

Mr Matt Birney; Mr John Kobelke; Chairman; Ms Sue Walker; Mr Tony McRae; Mr Norm Marlborough; Mr Rod Sweetman; Mr John Quigley; Mr Mark McGowan

Division 29: Training, \$326 274 000 -

Ms Guise, Chairman.

Mr Kobelke, Minister for Training.

Mr L. Davies, Acting Director General, Department of Training.

Mr R. Player, General Manager, Training Group, Department of Training.

Mr K. Smith, Director, Financial Management and Analysis, Department of Training.

Mr B.F. Lucas, General Manager, Business Services, Department of Training.

Mr BIRNEY: What does "Management of Regional Forest Agreement Workers Assistance Package" for which there is an amount of \$22.412 million referred to on page 487 of the *Budget Statements* under "Major Policy Decisions" consist of?

Mr KOBELKE: That is a very large figure, and is a part of looking after workers who will be displaced through the Regional Forest Agreement, and the closing of logging in old-growth forest. That restructure is bringing major changes to the timber industry, and therefore a package was negotiated, on which I will ask for more specific details, to assist displaced workers to relocate and retrain. It is quite a comprehensive package, and I will obtain further information for the member on the details of that. The member will notice that there is quite a large increase of nearly \$50 million in the gross figure in this year's budget, and then the figure falls back. The figure is still increasing over this year and further years in terms of total training effort, but on top of that, in this year nearly \$22.5 million is designated for the Regional Forest Agreement. Nearly half of the increase for this year is devoted to this package. The program is based on assisting approximately 1 500 workers in the native forest hardwood industry, who will be affected by the Government's old-growth forest policy. Funding of the program totals \$27 million, which is likely to average out at about \$27 000 per worker. Some workers may be able to be retrained and find a job for much less than that, while other workers may find it more difficult to find a job, and may need major assistance. It applies to workers with more than six years of employment in the industry. There are obviously different sectors; some workers in Perth may be displaced, and their needs will be different from people who were displaced in towns in the south west.

Mr BIRNEY: I note the minister said that the program applies to people who had been in the industry for six years or more. What assistance packages will be made available to people who have been in the industry for less than six years?

Mr KOBELKE: The costing was based on an average of six years. That is not a threshold issue to be eligible for assistance. A person must show that he was directly employed in the hardwood forest industry. There is always the issue of a person who runs a company that is indirectly related and therefore affected by the shutdown. However, if a person is directly involved in the industry and is displaced due to the policies that have closed down logging in the old-growth forest, this package is available. This is one of the issues I was very strong on prior to the election. The previous Government was putting money into restructuring the forest industry, though not as much as the present Government. The chief deficiency of that policy was that the money was not to go directly to workers.

All the money was to go to industry in the hope that industries would re-establish, move into new areas, upgrade, have more value adding and create new jobs, so that workers could simply find their way from one industry to the other. We have put together a comprehensive policy. As the member will see from the dollars involved, a very large amount of money is available to assist displaced workers, in addition to the other parts of the program that supply assistance to industry to gear up to value adding and open up new markets with the smaller production from the forests.

[7.10 pm]

Mr BIRNEY: Is the \$22 million only for training or is there some element of welfare benefit included in it?

Mr KOBELKE: We can provide the member with an outline of those packages. My notes do not delineate the measures already announced publicly. Under the previous conservative Government some of this money was put into labour relations. We have put the money into the Department of Training and transferred it from the labour relations section of the Department of Consumer and Employment Protection. We see retraining as a key component of getting people jobs. The Labor Party - this goes back through the life of the previous Labor Government - has a good track record. Regional employment officers gained experience at various times, unfortunately through the closure of various industries. They have assisted people with retraining and a wider range of issues to help them cope with the transitional period. The department, therefore, has some experience in the area and has been able to run the program with some of its own staff and some contract officers. Obviously

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demand peaks, but the program is getting into full swing now. The restructuring will take some time. It is only now, with the announcement of future production volumes from the forest, that decisions are being made on milling and forest operations that then flow through to the question of whether some operations will continue. It raises the question of the future of workers in a particular company or enterprise that is closing down or moving.

