

**Division 24: Training and Workforce Development, \$356 053 000 —**

Mr R.S. Love, Chair.

Mr P. Papalia, Minister for Tourism representing the Minister for Education and Training.

Ms A. Driscoll, Director General.

Ms K. Ho, Executive Director, Service Delivery.

Mr S. Walker, Executive Director, Policy Planning and Innovation.

Mr G. Thompson, Executive Director, Corporate.

Mr K. Coombes, Acting Executive Director, Service Resource Management.

Ms G. Husk, Director, Finance.

Mr S. Sekhon, Principal Management Accountant.

**The CHAIR:** We are dealing with division 24, Training and Workforce Development. I ask the minister to introduce his advisers, but I understand that we also have the advisers for the Building and Construction Industry Training Board so he may introduce them all at once if he wishes.

[Witnesses introduced.]

**The CHAIR:** Member for Scarborough.

**Mrs L.M. HARVEY:** I refer to the reference to international student numbers on page 113 of budget paper No 3. There are revisions down of \$31.6 million over the forward estimates for a reduction in international student training expenses, but there is a footnote stating that the government is expecting international student enrolments to grow over the forward estimates period. How much growth is expected and why is there a revision down for expenditure if growth is expected?

[11.30 am]

**Mr P. PAPALIA:** The revision down is probably based on current trends. The member would understand that under her government over the last couple of years, there was a significant decrease in international student numbers—30 per cent in TAFE enrolments between 2015 and 2017 and 60 per cent in English language courses between 2015 and 2017—although enrolments in WA public schools remain relatively stable, albeit low. That has continued so clearly that may have been why that was anticipated to continue. However, as the member would be aware, the government has acted to arrest the decline in international student numbers and grow WA's share of international students, which declined dramatically over recent years. We have increased the budget for StudyPerth by 25 per cent annually and undertaken some key initiatives, which were criticised by the former Minister for Education. That can probably confirm why he was sitting on his hands while this sort of decline took place under his watch. A key element of our initiatives was to fulfil a commitment made by the Premier to lead a trade delegation—his first overseas trade delegation—to China, which is the state's second biggest source of international students. The Premier indicated months before the election that he would lead his first trade delegation to China to focus on tourism and international students. He kept that commitment in November last year. He took with him representatives of the vice-chancellor, or people very close to that level, from every university. For the first time in Western Australia's recent history, at least—but I would expect, ever—all universities were collaborating under the state government's leadership to market the state as a tertiary training destination, then encouraging potential students to select their university after choosing to come to Western Australia. That was a key message given to the Chinese during that delegation. There was also a significant initiative in creating a portal to market Western Australian education providers in China. For the first time, as a consequence of that portal's launch, parents and students who are seeking information have the ability to receive an immediate response from inside China. That is a key initiative. I hope and anticipate that these activities will result in an increase in our share of international students, which had plummeted to less than seven per cent of the national total. The proportion of the total number of international students that we attract has dropped, albeit during the last year, enrolments at universities have increased gradually every month.

We anticipate growth because of the initiatives we have undertaken to repair the damage and get back into the game. Since the Premier's delegation to China in November, the managing directors from North Metropolitan TAFE and South Metropolitan TAFE travelled to China to engage with their counterparts. The Zhejiang provincial government education department also facilitated a meeting for the managing directors and the principals of five vocational education and training colleges in Zhejiang province to explore transnational education. South Metro TAFE and the Zhejiang Institute of Mechanical and Electrical Engineering signed a training contract for the offshore delivery of the South Metro TAFE's oil and gas program. That is a pretty significant initiative and outcome, which will doubtless result in increased student numbers. North Metro TAFE also signed a memorandum

of understanding to underpin future cooperation with Shanghai Harbour School relating to hospitality and training opportunities.

I endorse the observation that we anticipate growth. The state government is doing everything it can to rectify the decline in the number of tourists and international students. In focusing on this area, the government can deliver resources, leadership and collaboration with the sector so we should get a return.

