced the board to enable CIT to operate more effectively in an increasingly competitive and complex VET environment. After only 12 months of operation, the board has been instrumental in beginning a process of transformation with the launch of the CIT *Evolving together: strategic compass 2020* in September last year.

The compass includes funding to complete nine separate projects designed to transform the business of CIT and meet the strategic objectives of the board. Key to this is the CIT campus modernisation strategy, CIT's approach to creating modern learning spaces and facilities to meet the needs of its students now and into the future. CIT has also become a member of the CBR Innovation Network, which provides linkages with other Canberra education institutions, as well as opportunities to develop skills relevant to emerging industries such as cybersecurity and renewable energy.

When it comes to research, as minister I am keen to ensure that the ACT maximises the benefit it achieves from its support for the research sector. We are privileged to have so many high quality research institutions in this city, which are leading quite remarkable work across a range of sectors. I certainly know through my role as Minister for Health that there is significant collaboration.

The ACT government has made a number of targeted investments in major research projects facilitating collaboration in some cases across universities and with other investment partners, including the commonwealth. For example, we made a significant \$7 million investment in genomics research in last year's budget, one that will drive research excellence at the John Curtin School of Medical Research at ANU, help them retain and attract talented research staff and provide research and treatment pathways in our own health system.

To wrap up, we know that by growing our knowledge sector we can ensure our

economy continues to diversify and strengthen so that we are less reliant on the commonwealth public service and we can further cement our reputation as Australia's education capital. With that I will close and look forward to your questions.

THE CHAIR: Thank you, minister. We will launch into questions on innovation, trade and investment—Skills Canberra. Output 8.2, page 57 of the report notes the launch of the small business innovation program. Could someone give me some background to this program and update me on the successes of it?

Ms Fitzharris: I invite Mr Cox to answer your question.

Mr Cox: The SBIP grew out of something called the digital Canberra challenge program about three or four years ago. With respect to the way the digital Canberra challenge morphed into the SBIP, there is an internal focus on improving the quality of outcomes in government procurement at a micro level to provide testimonial and reference sites for SMEs.

As to the way it worked, for example, the last iteration was a call for ideas—what we call “pain points” within government. There was a call for issues that were affecting people at the operational level in government. They would bring forward an idea that may have a technical solution, an ICT solution or an innovation solution. That idea is then worked through the SBIP process, which is chaired by Kate Lundy, the Local Industry Advocate. It also comprises people from the institutions, the CBR Innovation Network and a selection of SMEs.

The idea comes to the SBIP. It is worked up as a proposal by my team and with other teams within government and some of the other agencies. It is brought forward through the SBIP advisory board process. We look for a solution within the SME capability of the ACT and we also marry technical mentoring and guidance from, for example, Data61 or the universities, to bring forward pain-point solutions to a small procurement issue and then do a proof of concept or a proof of technology process to develop a proposal. That proposal will then go off and be either seed funded or developed by the proponents themselves. The project then folds back. At the end of the process we have typically an outcome, a product or a service that has been built in conjunction with an SME and an institution with technical mentoring that has an application within government.

Probably the best example at the moment is the smartboard technology that is being trialled at Calvary. That proposal, that technology, came through our innovation in SME contact world; it then went through SBIP and has found application and some gravity within the hospital environment.

THE CHAIR: Excellent. Any supplementaries?

MR WALL: I have a quick supplementary. How much funding does the government provide to the CBR Innovation Network?

Mr Cox: Currently, the annual funding varies by outyear, and we are also about to go through a budget process. The current figure is \$1.6 million.

MR WALL: How many government agencies and departments or corporations are members of the network?

Mr Cox: Government agencies or directorates are not members per se. The base funding comes out of the innovation budget, which is output class 8.2, and then there is a co-contribution or a contribution from the institutions. The institutions typically contribute around \$50,000. Some of that is cash; some of that is in kind. The in-kind value on top of that is actually quite significant. So the total funding base of the CBR Innovation Network essentially, right now, is six partners multiplied by \$50,000. So it has a total business footprint of about \$1.8 million.

MR WALL: Where does the CBR innovation fund sit?

Mr Cox: The CBR innovation fund does not sit within the network. It sits within the bureaucracy. It sits within output class 8.2.

MR WALL: What work has the fund been doing? What is the role of the fund in contrast to the network?

Mr Cox: It is a competitive rounds process. The way it is used is to seed collaborative projects between the universities and the institutions, and typically within the sector framework or the key capability framework that we have articulated. A recent example would be in the space sciences area. Sorry; that is the KCA fund. The CBR innovation development fund, for example, has funded a social enterprise hub at the University of Canberra, with co-contributions from UC and other private investors as well. In terms of a scale number here, our contribution was around \$100,000 towards a larger social enterprise project that had financial contributions from UC and other partners, including private investors.

MR WALL: What is the working capital of the innovation fund?

Mr Cox: The CBR IDF was \$1 million. That funding has expired and we are going through a budget process right now. The KCA fund was \$700,000 last year.

MR WALL: Is it purely grant funding or is it taking an equity stake in some of these start-ups?

Mr Cox: It is grant but it is matched grant funding. The funds do not fund the complete project. We have a set of guidelines which elevate the proposals. The proposals that elevate have a co-contribution or a collaborative element to them. We try and push the outcome towards multi-players, and, where there is a significant resource, an in-kind or a financial contribution from the applicant, the successful recipients.

Ms Fitzharris: These questions are not really within my responsibility. It comes under the Economic Development portfolio, but there is a very significant intersection of the work of the directorate across the institution's involvement in the innovation network and the other programs.

MR WALL: The delineation is as confusing for us as it is for you.

Ms Fitzharris: I know. Sometimes that is the nature of it. We work across whole of government on a whole range of things, so I am very relaxed about that. But I do not have—

MR WALL: Trying to figure out where that delineation is, as to where one begins and one ends is—

Ms Fitzharris: Yes, it would be difficult on certain things. We all have an interest, particularly through the Economic Development portfolio and the higher education portfolio, in being aware of all the opportunities to collaborate. Equally, as the Minister for Health, there is significant collaboration with ANU, with University of Canberra. Particularly with the development of the hospital on their site, there is a significant crossover within that role, too.

THE CHAIR: There being no further supplementaries, a substantive, Mrs Kikkert.

MRS KIKKERT: Yes, thank you, chair. Training and tertiary education was rebranded to Skills Canberra during the reporting period. Why the change?

Ms Fitzharris: As I mentioned earlier, one of the significant pieces of the picture when the higher education, training and research ministry was established was to align vocational education with the higher education sector as well. It was brought together, recognising that it is a significant provider of services but also a significant contributor to the economy as a whole in terms of, as I mentioned, having 16,000 people employed in the sector every year.