The CHAIRMAN: Given the minister's lengthy response, is supplementary information required?

Mr KOBELKE: I have undertaken to provide by way of supplementary information the guidelines for funding the worker assistance program.

Mr BIRNEY: I also asked how it relates specifically to welfare benefits, if at all.

Mr KOBELKE: Welfare payments are a matter for the Commonwealth. We do not enter into that area.

Mr BIRNEY: Is the \$22 million simply for training or does it contain an element of welfare payments?

Mr KOBELKE: It takes into account special redundancy payments. If an employer could not meet the full redundancy payments, it could help out there. It covers pre and post retrenchment training, helping people to sort through the options available to them, and assisting them, if they so decide, to move into training programs. It can help to fund training programs and provide employment support. Money can be provided to assist with travel for training or to interviews for other jobs. Money can be provided to assist with relocation. Mortgage assistance is also available. If people have a mortgage in one area and in order to take up a job in another area they must sell their house in a depressed market, assistance is available to them. I am advised that the Department of Community Development can provide an additional allocation to help with direct counselling on family issues relating to the disruption caused to family life as a result of the breadwinner having to look for work elsewhere and move house.

The CHAIRMAN: For the record and so that the member knows what supplementary information he will receive, will the minister repeat exactly what supplementary information he will supply?

Mr KOBELKE: I have indicated that we will provide details relating to the workers assistance package.

Ms SUE WALKER: Page 487 contains the graph that shows the introduction of another 800 apprenticeships. How long do you envisage those apprenticeships will be?

Mr KOBELKE: The graph shows the fulfilment of an election promise to introduce another 800 apprenticeships. It shows the funding across four years. The graph also shows funding across four years for 800 traineeships. It also shows funding for 500 public sector traineeships.

Ms SUE WALKER: What length of time do you envisage for an apprenticeship?

Mr KOBELKE: Many people are confused between what the federal Government has called and advertised widely as new apprenticeships, and traditional apprenticeships. Traditional apprenticeships were for three or four years, whereas traineeships can be quite short courses of six to 12 months.

Ms SUE WALKER: My specific question was on the introduction of another 800 apprenticeships, not the traineeships.

Mr KOBELKE: Those 800 apprenticeships are the traditional form of apprenticeships; that is, for a period of three to four years.

Ms SUE WALKER: In what areas does the minister envisage those?

Mr KOBELKE: It will depend on industry and where the need is. The state training profile gives a good indication of the areas of need. One must also take into account that employers must be found who are willing to take on an apprentice. A need may exist in a particular industry. However, if metal fabricating production is at a pretty low ebb because not a lot of work is around, it is difficult to place people in such apprenticeships.

Ms SUE WALKER: Given that traditional apprenticeships are for three or four years, does the minister agree that the cost of the 800 apprenticeships over the four-year period is \$6.441 million?

Mr KOBELKE: It is \$6.6 million over the period. Page 487 details the additional funding, not the total funding of the apprenticeships.

Ms SUE WALKER: The \$6.441 million provides \$8 000 for each apprentice. Does the minister agree that it would mean an additional \$2 000 for each apprenticeship over the four years?

Mr KOBELKE: The average is \$8 250 over four years.

Ms SUE WALKER: Therefore, it is about \$2 000 a year?

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Mr KOBELKE: It is if the member wishes to average it out in that way. However, she must realise that there are standard payments on top of the training requirements.

Ms SUE WALKER: I am coming to that. I asked whether the minister agreed it was \$2 000 per apprentice per year.

Mr KOBELKE: That is so if the member wishes to average it in that way, but different payments are made in different years.

Ms SUE WALKER: What amount does the budget contain for apprenticeships each year over and above the \$2 000 per apprentice?

Mr KOBELKE: The answer is difficult to provide. On page 490, paragraph (c) shows that an estimated 18 900 apprentices/trainees - grouping them together - will be in training at any time during the course of the year. During 2000-01 there were 3 700 apprenticeship and 7 000 traineeship commencements.