**Mrs L.M. HARVEY:** When will the strategy be released and how much has been spent on developing the strategy so far?

**Mr P. PAPALIA:** The Department of Jobs, Tourism, Science and Innovation, which was established by the machinery-of-government changes, is now lending its weight to developing an international education strategy. It is a field of endeavour in which we have been sadly lacking in recent times. The strategy will include strategic initiatives to support the growth of the international education sector and I assume it will be delivered as soon as its development is concluded. It will be in the near term. We are already doing the actions that I have outlined. Initiatives have already been undertaken as a consequence of government leadership, particularly that of the Premier and the minister. The member's colleague in the upper house who used to be responsible for that sector neglected it and could not understand why anyone who would like to increase the number of international students from China would possibly go there. The answer is obvious: if you do not go there, people do not know who you are or where you are, and whether their students would like to seek you out as a destination to study. Therefore, you are not in the game and, as a consequence, Western Australia was not in the game for eight and a half years.

**Mrs L.M. HARVEY:** I would not have thought these are difficult questions: When will the strategy be completed and how much has been allocated to develop it? How much has been spent on the strategy? I am happy to get this answer by supplementary information. I know that the department would know this.

**Mr P. PAPALIA:** The member might be asking in the wrong division. It might be more appropriate that the member's colleagues ask the Premier about the cost associated with the strategy. I assume that it is normal activity. As far as I am aware, the government has not gone out and sought a consultant to develop the strategy. It has been undertaken by and is well within the capacity of the agencies involved. We are talking about some pretty hefty departments, which now comprise the Department of Jobs, Tourism, Science and Innovation. There are state trade representatives in China, who would doubtless be contributing to the strategy, but they are doing their jobs normally. There may be some allocation of funding, but I am not aware of it. I am not sure whether it is the right department to be asking the question of. I am informed that the strategy is being developed under the Premier's leadership, so it might be better if the member puts that question to him.

**Mrs L.M. HARVEY:** To be clear, was the minister's previous answer that the department is developing the strategy inaccurate? Is the Premier's office developing the strategy?

[11.40 am]

**Mr P. PAPALIA:** By the department, I meant the Department of Jobs, Tourism, Science and Innovation; I am sure it is involved. Regarding training activity, I can tell the member some of the things the department is doing. The Department of Jobs, Tourism, Science and Innovation is leading the development of the international education strategy. That will include strategic initiatives to support the growth of the international education sector. For TAFE International Western Australia, the WA TAFE sector will contribute to the future growth of the international education sector by developing and implementing plans, or contributing to the development of plans, with a focus on significant markets like China, Indonesia and Malaysia—I hope they are looking at India as well. It will continue to work with education agents to promote Western Australia as a study destination and the quality of the TAFE WA product; provide pathways for international students by maximising the articulation arrangements between TAFE WA courses and WA universities; and continue to develop the TAFE International WA Chinese language website to present TAFE WA product offerings that meet market requirements. I have already explained what south and north metro TAFEs have done subsequent to the Premier's delegation.

**Mrs L.M. HARVEY:** I will ask that question on notice of the minister responsible for the portfolio.

**Mr P. PAPALIA:** Sure.

**Mr P.J. RUNDLE:** I refer to regional training subsidies, six or seven lines from the bottom of page 309 under "Spending Changes". What does this item refer to?

**Mr P. PAPALIA:** I am informed that the adjustment reflects the revision to the district allowance payments funded by royalties for regions to reflect current estimates. This is the annual incentive payment for full and part-time staff serving in designated remote and regional locations. It is a good use of the funding, I suggest.

**Mr P.J. RUNDLE:** What is the intention in the 2021–22 forward estimates; is that to be transferred from royalties for regions as the regional TAFE subsidies are?

**Mr P. PAPALIA:** I am correcting my last answer. The funding here is from the consolidated account and in the forward estimates it is subsumed by royalties for regions—or royalties for regions contributes.

**Mr P.J. RUNDLE:** Is that in the 2021–22 year?

**Mr P. PAPALIA:** There will be an allocation but it will be from a different source.

**Mrs L.M. HARVEY:** I refer to the sixth point from the bottom of page 310. This is an election commitment for —

- implementing craft industry apprenticeship training in Western Australia rather than through interstate providers;

How much has been allocated in the budget to deliver this election commitment?

**Mr P. PAPALIA:** I am informed that the policy to return small craft industries training to Western Australia has been enacted. Funding will be sourced from current allocations. The member will be aware that there is a shortage of students, not necessarily funding, in TAFE. I think the member drove them all away. Hopefully, we will be attracting a few back. The funding will come from the current allocation.

**Mrs L.M. HARVEY:** Thank you for that assessment, minister! Could you provide by way of supplementary information, or now if you have it, how many students have been funded to complete apprenticeship training or other training interstate in 2016–17?