It was an opportunity for us to look at it through new eyes but obviously there remains extensive interaction with the Education Directorate as well through Skills Canberra, which is responsible for the vocational education part of the portfolio. But Mr Miller might be able to respond in some more detail.

Mr Miller: Yes, thanks, minister. It was a really opportune time I think to re-badge the nature of what we did. The description of us as “training and tertiary education” is one that was based on the bit of legislation that we have that guides us as the state training authority. There had been some substantial changes to the legislation in recent years following a lot of referral of powers to the national regulator. It meant that in terms of aspects of the reference to tertiary education some of that was a little superfluous.

The act remains the same but I think it was a really opportune time for us, having been moved into the Economic Development Portfolio, to kind of broadly categorise ourselves in a way that is more descriptive of what we do, which is about skills and specifically about vocational education and training.

It was also broadly aligned with a lot of the changes and the sort of language that is used both nationally and in many other jurisdictions to describe the sort of vocational education training space. They often use “skills” as a byword as well.

MRS KIKKERT: Thank you, Mr Miller. How many staff are employed with Skills

Canberra?

Mr Miller: At the moment we have—that is a good question. We are just about to move location down to Nara Centre; so I am trying to keep on top of this on a daily basis. In terms of substantive staff who are employed in an ongoing capacity, there are about 30. We also have a number of additional staff that I think number about 20, give or take. It might be about 18 I think at the moment. They are funded currently through the national partnership on skills reform. They are on contract effectively. Depending on the nature of any future funding from the commonwealth, some of those positions might have to lapse in the near future.

Ms Fitzharris: In terms of the future of the government's investment in that sector over the next financial year, we are awaiting—this is me, other ministers and state training authorities in particular—some indication from the commonwealth about what they intend to do with the significant funding that they provide through the national partnership on skills reform. They have declined any sort of indication of when we will even see something.

There is no scheduled ministers meeting—unless it has been scheduled in the last couple of days—between now and the commonwealth budget, which is only probably 10 weeks away. So there is no indication at all from the commonwealth about what they intend to do with funding, which is a significant amount of funding in the ACT, and notably significant funding in the other jurisdictions as well.

We are very concerned about that. It is not uncommon for there to be sort of late discussions about national partnerships, but it is uncommon to have no indication of when we might have a meeting or when we might even see a process for agreeing on new funding beyond 1 July this year. That is very much on our radar of significant concern.

MR STEEL: I have a supplementary on that. Is it possible to provide a breakdown of what the funding out of the national partnership agreement has been for the past few financial years under the agreement?

Ms Fitzharris: It is a three-year—

Mr Miller: No, it is a five-year agreement. Are you talking about to the ACT specifically?

MR STEEL: Yes.

Mr Miller: Yes, to the ACT over the five years of the agreement it was worth \$28 million. That was back-ended; so the last payment that we are due to receive before the end of the current financial year, which is subject to our submitting our annual report and meeting all of our milestones and training targets that are established in there, is worth \$8 million. Last year the payment we received was just over \$6 million. There were gradual sort of smaller amounts in the lead-up years.

Then there is a breakdown of that funding, which is allocated based on our meeting the training targets that are specified. There are a number of training targets around

qualification completions, as well as qualification commencements, including particular target groups—for example, Aboriginal and Torres Strait Islanders, people with a disability et cetera, as well as achieving structural reform changes.

The best example of some of that is the introduction of the governing board at CIT. That was one of the structural reform changes that we had committed to under the national partnership. Some of the money we get is also associated with that.

At this stage we are pulling together our annual report for 2016 now, which we need to submit by the end of April. We are keenly awaiting the outcomes of the recent statistical collection that will determine how we are measuring against our training targets. As far as I am aware, we are well on track to meet all of our obligations and get the full payment. So, yes, \$28 million in total with a final year payment of \$8 million.

MR STEEL: I think it notes on page 58 that you did meet all the 2015 milestones.

Mr Miller: Yes.

MR STEEL: So there is no reason why they would be withdrawing the funding based on non-compliance with those milestones.

Mr Miller: No. There has never been—there is never a guarantee of funding. Obviously the skills reform national partnership had followed on from previous national partnerships that had existed with the commonwealth. The national partnership prior to skills reform was one called the productivity places program. That was an interesting one. It was also one that required a co-contribution from the states and territories, whereas skills reform did not require a co-contribution but obviously had a range of fairly specific targets in that both structural reform and specific training targets were associated with it.

There has never been any guarantee of further funding, but there is always that sort of sense that there is a shared responsibility for vocational education and training and an expectation that there will be further funding from the commonwealth.

MR STEEL: The productivity places program was not the only national partnership agreement with regard to training, though. There are some others. What other agreements have expired over the last few years? I am thinking of the national partnership agreement on TAFE fee waivers for early childhood qualifications, in particular.

Mr Miller: Yes.

MR STEEL: What other agreements?

Mr Miller: There are a couple of things to say. There are a few iterations of the productivity places program. It is probably fair to categorise that by saying that that was almost three different agreements. It is worth saying that. I think the first one of those was rolled out in either 2007 or 2008 and then went through to 2012.

The TAFE fee waivers is another really good example of what was a short-term project that provided support to make sure we could get people to provide training in child care. It was, I think, largely allocated to public providers as well. I think that the CIT benefited greatly from that particular national partnership.

There is also an ongoing arrangement where there continues to be funding provided from the commonwealth under—I forget the name of it now; it is “skilling Australia’s workforce”. There is a piece of legislation that describes that act, which is again an ongoing agreement that provides funding that comes from the commonwealth, which is effectively ongoing and not due to cease any time soon. They are the main agreements that have existed between the states and the commonwealth in the last five or six—

MR STEEL: So it is not just the withdrawal of the \$28 million. It is also the withdrawal of other agreements across the last few financial years that have impacted on the amount being invested by the commonwealth in the ACT sector?

Mr Miller: Yes, that is right. I think that is fair. I think the TAFE fee waivers one was a much shorter-term agreement; so that was not one that necessarily built expectation of ongoing support, whereas when you have a five-year agreement like skills reform or productivity places there are things that you are doing in establishing programs and building a sector that mean there is certainly an expectation built about the ongoing contribution that the commonwealth continues to provide, assuming you are really providing some strong outcomes.

MR STEEL: Would HECS help be another one?

Mr Miller: In the VET space, up until recently it was called VET FEE-HELP. The introduction of VET FEE-HELP occurred I think almost 10 years ago now.

MR STEEL: I am not thinking of VET fee help. I am thinking of HECS-HELP, the commonwealth HECS-HELP scheme, and how the withdrawal of funding from that might have impacted on the ACT. Has there been any change?

Mr Miller: Not in that HECS space. The significant changes occurred—my apologies if I am misunderstanding—in the VET space. What has happened is that there was a move away from basically the HECS-style VET FEE-HELP program. That has been cancelled and replaced with a VET student loans program, which is effectively the HECS program in the VET sector.