Ms SUE WALKER: If I may interrupt? Page 487 shows that the department is providing 800 apprenticeships over and above those already provided. The provision is for \$2 000 per apprentice per year. How will that work in reality with an employer?

[7.20 pm]

Mr KOBELKE: We are covering the training costs. The employer subsidies are paid by the Commonwealth.

Ms SUE WALKER: How much is that?

Mr KOBELKE: It is \$4 000 over the life of the apprenticeship and is paid by the Commonwealth as a wage subsidy.

Ms SUE WALKER: Is it only \$4 000 for the entire three or four years of the apprenticeship?

Mr KOBELKE: There was some controversy because the Commonwealth shifted the payment points and amounts.

Ms SUE WALKER: My point is that very little money is outlaid for 800 apprenticeships.

Mr KOBELKE: Apprenticeships are on-the-job training.

Ms SUE WALKER: Yes, and they last three to four years. If the amount is \$2 000 a year, how much is that each week?

Mr KOBELKE: Let us look at how apprenticeships work before we start discussing the money. Most training in an apprenticeship is given by the employer; it is on-the-job training. Some of the training may be given by a private provider or at a TAFE college. Some on-the-job training may be provided by a registered training organisation. That is what this money pays for. It pays for a private provider or the TAFE course to provide training. It does not cover the wage subsidy to the employer, who provides most of the training. The Commonwealth meets that cost.

Ms SUE WALKER: What does \$2 000 a year for each apprentice equate to each week? What is the Government providing?

Mr KOBELKE: It does not go to the apprentice.

Ms SUE WALKER: The Government says it is providing it and that another 800 apprenticeships will be introduced. The figures provided average out at \$2 000 a year. What is the amount each week?

Mr KOBELKE: It is based on the existing cost.

Ms SUE WALKER: It is only \$2 000 divided by 52.

Mr Marlborough interjected.

Ms SUE WALKER: The member is not part of the committee.

Mr KOBELKE: All members are part of the committee.

Ms SUE WALKER: I am asking the minister a question.

Several members interjected.

The CHAIRMAN: Order, members! The members for Kalgoorlie and Peel must be quiet. I want order in the Chamber while I speak. I want all supplementary questions to be referred through the Chair so I am clear it is a supplementary question. There will be no debate across the Chamber. Does the member for Nedlands want to explore her point further?

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Ms SUE WALKER: What does \$2 000 a year work out to on a weekly basis for each apprentice? I accept that apprentices do not work 52 weeks a year. What is the weekly figure?

Mr KOBELKE: The question is misconceived as the money does not go to the apprentice.

Ms SUE WALKER: How much is provided weekly?

Mr KOBELKE: It is not provided weekly. It is used to pay a TAFE college to run a class or for a registered training organisation to provide off-the-job training. It could be one day a week, and an apprentice may do that for only one year. An apprentice might then be on block release, when he attends for a two-week period. The money is used to meet the cost of a particular class. It is difficult to average because the delivery of training is different between trades and for different areas in the same trade. In towns like Bunbury and Geraldton there is flexible delivery of training when an apprentice may attend a class or work in a workshop under supervision alongside students from different years of the apprenticeship. Trade training in a large metropolitan college may have classes of 15 students. It averages out.

If the member wants to pursue this question it can be broken down into separate parts. There is indication of a review of the money given to colleges to meet their part of a training program. Costs are structured differently for different trades in different areas. The figure is based on what it costs currently. The figure is based on the average cost of apprenticeships. The Government cannot designate the areas in which the apprenticeships will occur. Some may be in electrical trades, some may be in plumbing and some may be in automotive trades. The expressions of interest will go out; people will request to take up the extra apprenticeships. It rests on employers being willing to take on apprentices. The Government wants more employers to take on more apprentices. The costs will move around a bit. The member is trying to get a better understanding of the costs. It is a genuine question. The figures reflect the average costs of training for existing apprenticeships. The costs are multiplied by the extra 800 places.

Ms SUE WALKER: Given all the variables, the department has simply taken the average cost of apprenticeships over earlier years and come up with a figure of \$2 000 a year for the extra places.