**Mr P. PAPALIA:** I suggest that the member put that question on notice. She is talking about a longer period. I do not want to impose on the agency the deadlines associated with supplementary questions. I am sure that it will provide that information, but it will be a little more complicated than whistling it up inside the deadline for supplementary questions.

**Mrs L.M. HARVEY:** When I was the then Minister for Training and Workforce Development, the department kept those figures for the number of students who were funded for courses interstate, because they come with travel and accommodation costs. I suggest that the agency has that detail. Is it possible for the minister to ask whether it could provide that by way of supplementary information?

**Mr P. PAPALIA:** I think that the nature of what the member is asking for would require an effort beyond the time frame available for supplementary questions. I am happy to recommend that the member put it on notice. I am sure the minister will provide the response.

**Mrs L.M. HARVEY:** Given that this election commitment has commenced, could the minister please advise which craft industries apprenticeships will be captured by this commitment and where the programs will be run from—whether it is from TAFE or a private provider?

**Mr P. PAPALIA:** I am very pleased to advise that significant progress has been made to ensure that apprentices studying in small craft industries have the opportunity to study in the state this year. North Metropolitan TAFE has been established as the location for the return of craft industries to WA and it is working in close cooperation with the Food, Fibre and Timber Industries Training Council of Western Australia. They have made considerable progress in preparing for delivery to recommence in those trades this year. The college has successfully recruited new lecturing staff to deliver each of the qualifications, and existing facilities have been progressively upgraded to meet the new training package requirements for the delivery of qualifications. Delivery commencement for wood machinists and vehicle trimming is scheduled for May 2018, and flooring technology should start in June, followed in July by textile fabrication in upholstery, and furniture finishing in August. Noting those specifics, there is probably not much point in putting it into a supplementary answer. The member may as well just put it on notice, and by the time frame for questions on notice we will have some numbers to give the member.

**Mrs L.M. HARVEY:** It is clear the minister has a detailed briefing note there.

**Mr P. PAPALIA:** There are no numbers on it.

**Mrs L.M. HARVEY:** Is it possible for the minister to advise the average cost of delivering training to those students?

**Mr P. PAPALIA:** I assume that until they know the nature of the enrolment, they will not know the cost. That is a process that is being undertaken. Between May and August, a range of course training opportunities in the small craft industries sector will be returned to the state. Over that time they will be able to gauge how much cost is associated with the provision of that training. However, as I indicated earlier, there is no separate allocation at the moment; it is just part of its budget.

**Mrs L.M. HARVEY:** Just to be clear, even though the minister said this commitment is being fulfilled, currently no students are enrolled in those craft industries.

**Mr P. PAPALIA:** I am not saying that. The member heard me say that one is in May. Doubtless, some would be enrolled in wood machinist and vehicle trimming training. That is the one from May. The others are ongoing. The

nature of the neglect of this sector and the member's shift of that training to other states could not be rectified immediately. It takes a bit of time. It takes effort to return to Western Australia training that should never have left. We are fixing the mess that we inherited, but this takes a little bit of time. It is underway. The minister has indicated very clearly that a range of courses are being returned to the state between this month, which is two-thirds over, and August.

**Mr P.J. RUNDLE:** I refer to the second dot point on page 311 relating to technological change and automation. I understand that a specialist curriculum is being devised and will be delivered by South Metropolitan TAFE. Will other TAFEs deliver the program?

[11.50 am]

**Mr P. PAPALIA:** I will give the member the briefing note answer and then we might add a bit. The Department of Training and Workforce Development is working with the State Training Board to identify emerging skills in this state through its work on technology and innovation projects led by the State Training Board. Industry collaboration is taking place; Rio Tinto and South Metropolitan TAFE are developing new qualifications in automation, and the mining industry's Western Australian vocational education and training collaboration is ongoing.

At the moment it would be South Metropolitan TAFE. Has the member been there, in Munster? It has a facility that specifically targets and replicates some of the requirements of the offshore oil and gas sector. It is really isolated to that location with regard to the ability to deliver that training at the moment, although the director general indicated that it would share any curriculum that is developed with other TAFEs. It would probably be difficult, depending on the nature of it, to deliver that training elsewhere. That was a specifically developed facility. It was there when we were last in government, so it has been there for a while, and it is a pretty cool facility that has trained a lot of people to work in the offshore oil and gas sector, in particular.

