

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2014-15

Finance Portfolio

Department/Agency: Department of Finance

Outcome/Program: 1/1.1

Topic: Costing of VET sector reform proposals

Senator: Ludwig

Question reference number: F148

Type of question: Hansard, F&PA Committee, Page 83, 20 November 2014

Date set by the committee for the return of answer: Wednesday, 31 December 2014

Number of pages: 2

Question:

Senator LUDWIG: But if we answer the primary question: did you cost any of the proposals relating to the VET sector reform?

Senator Cormann: All proposals that are part of it were costed.

Senator LUDWIG: So what was the VET sector reform costed at?

Senator Cormann: We might have to take that on notice.

Senator LUDWIG: That would have been the 457 and investor visa program. Then, if I wanted to ask about what was absorbed I can go to the department. At least I can ask them the same question, as to what the amount was that they absorbed.

Ms Huxtable: We will take it on notice.

Answer:

The Industry Innovation and Competitiveness Agenda, released on 14 October 2014, included reforms to the Vocational Education and Training (VET) system (Proposal 10: Improving the Vocational Education and Training System, pages 52-55). The following measures were costed by the Department of Finance and are included in the *2014 -15 Mid-Year Economic and Fiscal Outlook (MYEFO)*:

- *Australian Apprenticeships Support Services – continuation* - \$602.0 million over four years from 2014-15 for Australian Apprenticeships Centres to deliver apprenticeships support services for three years from 1 July 2015;
- *Support for Adult Australian Apprenticeships - payments to apprentices – cessation* - savings of \$66.1 million over three years from 2015-16 from ceasing payments to apprentices under Support for Adult Australian Apprenticeships from 1 July 2015;
- *Australian Apprenticeships Management System – information technology* - a modern information technology platform to support the provision of Australian Apprenticeships Support Services. The financial implications of this measure are not for publication as the Australian Apprenticeships Management System will be subject to a tender process;

- *Australian Skills Quality Authority – revised regulatory model* - \$13.6 million over four years from 2014-15 to support a more targeted approach to auditing activities, with a focus on identifying and auditing high risk training providers;
- *National Training System Commonwealth Own Purpose Expenditure – reduction* - savings of \$68.7 million over four years from 2014-15.
- *Industry Skills Fund - Training for Employment Scholarships and Youth Employment Pathways – establishment* - \$43.8 million over three years from 2014-15 to establish two pilot programmes to assist young people in regional areas and areas of high unemployment to transition into employment, education and training; and
- *Skills for Education and Employment – reduction* - savings of \$43.8 million over four years from 2014-15 from reducing the number of training places under the Skills for Education and Employment programme.

The Agenda also included reforms to the 457 visa programme (Proposal 11: Streamlining the subclass 457 visa programme, pages 55-56), which was costed by the Department of Finance and is included in the 2014-15 MYEFO:

- *Reforming skilled migration to improve Australia's competitiveness* – improves business access to 457 visas for skilled migrants, improves programme integrity and introduces a new Premium Investor Visa for people investing more than \$15 million. Costs for this measure will be met from within the existing resources of the Department of Immigration and Border Protection and Austrade.