Mr KOBELKE: They are current year costs as this year has already been budgeted for. We multiplied the estimated current cost by the 800 places.

Ms SUE WALKER: A figure of \$435 000 is given for this year and there is a higher figure for 2002-03. Can the minister explain the increase?

Mr KOBELKE: It refers to the estimated take up in any of those years. I am seeking advice, as the situation is further confused. Colleges run on a calendar year. The Government has a funding arrangement with the Commonwealth through the Australian National Training Authority. It also works on a calendar year. For the purposes of the state budget, the Government has to work on the financial year. The figures for 2001-02 represent half of this year and half of next year's training costs. That is another factor. The figures represent a start-up factor. The number of apprenticeships for this year is not as great as in following years.

Ms SUE WALKER: The next column down shows less money being provided. Is that because the training periods are shorter? The figure is \$317 000 for 2001-02 as compared to \$800 000 for future years.

Mr KOBELKE: The duration is much shorter. If a traineeship lasts for 12 months the funding for one traineeship is one year. If an apprenticeship lasts for four years, the total cost of the training is shown over a number of budgets. The member is looking at yearly budgets. It depends not on whether there is a longer period of training, but on the cost of training in a given year.

Ms SUE WALKER: In the budget estimate for 500 public sector traineeships, a higher figure is shown. Why is there a difference for public sector traineeships?

[7.30 pm]

Mr KOBELKE: The member for Nedlands has rightly pointed out what appears to be an anomaly. We do not have the answers at the moment so we will take that question on notice and provide specific details on why there is the higher cost per public sector trainee than for the trainees in general.

The CHAIRMAN (Ms Guise): For the purposes of the record, the supplementary information will be for the line that concerns an additional 800 traineeships, and the minister will provide some specific information.

Mr KOBELKE: Yes, relating to the 500 public sector traineeships.

Mr BIRNEY: I refer to division 29 page 487 of the *Budget Statements*. In a table of the major policy decisions taken by the Government since the last election is a line that reads "Priority and Assurance Dividend", which

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would appear to be a saving of some \$5.8 million for the year. I note further that a priority and assurance dividend appears in other places throughout the budget. Will the minister explain what a priority and assurance dividend is?

Mr KOBELKE: On coming to office, the Gallop Government is fulfilling its promise to find savings to meet the election promises. That is why the priority dividend was put in place. For many agencies, that meant a net cut to their budgets. However, the Government had promised to increase the level of training for the Department of Training. Some of those specific promises have been referred to in prior questions. There was also the need to match commonwealth funding through the Australian National Training Authority, which meant that we had to commit more money to maximise our training effort, otherwise we would have forgone commonwealth moneys and not seen growth in the provision of training. The Department of Training was one of the few government agencies that had a net increase to its budget. However, it was required that its programs be thoroughly reviewed to find savings that could be recommitted into maximising and increasing the overall training effort. Efficiencies have been sought and found to put that money into the provision of additional training.

Mr BIRNEY: The minister has agreed that \$5.8 million is a reasonable figure. I do not want to know about every efficiency saving that has been found; however, what were the major efficiencies for that department that added up to \$5.8 million?

Mr KOBELKE: The saving in administration costs to the Department of Training will amount to just under \$5 million.

Mr BIRNEY: Was that \$5 million for administration costs?

Mr KOBELKE: Yes. The reduction of funding for the goods and services tax implementation costs is \$300 000. The consolidation of labour market programs will save \$500 000. No redundancy will be provided for, which will save about \$1 million. They are some of the key components of the savings.

Mr BIRNEY: I note that the larger of those figures is the \$5 million for the administration costs. Does that involve retrenching or making redundant any employees from that department?

Mr KOBELKE: No, I indicated that one of the savings was not to pay redundancies. There will be wastage. In some cases, but not in all, when people resign, their work will be covered by existing officers and the positions will not be replaced. However, in some areas the person will have to be replaced.

Mr BIRNEY: Will there be no specific staff cuts in that department?

Mr KOBELKE: No, there will be no forced redundancies.