**Mr P.J. RUNDLE:** Considering the resources sector is located in the Pilbara—I have had this feedback, with regard to large trucks et cetera, not so much the oil and gas sector—why are the North Regional TAFE or the Pilbara Institute not delivering these courses?

**Mr P. PAPALIA:** It depends on what the member is specifically referring to with regard to technological change and automation. I know that South Metropolitan TAFE has the capacity to train people to operate gas trains and the like, and that is often done from remote localities, employing innovative technology. With regard to the member's observations about automation of the large vehicles that are operated, it is a reasonable observation that regional people should be able to access training and potential opportunities. Having said that, those things are operated from Belmont a lot of the time.

I might get the director general to answer a bit and, if necessary, we will ask Mr Walker to elaborate and try to respond to the member's specific question.

**Ms A. Driscoll:** I can certainly add to the minister's comments that considerable work is being done to further develop offerings through North Regional TAFE. For example, work is being done to look at the Port Hedland site. There is interest in using heavy hauling equipment at an old site in Port Hedland for training in that domain. It is the general policy in collaboration across all TAFEs that there be a sharing of knowledge as it is developed. At the moment the curriculum and, I guess, knowledge development is happening out of South Metropolitan TAFE, which has the most capacity, but the concept of collaboration across TAFEs is that that information will then be available to, in particular, North Regional TAFE. The Pilbara collaboration, which is about all the resources industries working with North Regional TAFE, very much puts it in the spotlight in terms of being the point of joint strategy development. North Regional TAFE has actually significantly developed its training offerings in the Pilbara over the last year. There has been an increase in the number of participants across a range of different training, and it is really developing some momentum in the work it is doing.

**Mrs L.M. HARVEY:** My question relates to budget paper No 2 and budget paper No 3. On page 273 of budget paper No 3 there is a table headed "Summary of Major Tax and Royalty Expenditures". Under the heading "Payroll Tax", there is a line item, "Apprentices and trainees exemption". For 2016–17, the figure was \$80.4 million, which was consistent over the last few years. The 2017–18 estimated payroll tax exemption value is \$59.3 million, revised down significantly. There is about a \$21 million difference there. I also draw the minister's attention to page 309 of budget paper No 2 and the heading "Spending Changes".

**The CHAIR:** This is in budget paper No 2, volume 2.

**Mrs L.M. HARVEY:** It is volume 2, budget paper No 2. The spending changes there show a flow-through in the line item "Payroll Tax Revenue Redistribution for Training Delivery" of \$11 million, and I am just wondering what happened to the other \$10 million.

**Mr P. PAPALIA:** I suspect the member might be better off putting that particular question to the Treasurer. The difference the member is talking about between budget paper No 2 and budget paper No 3 is Treasury magic stuff, I suspect, and therefore the question is more appropriately put to the Treasurer rather than us. The difference is about accounting and methodology, I suspect; it is not some trick that is going on, but it is more appropriately put to the Treasurer.

**Mrs L.M. HARVEY:** A commitment and announcement was made around the budget, admittedly by the Treasurer, basically to say that the company exemption from payroll tax for apprentices and trainees in training was going to flow directly back to the Department of Training and Workforce Development to develop more apprenticeships and trainee spots. I am just trying to determine whether this budget reflects 100 per cent of the flow-through of the changes to that policy.

**Mr P. PAPALIA:** I encourage the member to pursue that matter with the Treasurer so that she can determine whether that is the case.

**Mr P.J. RUNDLE:** I refer to page 312 and the table headed “Service Summary”. Line item 6 is “Procurement of Training”. I note the total spend over four years is \$1 771 824 000, which is \$442 million per year. That is a reduction from the \$452 million that was budgeted last year. Considering the serious reduction of more than 30 per cent over the last four years in recruitment of apprentices in traditional trades, why was there a decline in funding between the estimated actual and the budget estimate in 2017–18?

**Mr P. PAPALIA:** What is the actual question? Why did the actual decline from the estimate? Is that what the member is asking?

[12 noon]

**Mr P.J. RUNDLE:** That is right; there is a \$10 million drop-off.

**Mr P. PAPALIA:** This question is on item 6, “Procurement of Training”, in the service summary table. The member has asked what the difference is because the estimated actual is lower than the actual budget.