MR STEEL: No, I am talking about universities. I am talking about university fee help.

Mr Miller: Okay.

MR STEEL: That is okay. I can ask for further information on notice. Thank you.

MR WALL: Just a further supplementary?

THE CHAIR: Go for it.

MR WALL: Minister or Mr Miller, how are the skills or qualifications that the assistance is offered for identified? Is that through the federal agreement, or is that done locally?

Mr Miller: Absolutely done locally. We strengthened that significantly under the skills reform national partnership; we certainly used some funding to consider how we identified the skills needs of the ACT. We looked around and then developed our own modelling tool. It is called the FINE tool, forecasting industry need and entitlement. It is basically an indicator-based model that assesses a whole range of information about government priorities, including national government indicators around skills needs, and also includes a lot of vacancy employment data and information that is gleaned from around a whole lot of job vacancies that exist. There are a lot of indicators and a lot of data that is brought together to try and understand what the occupational needs are for the ACT. At that stage we also provide some information to support the skilled migration list, which is done at occupation level.

Then we break it down into identifying which of those occupational needs that are identified are supported through the VET sector. There is a matching process that occurs between the identified needs and the relevant vocational education and training qualifications that are synced to help support and deliver and meet those needs.

We have had a really strong focus on funding qualifications that are clearly linked to those skills needs and that are therefore more likely to lead to employment outcomes. So far, from what we are seeing, particularly through the skilled capital program, there have been some really strong outcomes, and really strong employment outcomes, as a result of that training, which suggests that we are on the money.

MR WALL: How often is the list reviewed?

Mr Miller: Comprehensively it is done annually. A lot of the indicators that feed into the model, particularly some of the federal government employment figures, are updated more often than that, usually on a quarterly basis. So there are little tweaks that occur, but the major review occurs annually. We use that fundamentally to inform both of our funded programs, the apprenticeships program and the skilled capital program.

Through the skilled capital program, in recent years we typically have two major releases. The major release occurs at the start of the year. We review the skills needs list, usually a process that starts in August and goes through to October-November. That heavily informs what qualifications we fund through the skilled capital program for the following year. But then, as we are getting ready to do a second half-year release, which might happen in around August, we will look at whether there have been any significant changes based on some of the indicator updates that have come through. We might be making minor adjustments to some of the qualifications that we will fund in what is usually a much smaller release in the second part of the year

MR WALL: In relation to accessing the funding that is associated with those listed qualifications, is that done automatically on enrolment with an RTO in the ACT for one of those qualifications, or do you need to apply through Skills ACT?

Mr Miller: If you want to access government funding through us for delivery of training and apprenticeships or skilled capital, you have to have an ACT funding agreement. That is what you would describe as a barrier to entry if you want to be a government-funded training organisation. The obvious barrier to being an RTO is your registration with the national authority, which is the Australian Skills Quality Authority, ASQA. They are the ones that will allow you to be registered as an RTO. To access our funding, there is a further hurdle—I do not like to think of it as a hurdle—a further quality check that we do to make sure that we are satisfied with your capacity to deliver training that we think is going to assist the needs of the territory.

The ACTFA is the fundamental linchpin of the quality framework that we have in place in the ACT, which was formally launched in 2015. It includes not just the funding agreement itself for the actual contract but the application process that RTOs have to go through, which is a fairly detailed process. There is lots of information that we collect about financial viability, past performance and their experience in other jurisdictions. We work very closely with other jurisdictions to exchange information about any performance issues they have had with particular providers. We have lots of providers in the ACT who might be based in other jurisdictions.

MR WALL: The question was more specifically in relation to a student that enrolls in one of these courses, say, kitchen operations, a skill that is on the list. I go, “Look, I want to go do that.” There’s obviously some funding associated with that to compensate for the fee cost.

Mr Miller: Yes.

MR WALL: Does that application for the fee contribution have to go to Skills Canberra or does that automatically get done by the RTO?

Mr Miller: That effectively happens through the RTO to us. The student enrolls with the RTO, and it is the RTO that we directly fund or provide the subsidy to.

Ms Fitzharris: With the skills list, when it releases places, it is a sort of first come, first served basis.

Mr Miller: Yes.

Ms Fitzharris: Could I just make a couple of points as well. First, I want to mention the quality checks, of which there are many. When I took on this portfolio, I was struck by the quite extensive framework around it. We have been having conversations about that. When I talk to colleagues in other jurisdictions, the quality issues that are being experienced in some other jurisdictions are really surprising. We do not have any of that here. There are people—particularly vulnerable groups of people, migrant women, women trying to return to the workforce, people trying to upskill—paying huge amounts of money up-front, often through the VET-FEE scheme, and then turning up to receive training for their qualification and finding that the RTO was virtually non-existent anyway. There have been very frequent stories in other jurisdictions. We have not seen that here, which has been terrific. There is a

range of reasons for that.

Mr Wall, you asked another question around skills. It is important to note that the skills list is the skills list that the vocational education and training sector can address. But, if we are talking about a skilled economy and a skilled workforce here, we also have many members of the workforce that might be skilled through the vocational education and training sector but also through the higher education sector. I have been contemplating what that means when we talk about skills and what skills we need. The skills list, for example, shows the skills that can be provided for through the VET sector but not necessarily through the higher education sector.

I think that is a worthwhile piece of broader work that we can do over a longer term. We have a pretty good sense of the skills base we need through the business development strategy and the key capability areas that we have identified, but it just goes to show how important it is to bring the VET sector in with the higher education sector to address broader skills gaps in the ACT economy.

MR STEEL: I think it is on to my substantive question.

THE CHAIR: It is Mr Wall's substantive.

MR WALL: I have pretty much covered mine as supps.

THE CHAIR: If it is still on Skills Canberra.

MR STEEL: Yes. Just to clarify my earlier comment, it is the HECS-HELP benefit scheme which is being removed from 1 June 2017, the commonwealth program.

Ms Fitzharris: I think that funding flows straight through to the institutions and bypasses us.

MR STEEL: It would go through to the University of Canberra, who would decide whether a student's course is eligible.

Ms Fitzharris: Yes.

MR STEEL: In relation to the skilled capital investment program, how has that helped to plug the gap in areas where the ACT needs more skilled workers?

Ms Fitzharris: It has helped. We are looking at the second year, but Mr Miller can talk in more detail.

Mr Miller: In fact, we have just started the third year. The initial commitment for the skilled capital program—again, a lot of funding has come from the skills reform national partnership—was an initial commitment of \$21 million over three years. That was for 2015, 2016 and 2017. We have just had the opening of the major enrolment round for 2017, which was a release of about 3,000 places in skills needs qualifications that opened up for enrolment on 15 February. At this stage, we have already had about 700 enrolments, possibly a few more. The history so far of the skilled capital program has been a very successful one both in terms of getting strong

employment outcomes and in terms of continuing to demonstrate that we are identifying the appropriate qualifications where there are skills needs, getting people trained in the areas that the ACT economy needs.