**Mr P.J. RUNDLE:** That is correct.

**Mr P. PAPALIA:** I am informed that it is an administrative budgetary process in which that funding has been shifted. There was forecast additional actual funding as a consequence of the payroll tax changes, but because it is not required this year—we fund what we need with respect to training—it is being repositioned into the forward estimates.

**Mr P.J. RUNDLE:** When I look at the next four years in the forward estimates, the government has multiplied \$442 000 000 by four and come out with the exact total over the next four years but just changed the amount over those four years to sort of balance that and there is actually no increase in overall funding over that four-year period. I am concerned, with the decline in apprenticeship commencements and the skill shortages, that it does not increase over the next four years.

**Mr P. PAPALIA:** Once again, it is the impact of the member’s federal colleagues that is being addressed here. The \$54 million shamefully removed by the federal government from the national partnership agreement—without much in the way of criticism from the state opposition, I might add—has resulted in the state effectively having to accommodate filling the gap and funding all apprenticeships and traineeships, which we have undertaken to do. We are able to do that a bit with the recent changes in payroll tax. All apprenticeships and traineeships will be funded, but the lack of growth to the extent that the member might anticipate is as a consequence of his federal colleagues not funding Western Australia and yet again dudding the state.

**The CHAIR:** Before we go any further, for the sake of *Hansard*, I note that the member for Nedlands has taken his place in the committee and the member for Churchlands has departed.

**Mrs L.M. HARVEY:** I refer to page 320 and the line item “Royalties for Regions Fund: Regional Community Services Fund” in the income statement table. There is a big jump from \$3.3 million in 2019–20 to \$46.6 million. What program will be delivered by that funding?

**Mr P. PAPALIA:** In an effort to address the higher cost of lower numbers of enrolments, particularly in the regions, and the higher cost of service delivery in the regions anyway, the vocational education and training budget will receive funding from royalties for regions to address that challenge. What the member can see at that line item is that money entering the budget in that year.

**Mrs L.M. HARVEY:** To be clear: is that money just an allocation going to TAFEs to help run them?

**Mr P. PAPALIA:** It is going to regional TAFEs to deliver training and education services. It is using royalties for regions funds in a better way, which is what we are committed to doing, to pay for a really good service in the regions and to ensure that there is a subsidy, effectively, for regional training, because it costs a lot more—class sizes are smaller, the cost loading is higher to acknowledge the lower economies of scale, there are additional housing costs to cover different Government Regional Officers’ Housing program costs and there is the additional

cost of purchases in the regions. All those costs are higher and therefore regional training attracts an additional cost to that in metro areas.

**Mrs L.M. HARVEY:** On page 310, the seventh dot point from the bottom of the page refers to revamping the WA State Training Board and industry training councils. What will the proposed revamp of the State Training Board entail?

**Mr P. PAPALIA:** The revamp of the State Training Board and the industry training councils is about ensuring that the board and training councils have the right members and structures. It is also about ensuring that information gathered through consultations with small, medium and large employers is focused on the government's priorities—that is, ensuring training that leads to job opportunities for Western Australians. From 1 July 2018, the industry training councils' management will be transferred from the Department of Training and Workforce Development to the State Training Board. The State Training Board has tightened eligibility criteria for chairs and deputy chairs of industry training councils, excluding members who have direct day-to-day responsibilities for registered training providers from becoming officeholders. Each training council will be required to have its recognition reviewed and renewed by the State Training Board to demonstrate that the members and its processes employed and/or industry engagement more clearly reflect the priorities of the State Training Board and the state government's plan for jobs.

The training board is currently working on a new industry engagement and planning framework for industry training councils to ensure that stakeholders across the state are engaged in consultations. The State Training Board has engaged with UnionsWA to ensure that union coverage is appropriate across the industry training council network.

**Mrs L.M. HARVEY:** Is it envisaged that there will be fewer positions on these boards and councils or will there be additional positions?

**Mr P. PAPALIA:** As far as I can tell—I think the director general will confirm the same—it is the make-up of the boards to exclude people who might have a conflict of interest, by the look of it.

[12.10 pm]

**Mrs L.M. HARVEY:** Would it require any legislative change to enact this?

**Mr P. PAPALIA:** Is the member referring to the State Training Board or to the training councils?

**Mrs L.M. HARVEY:** The dot point includes both, and I want to seek some clarification on what the minister has just said. It sounds as though the industry councils will be reporting through the State Training Board structure. I am curious to know whether that requires legislative amendment. My understanding is that those institutions are covered by legislation.