The really strong examples, where we have had really strong uptake and where we allocate a lot of places, are, for example, in the childcare sector. There are some really obvious needs that are identified when there is a sector that is regulated in the way that child care is. In the childcare sector there are obligations on childcare providers to have people at a certain level of qualification or be in training. Both the diploma in early childhood education and care and the certificate III in early childhood education and care are very highly sought after qualifications. We see the funding that we allocate and the training places that we allocate and support through the skilled capital program being snapped up very quickly in the enrolment rounds because there is that success and need in the industry to provide that.

The other areas that continue to feature on the skills needs list, and therefore are reflected in skilled capital, are other community support qualifications, certificates in individual support, hospitality qualifications, and some of the construction industry qualifications that you do not have to undertake through an apprenticeship pathway. ICT is another one where we continue to identify opportunities and qualifications that are relevant to meet identified needs in the ACT community.

We did a preliminary evaluation of the skilled capital program last year, acknowledging that it was still only 18 months in and pretty early on. It is also important to remember that with a lot of the qualifications that you are undertaking it might take between one and two years to achieve the full qualification. So it was a bit early to start evaluating, but of the qualifications that had been completed we were seeing really strong employment outcomes. I think we had 63 per cent of people in employment post training through the evaluation process. Another 35 per cent, I think, had gone on to other training and gone into other further training. So I think there are some really clear benefits and outcomes being achieved through that program.

MR STEEL: Are the places provided to particular RTOs?

Mr Miller: No.

MR STEEL: To then recruit people to those places? Or do the students come to you directly to participate in that program?

Mr Miller: It is provider led. Students will enrol with an RTO. It is a competitive process. Let me describe it. When we identify the qualifications that are going to be funded, we also identify what funding we are providing for somebody enrolling in the qualification and we identify how many places in that qualification. Literally, on enrolment day, when the enrolments first open, RTOs are enrolling students that they have probably recruited over the preceding months. We give them a number of months advance notice of all of that information, about the number of places, the qualifications, the subsidies. They will have been recruiting students and working with employers that they have relationships with to identify what training needs they might have and getting ready to enrol a range of students on enrolment day. Then you will literally see a cap of 300, say, and every time a student enrolls, that goes down, to

299, 298 and so on until all of those places are exhausted.

MR STEEL: How many are from the CIT? How many places have been used by the CIT?

Mr Miller: CIT has not been a big user of the skilled capital program. Relatively speaking, skilled capital is a small program compared to the amount of money that CIT receive directly from ACT Treasury to deliver the majority of their training, which occurs under a training profile. I think during the evaluation we identified that they might have accessed between 10 and 15 per cent of the skilled capital market, whereas if you look at the apprenticeships market, which is worth about \$13 million a year, CIT are a much bigger user of our user choice funding, the apprenticeships funding, especially because they deliver a lot of the traditional trades and the more expensive to deliver qualifications. So they do attract a lot of that funding, even though it is completely contestable.

MR STEEL: What proportion of the training fee does the program cover? Is it different depending on the qualification?

Mr Miller: It is different depending on the qualifications. In developing the skilled capital program, we did a fair bit of work to identify what the true cost of training was or the efficient cost of training: give or take a whole lot of variables, how much does it cost a training organisation to deliver a particular qualification? It is a really important bit of information. Obviously it varies greatly. If you are delivering a certificate III in business where you are office based, you might need a computer and a few other things but not much more, whereas if you are training someone to be an electrician, to be a plumber or in another construction or carpentry trade, there is a whole range of other resources, such as plant and material, that you might need, and it is far more expensive to deliver. So it is a really important bit of information.

Then, based on the skills needs that we identify, we will allocate a different proportion of subsidy to support those qualifications. The skills needs list is basically the priority one qualifications. Those qualifications, as identified on the skills needs list, will receive the highest proportion that we would allocate in terms of the training subsidy. There are still hundreds of other qualifications that we will provide funding to support, but it will be a reduced proportion of the cost of training.

There might be qualifications that an RTO is very keen to deliver but that do not have, from our point of view, a strong benefit for the ACT economy. But there might be a lot of private interest for individuals to undertake that qualification. So the government subsidy is less, but the RTO has the capacity to charge more to the student to make up the difference so that they can afford to deliver the qualifications.

MR STEEL: Thank you.

Ms Fitzharris: The skills list is available online; you can see the range of sectors and the range of qualifications that are on the skills list.

THE CHAIR: Any further questions on Skills Canberra? No. Then we will move to the next substantive, Mr Wall. Any on the TFA?

MR WALL: The training fund?

THE CHAIR: Yes.

MR WALL: We have come to the Training Fund Authority?

THE CHAIR: Yes.

Short suspension.

THE CHAIR: We will resume.

Ms Fitzharris: We have Mr Carter and Mr Service, the chair of the board of the authority, to answer your questions.

MR WALL: I have a few questions with relation to the training fund. Page 12 of the annual report gives examples of the funded programs. There are a couple of programs that were running in a number of schools. Are you able to provide more specifics on the teachers assistants program that operated out of Dickson College and Marist?

Mr Carter: The teachers assistants program is for a retired teacher who goes in to assist the schools when there are increased numbers in class sizes when the practical components of the work get above a certain number that the schools are comfortable with. We support the cost of the teachers that come in and assist those schools that require that assistance. Currently Dickson and Marist do.

MR WALL: Why would that then fall under the purview of the training fund but not be an issue for the schools if they have got an oversubscription for courses?

Mr Carter: I think it is a way of supporting the schools in being able to ensure that they can obtain and benefit from industry experience related to the training as opposed to just school teachers who may or may not have all the full industry experience at the cert II training level.

MR WALL: You mentioned that it is a former teacher that is funded to go in and assist.

Mr Carter: Trainer.

MR WALL: It is someone who has got industry experience?

Mr Carter: Correct.

MR WALL: In one of the trades?

Mr Carter: Yes.

MR WALL: Page 13 of the report notes the asbestos awareness training that was conducted as part of the changes to the legislative framework. Has that training now

largely been completed or are there still a number of people to go through?

Mr Carter: That training continues.

MR WALL: What proportion of the industry would you suspect now has got that qualification completed?

Mr Carter: It is difficult to put a percentage on it, but it is any new entrant worker who has not had training in that asbestos awareness or any worker who has relocated to the ACT from another state or territory who will not also have the ACT requirement for asbestos mandatory training.

Mr Service: Remembering that people come in and out of the industry on a regular basis, part of the issue is to ensure that we were able to train as needed. It is continuing. Next year, for instance, it might train nobody but the year after it might train 5,000 people. It depends on the scale of projects as well.