**Mr P. PAPALIA:** I might get Mr Walker to answer that.

**Mr S. Walker:** Industry training councils are independent associations, apart from the council that is housed by the Chamber of Minerals and Energy and the other one that is housed by the Building and Construction Industry Training Fund. It is through the State Training Board's recognition criteria that they then recognise any individual body for the purposes of providing advice. In the main, they are independent associations. Through that recognition criteria, they can, as the minister indicated, put a set of criteria around the sorts of memberships on the board, the make-up or the composition of the board and other elements of how they function in their constitution—without overreaching on that. But they do not require any legislative change to do that.

**Mrs L.M. HARVEY:** Does the State Training Board require any legislative change in order to conduct this activity?

**Mr S. Walker:** No.

**Mr P.J. RUNDLE:** I refer to the first dot point on page 311 and the rollout of the National Disability Insurance Scheme. How many jobs will be required when the NDIS rollout is complete?

**Mr P. PAPALIA:** Work is underway in that regard, so it might be a question that we can answer by way of supplementary information. We could probably provide an estimate but we do not have it here.

**Mr P.J. RUNDLE:** I am happy to take that as supplementary information.

**Mr P. PAPALIA:** I will undertake to provide the member with an estimate of the jobs that will be needed to address the demand from implementing the National Disability Insurance Scheme.

[*Supplementary Information No B5.*]

**Mr P.J. RUNDLE:** What is the Department of Training and Workforce Development's strategy for meeting the jobs growth and skills development needs of the NDIS?

**Mr P. PAPALIA:** The State Training Board is working with industry stakeholders to develop a coordinated response to the training and workforce development needs for the aged-care, disability, allied health and community service sectors. The result of that work informs the board's state training plan, which provides the

minister with advice on priorities for training. That work also guides the department's allocation of funding for training and services to support critical current and emerging jobs and skills in this sector.

**Mr P.J. RUNDLE:** How will the department encourage regional WA to train in this sector?

**Mr P. PAPALIA:** It will be part of that process. As I indicated, the State Training Board is working with industry stakeholders to develop a coordinated response for training and workforce development. An integral component of that will be delivering it, as necessary, in the regions. That process will accommodate the entire state, not just the metropolitan area.

**Mrs L.M. HARVEY:** I refer to spending changes on page 309 and the line item "Repositioning of Expenses for Training Delivery" that is five items from the bottom. Can the minister explain what this is?

**Mr P. PAPALIA:** I am informed that that is a repositioning of unutilised funds from 2017–18 into the 2018–19 budget. The additional funding that was there is a step up from previous years as a consequence of the payroll tax revenue stream. Not all of that money was spent, so it has been repositioned into the current budget to enable its use.

**Mrs L.M. HARVEY:** Just to be clear, is this then some revenue from the payroll tax changes made on 1 December 2017 that was not spent?

**Mr P. PAPALIA:** The director general will respond.

**Ms A. Driscoll:** As indicated, the payroll tax revenue is about five or six lines items above on the same table. We have \$11 million coming in and then, in 2018–19, we see progressive growth in the payroll tax as those trainees who are currently in training cease their training. The member can see that as we get into the out years, payroll tax reaches a more levelling amount of \$34 million to \$35 million. In 2017–18, the estimated actual in the line item to which the member referred relates to the fact that we have to prop up the removal of the national partnership into 2018–19 and 2019–20. We are moving savings from former years into 2018–19. It is a repositioning of money to enable us to fund the 2018 and 2019 calendar years.

**Mr R.R. WHITBY:** I refer to the first dot point on page 310 under "Significant Issues Impacting the Agency". I know that the minister and the director general have touched on this previously, but I want to find out whether the national partnership agreement has brought about any other changes in the agency. Can the minister detail what they are?

**Mr P. PAPALIA:** The member would probably not be surprised that this is an issue that has excited the interest of the minister who has provided me with a thorough briefing on this question. The federal government announced a national partnership on the Skilling Australians Fund last year to replace the previous National Partnership Agreement on Skills Reform, which expired on 30 June 2017. The final payment under that scheme was \$54 million in the 2016–17 financial year. The new national partnership offer made to Western Australia includes a nominal allocation in the commonwealth's 2017–18 budget of only \$38 million for 2017–18 and \$159 million over the forward estimates. That leaves a hole in the training budget. The state government has been negotiating with the commonwealth on the proposed details of the new national partnership, with the Prime Minister sending a formal offer to the Premier in February 2018. The current offer restricts funding to only apprenticeships and traineeships, not general training. Effectively, the commonwealth has walked away from general training, leaving the state to pick up the shortfall. This level of prescription did not exist under the previous agreement and would put considerable constraints on the state's ability to support TAFE and meet all of its training priorities. Access to the fund is subject to the commonwealth eligibility criteria, including the state matching contributions and reaching training delivery targets. The training delivery targets are not realistic. They are based on training levels at June 2012, which was around the height of the mining boom. Since then, the commonwealth has removed hundreds of millions of dollars in incentives and other support for apprenticeships, which will make targets much harder to achieve. That demonstrates yet again how out of touch Canberra is with Western Australia.

At this stage, no state or territory has signed up to the national partnership offer, not surprisingly. The commonwealth has subsequently announced through the recent federal budget that a new national partnership agreement will be offered to states and territories over the four years commencing 1 July 2018. The total amount of funding offered under the new agreement is estimated at \$1.2 billion over four years, down from \$1.5 billion under the previous offer due to the revised downward forecast of revenue from the levy. Western Australia's nominal share of the new agreement is estimated at \$126 million over the forward estimates, compared with \$159 million under the previous offer. So, it is all bad. The commonwealth has not made any concessions regarding the terms of the agreement, which do not meet the needs of WA and will expose the state to financial risk. The fund is to be financed by a new levy on employers of skilled migrants, which will soon become operational, given that the Migration (Skilling Australians Fund) Charges Bill 2017 was recently passed by the commonwealth Parliament. At a time when WA's GST share is low, the offers made under the Skilling Australians Fund have been disappointing. The minister is very generous; that is what she said—I would have said something else. The

offer to sign up to the new agreement expires on 30 September 2018. We can only hope that the approaching federal election might engender a greater interest in Western Australia than has been demonstrated to date by the federal minister.

[12.20 pm]

**Mrs L.M. HARVEY:** It is interesting how the answers that the minister is giving us are similar to the answers I gave when I was sitting over there, but they were not acceptable a couple of years ago!

Anyway, I refer to the voluntary targeted separation scheme on page 310 of budget paper No 2. Could the minister please advise how many employees have taken advantage of this scheme and what the target for the agency is?

**Mr P. PAPALIA:** The total reduction in full-time equivalents included 38 from the Department of Training and Workforce Development—14 from each of the metropolitan TAFE colleges and four from each of the regional TAFE colleges. What was the other part of the question?

**Mrs L.M. HARVEY:** Is this the target, or are they the people who have taken advantage of the scheme?

**Mr P. PAPALIA:** The total achieved has been 77.6 FTE.

**Mrs L.M. HARVEY:** What is the target?

**Mr P. PAPALIA:** That is what has been achieved. Across government we were aiming for 3 000, as has been articulated on numerous occasions by the Treasurer. The member would have heard during the delivery of the budget that the current figure was just under 2 000. The Treasurer anticipated that by now the number would have been well over 2 000 and by the end of the financial year it would have been much closer to the 3 000, but there is no specific objective within each agency.

**Mrs L.M. HARVEY:** Is this scheme now complete for the Department of Training and Workforce Development and TAFE or is it still ongoing? Does the minister expect further separations?

**Mr P. PAPALIA:** It is possibly best to put the question about whole-of-government objectives to the Treasurer, but he indicated that the voluntary targeted separation scheme is being extended. It is not my portfolio, but I am trying to recall the extent of the extension. That aside, there are still offers being made and accepted. With regard to Training and Workforce Development, the number achieved has been 77.6 FTE.

**Mrs L.M. HARVEY:** Just to finish off on that last question about voluntary separation, is the department expecting any more people to take advantage of the VTSS?

**Mr P. PAPALIA:** I do not think so at this stage. As I said, the Treasurer is overseeing that process. It is across government. Essentially, he has done pretty well and we are getting close to the hoped-for outcomes. I assume this is probably it for Training and Workforce Development, but I am not sure.

**Mrs L.M. HARVEY:** Is the agency part of the capability review looking at where more redundancies can be found?

**Mr P. PAPALIA:** This is a voluntary targeted separation scheme, so it is only volunteers. We are not imposing any redundancies on anybody. This is about volunteers for the process and the department has achieved 77.6 FTE to date.