MR WALL: Obviously it is largely demand driven.

Mr Service: Absolutely. We had that huge demand when the rules changed and we were able, with the cooperation of the various RTOs, to make sure that we funded whatever was required in that sense. And that continuity of funding continues.

MR WALL: How many applications for support has the training fund received for entrance into either entry level training or ongoing skills development in the industry? And how many of those get met by having assistance offered?

Mr Carter: For all those that are eligible, assistance is offered—ie, if the applicant has an eligible application, if the training is undertaken by a registered training organisation and that registered training organisation has scope to deliver those programs in the ACT. We do not reject any applications based on our having reached a certain number. It varies depending on whether or not the training proceeds. We require people to make an application prior to the commencement of training. That is done. It is then largely left to those industry bodies or industry employers to complete the training. If their plans to do the training next month change and they do not undertake it, then they simply do not receive the rebate, because the training was not completed. It will probably vary, but it sits between about 10,000 and 12,000 completions on an annual basis.

MR WALL: Is the pool of funds raised largely through development application levies sufficient to meet the demand? Is there a surplus at the end of the year normally or a deficit?

Mr Service: I have been to this committee for many years. Our policy is: if we could spend every dollar that we raised each year, we would. Some years we go close to spending all of the funds that come in that year; other years we do not. It depends on the industry's demand. Whatever funds we have, our aim is to always spend that money every year. We do not want to look for budget savings; we look for ways to spend the training levy because it ensures better outcomes in the industry. But it is difficult in some programs to spend all of our allocation each year because it depends

on demand.

Ms Fitzharris: Would it be useful for the committee to run through the process that the authority goes through each year to determine the training plan to give you a sense of—

MR WALL: The next question I was going to ask was: what promotion work does the authority do to actually advise employees in the industry of the opportunity that exists through the fund? I speak from personal experience. Our family was in the industry for 20 years, 100-plus DAs a year, paid the levy but we were never quite aware of what you could do to access the funds.

Mr Carter: Obviously the website is very comprehensive in terms of how the process works and how someone can make an application. It is very simple and it is completely digital now so that workers can do that from their phone. That is a recent change undertaken in the last 18 months.

We sponsor events where there is a clear benefit to a training outcome and/or where there is awareness of what the authority does, the payment of the levy and the use of the levies in terms of training rebates. For most of the large master builders—HIA, large organisations that have their annual awards where there will be large numbers of their members—we sponsor those events. A portion of that is usually an award for host trainer or something that is linked to the training and the apprenticeship system. And we have got a 30-second video that we promote during those events.

Mr Service: There are two other key ways that we do it apart from that. One is that we have contractual arrangements with the Construction Industry Training Council and the electro skills group. Their job is to interact with industry players—that is, businesses, industry organisations, group training companies and others—to elicit from them the demands of the industry and the individual employers. They run a number of what I might call workshops, normally mornings. Part of their job is to elicit that information about where skill shortages are and report back to us. The training plan is developed around that for the government then to bring to the Assembly for approval.

The second part of that is that at a board level we have representation from both employer and employee organisations—HIA, MBA, ETU and the CFMEU. We have a very good interaction between the key groups that represent employers and employees.

The other thing that we do in terms of our own management—and we only have three; we are a very small, lean organisation because our only job is to spend money on training—is to have an industry liaison officer, and part of his job is to spend time in workplaces, large and small, almost every day of his working life. His job is to find and understand what the skill shortages are and ensure they bring back to the authority what those skill shortages are that we can meet with additional funding. At the moment for this year I think we are funding 13 skills shortage areas. Last year—correct me if I am wrong—I think we funded 11.

Mr Carter: Eleven—correct.

Mr Service: We do have an annualised program about funding skills shortages which come to us from the industry. Because we are not a lobby body and we really have a very narrow ambit in terms of our legislation, we do rely on industry groups and individual businesses to come and tell us what they need.

MR WALL: I suspect you do not have the list there, but are you able to provide the committee on notice the list of what the skills are that are being funded at the moment?

Mr Service: I would be delighted to.

THE CHAIR: I note with great intrigue the access and equity program. This is a bit of a historical question. I see a steady increase in funding for access and equity, but in 2014 there was a big drop. Can someone explain what is going on? I would love to know before I ask some questions about this year.

Mr Carter: Access and equity is specified in the training plan. We provide incentives to employers that employ women in non-traditional trades, Indigenous students in apprenticeships, people with disability and/or returning workers who are returning to work from a workplace injury or a workplace accident and require training.

In 2014 the Construction Industry Training Council made an application to the authority board to put on an industry liaison officer—who was injured in a workplace and wanted to return to work but was unable to do that in his trade—to work with the CITC in a liaison role. The authority provided, from memory, around \$40,000 for his—

Mr Service: The question was about 2014. Why was 2014 so low?

Mr Carter: 2015 included the increase in funding for that particular worker. There has also been a steady increase over those years in the number of women in non-traditional trades and Indigenous.

Mr Service: The answer is that we cannot actually tell you why it was so low in 2014. Again, it is an application-based program. In some years the applications are very low. I have answered this question a couple of times in the committee. One of the greatest challenges in this program is, in fact, Aboriginal and Torres Strait Islanders. The completion rate is very low. There are a whole range of reasons for that. It is a result of the socio-economic difficulties in that regard. We work very hard to find ways to keep some of those young Indigenous men and women in a trade for as long as we can. The completion rates go up and down every year, as does the interest from women in terms of going from one job set to another job set.

The industry itself has done much better in the last couple of years in finding ways to promote opportunities in construction—not just being on the site with a nail bag and a hard hat and vest, but other ways in terms of management skills, IT operations and so on, actually directing other things that go on, as well as in terms of pastoral care. It actually increases some years. We are pretty pleased in the authority that it has gone from that low mark in 2014 to where it is in 2016. If it was \$200,000 or \$300,000, it

would be even better, but it is very hard to get it that much higher.

THE CHAIR: That was the most convincing “I don’t know” answer I have ever heard. That is completely serious. Well done.

Ms Fitzharris: The good news is that it is increasing.

Mr Service: The good news is it is increasing. If someone could tell us how we could double it again, we would be very happy.

Ms Fitzharris: We made a commitment, as you will note, in last year’s campaign around providing a couple of targeted programs to upskill certain groups, including women, in traditional trades as well as older people looking to reskill. We are working through how we might deliver that, because it is two parts of the puzzle that we were concerned about. If there are others that we can potentially address as well, we will certainly look to do that. Again, it goes to the benefit of being able to bring some of this together with the Higher Education, Training and Research portfolio and Economic Development, with all those connections with industry, and being able to bridge some of the gaps between the different sectors in order to increase opportunities to upskill so people can get jobs and keep jobs.

THE CHAIR: I was hoping someone could expand on the promotion and marketing of women in building and construction, which is what I am sure a lot of the access and equity program goes towards funding. Have there been any successes from this program?

Mr Carter: The program is an interactive website link that is off our website, which assists women in understanding more about trades and a decision to enter into trades. It is difficult to measure unless you have looked at how many people use that site and how many hits it has had, but it is used extensively through the schools. We review it each year. It is still very current. It is a source of information for people who are interested but do not know a lot more about what a plumber might do or what an electrician might do.

MRS KIKKERT: Mr Service, you mentioned Indigenous people not finishing off the program. How are you reaching out to them to help them complete these programs, and how many Indigenous people have dropped out of the program?

Mr Service: Can I take the last part on notice?

MRS KIKKERT: Sure.

Mr Service: As to the first part, the reliance is on the training organisation, so the various RTOs that provide that. The execution of the training is really their responsibility. We look for ways to fund them so they can better improve that outcome. As I said, because our legislative responsibility is very carefully and very sensibly targeted at being a funding body and not a regulatory body or execution body, it ensures that those bodies have to skill themselves to do that work, so there is no crossover in that responsibility. As to the number, let me take that on notice. We will come back to the committee within the required time.

MRS KIKKERT: Thank you.

Ms Fitzharris: There is also the broader issue of people completing apprenticeships and/or the broader issue of Indigenous employment as well. I do not know if we have anything we can add around Indigenous apprenticeships, if you were interested in that, to go back to the broader skills issue?

MRS KIKKERT: That is okay; thank you. I have a substantive question. In relation to page 53, why has the levy collection fee increased?

Ms Fitzharris: More DAs?

Mr Service: More DAs. Our income is generated by the volume of work in the market.

MR WALL: Specifically, page 53, under point 8, supplies and services, refers to the levy collection fee. The levies are largely collected by EPD, aren't they, on the lodgement of a DA?

Mr Service: Correct.

MR WALL: So where does the cost of the training fund occur? How is the training fund incurring a fee for the levy collection?

Mr Service: Because it is administered by ACTPLA. They administer the collection. They account for it and they repatriate it to us.

MR WALL: How is that fee then calculated?

Mr Service: We have an MOU with ACTPLA.

Mr Carter: Yes, we have an MOU for the collection of the levy and their role in doing those calculations. They use varying rates—not varying rates for our levy, but they use a square metre rate based on the class of building.

MR WALL: In the annual report there is \$24,727 that the fund has paid for levy collection fees.

Mr Service: Yes.

MR WALL: That is done on a square metre rate?

Mr Carter: No.

MR WALL: The levy is calculated on a percentage of building cost?

Mr Carter: That is correct. That is a payment that we make to EPD to collect the levy on our behalf in two half-yearly payments.

MR WALL: Okay. The levy has changed. In 2015 it was \$37,000, and it was \$24,000 this year.

Mr Carter: Yes.

MR WALL: There was a renegotiation then of—

Mr Service: No, they collected fewer fees. In 2015 they collected more fees and in 2016 they collected fewer.

MR WALL: It is the other way around. In 2015 you collected \$3.7 million and paid \$37,000?

Mr Service: Correct.

MR WALL: In 2016 you collected, from the private sector, \$4.2 million?

Mr Service: Yes.

MR WALL: And paid \$24,000?

Mr Service: Remember that not all of our income goes to ACTPLA. Only projects that are approved under the Building Act go through ACTPLA. The rest is self-assessment and paid directly—civil projects and other things. Not everything goes through a DA process.

MR WALL: So if it is DA-exempt and it just goes through building approval—

Mr Service: The levy is collected and there is no fee payable. Some of the directorates may have paid more; the private sector may have paid more. It just depends on who it is and where it comes from.

MR WALL: In that case then it has been paid direct to the fund through building certifiers and the like?

Mr Service: Correct.

Ms Fitzharris: Either Mr Carter or Mr Service can address this, but if you think about when DAs are applied for, because you would be catching the back end of 2015 and the front end of 2016, there might be—

Mr Service: There can be—

Ms Fitzharris: There can be a difference.

MR WALL: From when the fees are determined and when they are paid.

Ms Fitzharris: But you are also catching different parts of each calendar year in terms of the collection, because it is over a financial year rather than a calendar year. In different seasons you might have a different level of DA applications made.

MR WALL: Yes, but it would be consistent. Whilst the number of DAs may change seasonally in a calendar year, the reports are done calendar year to calendar year. So comparing one year to another would be financial—

Ms Fitzharris: Financial, yes.

MR STEEL: Just following on from that, on page 10 it shows a fairly substantial increase in income in 2016 compared with previous years. This is said to be due to an increase in the number of apartment and unit projects and road infrastructure upgrades being undertaken in 2016. Can we expect this increase to continue into the financial year we are currently in?

Ms Fitzharris: We would hope there is an increase in construction activity across the territory.

Mr Service: In a market sense, it is reasonable to think that in some sectors there will be a continuing strength in construction. Whether that will necessarily apply to multi-unit apartments I think remains to be seen. I am hedging my bets. I think it is unlikely that the level will grow, but it is reasonable to expect in the current financial year that that level of approval will stay the same. Whether the market demand for units remains the same over the coming number of years will depend on population growth. At the moment the ACT is, I think, doing quite well in the population stakes.

MR STEEL: When you have more revenue, you can expend more revenue.

Mr Service: If we had more demand, we would happily expend more revenue.

MR STEEL: In 2016—\$1.6 million compared with \$960,000 in 2014—there has been an increase in expenditure.

Mr Service: Yes. A lot of that increase was, of course, around the asbestos awareness program, which was a one-off.

MR STEEL: Thank you.

THE CHAIR: As there are no further questions, thank you for coming, gentlemen.

Ms Fitzharris: Could I pass on apologies both from the CEO, Leanne Cover, who is unwell and unable to be here today, as well as the chair of the board, Craig Sloan. But we are ably assisted by Carolyn Grayson, the deputy CEO.

THE CHAIR: I have a question in regard to the Tuggeranong campus of CIT and how that is going.

Ms Fitzharris: I will let Ms Grayson answer that in detail but it was really tremendous to open that, from memory, in July last year. I would particularly like to note Ms Burch's longstanding advocacy, both as a local member as well as the minister at the time, for a campus to be opened in Tuggeranong. It is an exciting opportunity for CIT.

As you will see through the strategic compass—and perhaps it will come out in the course of the hearings—the provision of training is changing. What students want is changing quite considerably. Technology is driving a lot of that, as well as the needs of employers. The Tuggeranong campus is a great opportunity to provide really student-focused services in a new and custom-built environment, quite different from a lot of the traditional teaching environments that CIT might have at some of its other campuses. This goes to some of those issues that I briefly mentioned in my opening statement around modernisation of the campuses, making sure that we are able to provide a learning environment that is what students learn well in and what students want to see. It is great. It is on the main street of Tuggeranong.