**Ms E. HAMILTON:** I refer to significant issues impacting the agency on page 310 of budget paper No 2. What progress has been made to fulfil the election commitments to establish TAFE industry skills centres?

**Mr P. PAPALIA:** A network of jobs and skills centres across the state is being established to fulfil the government's election commitment to transform TAFE colleges into industry skills centres. The centres are an integrated one-stop shop for anyone looking to improve their skills and job prospects, including students, jobseekers and career changers. They will lead to greater engagement of TAFE colleges with industry, and the centres are helping businesses to develop the workforce they need to support business growth. The centres will provide businesses with free assistance to recruit new workers and develop the skills of their existing workers. Essentially, jobs and skills centres will link people to training and jobs. They are an integral part of the broader plan for jobs that we announced during the election campaign.

The community and industry will have greater access to services, with a statewide network of six metropolitan locations, seven regional locations and a number of regional outreach centres. Five metropolitan skills centres opened on 16 April 2018 on TAFE campuses in Joondalup, Balga, Northbridge, Thornlie and Rockingham. Consultation and planning with TAFE colleges and contracted service providers are progressing, with further centres anticipated to open in 2018 in Peel, Albany, Bunbury, Geraldton, Kalgoorlie, Northam, Karratha and Broome. The jobs and skills centres are supported by the new Jobs and Skills WA website, which was also launched in April 2018. The website is a digital one-stop shop providing customers with everything they need to know about training and careers. A key component of the website is a course search function that enables users to search all publicly funded courses available in WA for the first time. The website also provides direct links into

work through a jobs board and an Aboriginal-specific jobs board. The jobs and skills centres will be accessible to all Western Australians and will assist jobseekers to take up training and job opportunities created under the WA plan for jobs.

**Mrs L.M. HARVEY:** Further to that response, on page 314 of budget paper No 2, volume 1, I noticed that there has been a reduction of 31 FTEs from career and workforce development services. Have those 31 employees who have experience in providing education and training information and career guidance been shifted across to the TAFEs or have they just gone?

[12.30 pm]

**Mr P. PAPALIA:** I am informed that they have been shifted across to the TAFEs.

**Mrs L.M. HARVEY:** All 31 of them?

**Mr P. PAPALIA:** I am informed that one or two have chosen to seek other jobs within the public sector, but the remainder have shifted across to the TAFEs. There is a bit of bookkeeping as well. I might get the director general to explain.

**Mrs L.M. HARVEY:** I think I heard the director general explain that there were some savings measures.

**Mr P. PAPALIA:** There is a corporate overhead associated with the staff. Because of the reduced number the corporate overhead has reduced as well, reflecting that transfer.

**Mr P.J. RUNDLE:** I refer to the spending changes on page 309 of budget paper No 2. Four lines from the bottom is the line item “Revision to International Student Training Activity Estimates”. Is this adjustment a reflection of expected activity, or is a component of government funding supporting this program being wound back?

**Mr P. PAPALIA:** The allocation had been adjusted to reflect the current activity. As I explained earlier, we have been in decline. We anticipate gradual growth, which is indicated in the forward estimates, and the government hopes that our activities to market Western Australia as a destination for this type of training will be successful, and will achieve growth, but the budget has been adjusted to reflect the reality.

**Mr P.J. RUNDLE:** On the same page, several lines above that item, is an item for Muresk Institute agricultural degrees. Can the minister explain to me the scenario for the spending changes in this item?

**Mr P. PAPALIA:** The member will identify an allocation in the forward estimates of \$686 000, which is to ensure that funding for the current enrolment in the Bachelor of Agribusiness Management degree is sufficient for completion by those students who are undertaking those studies. Enrolment numbers have been diminishing and becoming unsustainable, but nevertheless the funding has been allocated to ensure that training is delivered until the completion of the course. There is another allocation to develop new courses at Muresk in this year’s budget, which is a significant allocation for the development of an agricultural skills development pathway in a pilot program. It will develop and deliver a range of contemporary agriculture short courses in consultation with industry and education and training providers, focusing on technology, business management, research, innovation and regenerative agriculture-related delivery. There is an allocation of \$1.129 million for that; \$200 000 has been specifically allocated for Aboriginal land management programs; \$40 000 for marketing of programs and improving awareness of careers in modern agriculture; and \$225 000 to upgrade farm technology. The total is \$1.599 million, and the \$686 000 is in the forward estimates.

**The appropriation was recommended.**