As an aside, we are just about to get underway with some of the first stage of upgrades to Anketell Street, which will help inject even more life back into the street. But I will let Ms Grayson talk in more detail about Tuggeranong.

Ms Grayson: Thank you minister. In regard to the statistics of the enrolment growth and the types of programs that we are offering there—Sue Maslen is our general manager of student and academic services and actually oversees the programs within the campus—I will pass to Sue to give you chapter and verse on data.

Ms Maslen: I am pleased to report that CIT Tuggeranong is going very, very well. If you look at the numbers, they have effectively quadrupled since we opened the new campus. In 2015 we had 181 students who had enrolled and we were delivering in a fairly narrow range of areas. In 2016 it went from 181 to 572 students all up. In semester one we had 147 enrolments and, after the opening of the new Tuggeranong campus, that went up to 489. And then this year we are already at 504 enrolments.

We have expanded our delivery. The majority of it previously was flexible learning in business-related areas. We also have expanded that to access education programs: general education, language, literacy and numeracy support, year 10 alternative, return to work for women programs, early childhood and education care, library, IT, fitness, and bar service.

MR WALL: Are there plans to further broaden the course offering at Tuggeranong?

Ms Maslen: We are always reviewing what we are doing down in Tuggeranong. At this point in time it is related to the facilities and the infrastructure we have there. But yes, we are always looking at other opportunities, particularly expanding in new areas. Cybersecurity is a new program that we are looking at, and we are planning to deliver that down there as well.

MR WALL: What is the capacity, then, of Tuggeranong student-wise?

Ms Maslen: I would have to take that one on notice.

MR WALL: Are there further plans to increase the footprint? What is the footprint that you occupy at the moment? You have got the ground floor on Anketell Street and how many floors above?

Ms Maslen: We have half of the floor on the ground floor and then we have got all of the first floor. Yes, there is room to expand upwards if there is the demand there.

MR WALL: And that option exists with the landlord?

Ms Grayson: We would need to take that one on notice but I do understand that when we moved into the site the landlord was speaking quite positively. I do not know what actually has been agreed on.

MR WALL: And what plans are there to broaden the footprint and space available for course delivery in Tuggeranong?

Ms Grayson: In regard to expanding our footprint, what we are going through currently is a campus modernisation strategy. Any thoughts for an expansion of a particular campus or reduction in the footprint, that style of thing, are something that is subject to a subcommittee of the CIT board under the campus modernisation strategy. I would be awaiting the decisions coming from the board on that one.

MR WALL: On that modernisation strategy, what are the plans for the Woden campus?

Ms Fitzharris: The decision to vacate the Woden campus was taken some time ago, but the music school remains there and will for the remainder of this calendar year. But it is a broader strategy across the city looking at what is provided at each campus. CIT through the board has already identified where it would like to establish centres of excellence at each of the existing campuses but, certainly with the opening of Tuggeranong and the broader work underway—the subcommittee involves both senior ACT government officials as well as a subcommittee of the CIT board—that is being worked through now in terms of what CIT's service delivery looks like over the coming years and how its current assets fit in with that. There is a lot of work underway but it is really at its early stages.

MR WALL: What courses currently still continue to be offered at Woden? Just the music school?

Ms Grayson: At the moment it is the music school that is currently there, yes.

MR WALL: And who owns the buildings? Is it an asset of CIT or is it Property Group?

Ms Fitzharris: It is effectively an asset of the ACT government. It is being considered in a broader context of being owned by the ACT government.

MRS KIKKERT: On page 21, what changes has the introduction of a board and a new governance structure brought to the operation of CIT?

Ms Grayson: Dr Stenlake will be able to answer that one, thank you.

Dr Stenlake: Thank you. It has been a really exciting time for us at CIT with the introduction of the new governing board. I think one of the major changes that we

have experienced is a real increase in the rate of change. The board had started us on a process of significant transformation. I guess the road map for that transformation is articulated in the new strategic compass, which was launched in July last year, called evolving together.

We are looking for transformation across a number of dimensions. In general terms, we are looking to do things better across the board in terms of how we work with industry, how we support Canberra business and the industries in Canberra and the contemporary learning opportunities for our students.

The board have done some significant work in giving us the direction for the future. Part of that was the release of the evolving together compass. The leadership that they have shown in relation to campus modernisation has also been significant. And they are very committed to working with us to improve and broaden our capability on the skills of our workforce.

The major transformation will be led by nine individual projects which you will see listed in the evolving together document. The work on those projects has already commenced. One of the interesting things about the opportunity for these projects—and the board was successful in securing \$8 million of national partnership agreement funding to support CIT in the implementation of this project—is that the funding has given us capacity to attract new staff to CIT who come with complementary skills to our existing workforce. Those new staff with their new capabilities are working with existing CIT staff on this sort of journey of transformation. The work has started. We are really confident that under the direction of the board and our CEO by the end of 2017 we will have made significant impacts on our transformation journey.

MRS KIKKERT: How does the board interact with the advisory council?

Dr Stenlake: The board replaced the advisory council.

Ms Fitzharris: As part of the national partnership funding as well, one of the things that we need to do is review the operations of the board since it was first established. That work is about to get underway to give advice to the board and to the government that the board is achieving what the government set out for it to do. That work is underway. And we expect that we will be able to provide more information on that later in the year.

MR WALL: Minister, could you outline to the committee why CIT has such significantly high printing costs?

Ms Fitzharris: Can you give me a particular reference and then we can draw on our resources?

MR WALL: In about the last 12 months, I think by my sums, there was \$1.328 million in printing. The invoice payments consistently appear in the government's notifiable invoices register. Just to go to December 2016 as an example, there are six invoices paid to Fuji Xerox Australia for amounts varying between \$55,000 and \$73,000.

Ms Fitzharris: Mr Caig, I believe, can answer that question for you.

Mr Caig: Those printing costs are our entire printing costs, not just the incremental per page printing cost but also the operations of our print centre and our fixed printing fleet. They also include the cost of student printing. Student printing is paid for by students but the expenditure is paid for by us. That shows up in our total printing expenses.

MR WALL: Are you able to provide a breakdown, then, of what the printing incurred by CIT is against the student printing cost?

Mr Caig: If I could take that on notice?

MR WALL: That would be fine. That cost of printing is considerable compared to any other area of government. How much content is provided to students electronically?

Ms Grayson: In regard to the move to an online environment, we have been moving towards ensuring that, for every subject that a student actually enrolls in and undergoes the training in, there is a component of the virtual classroom tool in that. There is a component of e-learning but there are also some cases where the students may need to have, and staff may produce, some hard copy as well. But, where we are not wanting to move all programs to fully online because that is not necessarily the best educational mechanism, what we need to do is keep a blended learning approach where there is both the face-to-face as well as online work. At this point in time we are reducing printing costs but we will need to see the actual breakdown of where the printing is, from possibly the photographic studios where there could be some particular types of printing that is quite expensive in that case versus the A4 black and white.

MR WALL: What is the contract arrangement with Fuji Xerox for printing at CIT?

Mr Caig: That has recently been changed as part of a whole-of-government initiative around printing and multiple function device contracting. There is no longer a contract with Fuji Xerox there. We have recently changed providers to be on the whole-of-government arrangement.

MR WALL: When did the CIT arrangement cease?

Mr Caig: Earlier this year.

MR WALL: Looking back to the last financial year and last calendar year even, the invoices seem largely irrational. There will be some months where there is no invoice, some where there are three and in December, as I said, there were multiple invoices. What was the contractual arrangement there to facilitate multiple invoices being issued?

Mr Caig: There are actually multiple aspects to the contractual arrangements. Again, we have got the standard multiple functional devices throughout the campuses and there is the printing issue with that. There is also tied in with our own revenue system

for students a system called my prints, which sometimes delayed the issuing of monthly invoices by a little. Sometimes those invoices did bank up. There are also the invoices for our fixed-cost print centre as well in that. So the invoices do not necessarily arrive evenly throughout the year.

THE CHAIR: Supplementaries? No. A substantive, Mr Steel.

MR STEEL: On page 59 there is a reference to the ACT vocational education and training administration record system. I was just wondering how the transition to that system has facilitated the streamlining of ACT VET.

Ms Fitzharris: On which page?

MR STEEL: Page 59.

Ms Fitzharris: We can answer your question, but it is not on page 59.

MR STEEL: If it is not on there, it is not on there.

Ms Fitzharris: But the question is—

Ms Grayson: The new student administration system, the upgrade to our banner system, has afforded us a range of additional functions that we can apply for not only staff ease of use but also student ease of use. With the technology changes and improvements, there has been significant ease of access through the student self-service facility. Where we have had in the past a very clunky, if I can use that term, approach to logging into the system, there is now a portal that provides much more streamlined access for use.

MR STEEL: What is on the portal for students in particular? What sorts of things?

Ms Grayson: In regard to?

MR STEEL: The sorts of things that they log on there to access?

Ms Maslen: Students are able to access their timetables and the results from their study. They also pay their fees through the portal. And they can contact their teachers through that.

MR STEEL: So that is separate from a learning portal? It is a separate system entirely from that?

Ms Maslen: It is, yes. It is a student administration system as opposed to an online learning system.

MR STEEL: Right.

THE CHAIR: Supplementaries? Okay. It is my substantive. I will let that one lapse. Mrs Kikkert, a substantive?

MRS KIKKERT: No, thank you.

THE CHAIR: Mr Wall, a substantive.

MR WALL: What sort of work is done at CIT to monitor completion rates of courses that students enrol in, and how is that tracking currently?

Ms Maslen: We have a number of mechanisms for monitoring completion rates. We can get data from our student learning system on how students are progressing, to see whether or not they need additional support. We can also get stats on module completion rates. We review those each semester to identify where we might need to do some more support for students or change the way that we are delivering if the completion rates are relatively low. In addition to that, we have very strong student support mechanisms at CIT. When a student is identified as needing support, whether it be language, literacy, numeracy, counselling or disability support, we have the infrastructure around that to support the students to complete.

MR WALL: Are you able to give an indication of what the completion rate is like by perhaps different areas of study or schools of study? I am happy for that to be taken on notice.

Ms Maslen: Yes. Are you talking about—

MR WALL: Course by course it would be overwhelming, but—

Ms Maslen: At a qualification level are you talking about?

MR WALL: By qualification level would be good to have, but also by area of study, whether it is in hospitality, an automotive trade or a construction trade—that sort of thing, if possible.

THE CHAIR: Mr Steel, a substantive.

MR STEEL: Just for the record, the record system is noted on page 59 in the report. I just could not see it there.

I was just wondering whether you could outline how the reconciliation action plan for 2016-19 is improving CIT's Indigenous focus.

Dr Stenlake: We have had a long-term commitment to reconciliation at CIT. We launched our first reconciliation plan in 2012. I suppose one of the most exciting things about our success in supporting Aboriginal and Torres Strait Islander students is the very significant increase we have seen in student numbers over the last few years. We have increased from 266 students in 2009 to over 900 in 2016.

In relation to reconciliation, that is really a focus, for staff and students who are non-Indigenous to shift their thinking towards reconciliation. It is about promoting opportunities, respecting the culture and building relationships between Indigenous and non-Indigenous students and staff across the organisation.

We have made some quite significant headway in relation to that, in relation to running various culturally significant events on campus and so on. But the most important thing is providing an educational environment where students feel comfortable. I was reflecting on the question that you asked of the training fund authority around completion rates for apprentices. What we know at CIT is that that can be a significant challenge. When someone starts an apprenticeship, it is a three or four-year commitment. What we find at CIT is that somebody might come and be ready to succeed, and they go through straightaway. But, more often than not, people from that community face multiple barriers. There might be issues in the home, there could be homelessness et cetera. Quite often it takes two or three times of engagement with us before they actually are ready to complete the qualification. What is really important is that we provide a culturally appropriate learning environment for them where they feel supported so that they come in our door and they are welcome. They might have an issue which means that they do not complete the qualification first time around, but they come back.

What we also see, which is really pleasing, is that often when one member of a family is successful other members of the family then come and do a qualification at CIT. That is one of the reasons why we have had that growth. It is quite a small community in Canberra. We are very strongly connected with that community. The team at CIT Yurauna spend a lot of their weekends connecting with the community at various events and draw people to us. But the most important thing is providing a culturally appropriate, culturally safe environment in which they can learn.

MR STEEL: Thank you.

THE CHAIR: Any more?

MRS KIKKERT: Do you know how many Indigenous students are enrolled in CIT?

Dr Stenlake: In 2016 there were 906, and we are looking at even stronger enrolments this year.

MRS KIKKERT: Thank you.

THE CHAIR: Any further questions?

Ms Fitzharris: Chair, could we clarify? Sorry, we were looking at the CIT annual report, not the directorate's annual report. So we can answer that. Mr Miller can come back now and answer that, if you would like that, chair, or at the end of the CIT session.

MR STEEL: No, that is fine. I think it has been answered pretty well.

Ms Fitzharris: It is completely different.

MR STEEL: Perhaps you can put it on notice.

THE CHAIR: Put it on notice. Are there any further substantive questions for CIT? No. In that case, thank you for coming.

Ms Fitzharris: Thank you.

The committee adjourned at 5.09 pm.