Mr BIRNEY: Will the minister explain the parity and wages policy, which would appear to be a savings of \$94 000?

Mr KOBELKE: This relates to the Government's labour relations pay policy across the public sector, which also catches the Department of Training. Through the forward estimates, the government departments have a certain notional amount for wage increases. For the purposes of their pay increase, the officers covered by this budget allocation were already in the budget. They will wait a few months longer for that pay increase, therefore, it turns up as a saving for the current year. It will provide a \$94 000 saving this year; that is, \$94 000 that was notionally against the department's budget will not be spent this year. It is less expenditure; therefore, it is a saving, whereas it is an extra \$236 000 next year above what was provided for in the budget and over \$1 million the next year and \$1.8 million in the following year. As a proper management issue, the forward estimates give a figure for the future salary increases. The phasing in of the pay increases has meant a small saving in the first year but added costs in the out-years.

Mr BIRNEY: The minister alluded to the fact that some of the pay increases will not be paid this year; in fact, they will be delayed. What is the reason for that delay?

Mr KOBELKE: That is part of the process towards parity so that people doing the same job will be paid the same amount.

Mr McRAE: Under significant issues and trends in division 29 on page 486 of the *Budget Statements*, I note with some satisfaction that one of the significant issues and trends emerging in the vocational education system is an expansion of opportunities for people to participate within the national training framework. Is that because the NTF is expanding on the range of nationally recognised courses, or is it because people tend to increase their preparedness and eligibility to enter into those courses, or is it a combination of both?

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Mr KOBELKE: I thank the member for his question. A bigger percentage of the work force is now availing itself of training, which is a big step forward. As the member knows, having been involved in the early days with the establishment of ANTA by the then federal minister Beazley, we have seen a huge growth in training. That growth in training has continued in Western Australia. I acknowledge that it also did very well under the last Government, which increased the training output. It also brought more and more people into recognising the value of training.

Last Saturday, I presented training certificates to a range of people in the transport industry, predominantly drivers, who had no training other than their drivers licences. Literacy is a major issue among some of those drivers. If they are to be able to provide a higher level of productivity to their companies, they need extra skills. There is a need for workers to gain further qualifications whether through literacy or being aware of the requirements of not driving too long and making sure that they do not become tired. They may need to acquire information that relates to the use of new equipment and new gear that is introduced into the transport industry. It may be necessary for them to learn how to use a computer, or be aware of a range of regulatory matters such as dangerous goods transport. Industry sectors such as transport that were previously not involved in training are now becoming more involved with it.

[7.40 pm]

Mr BIRNEY: I refer to division 29, dot point five on page 491, which reads -

During 2000, TAFE TV delivered 431 hours of free-to-air VET and employment related programs in the metropolitan area and 506 hours to rural and remote areas.

To which rural and remote areas were those programs aired and on which channel?

Mr KOBELKE: There is a section in the Department of Training called WestOne which is gaining a good reputation for the services it offers not only in Western Australia but also across Australia. Colleges with trainers that develop training programs can assist with the technical expertise to deliver those programs, which may be the presentation of lectures or other types of training packages. They may be not only staid lectures but also demonstrations that can be filmed and relayed on an available network. WestOne also assists in developing computer packages so that people can take courses directly on line. There is a mix of lecturing expertise in specific industry areas that use the technology and production capabilities of WestOne and a distribution network called Westlink. I am sure the member would find a Westlink facility in Kalgoorlie where students can watch a packaged program, such as a video, or have a session talking directly to a lecturer who may be in Kununurra, Perth or wherever. Some Westlink services are in fact provided to Sydney, Melbourne and Hobart where stations have taken some programs.

Mr BIRNEY: Is that service available in Kalgoorlie?

Mr KOBELKE: Westlink services are in every major centre. I assume they are available in Kalgoorlie.

Ms SUE WALKER: What is the Skilling WA program referred to on page 487?

Mr KOBELKE: Work has already commenced on the \$4 million Skilling WA program with technical and further education colleges, private training organisations and industry and employer groups invited to make submissions to the Department of Training for the delivery of training under this program. Skilling WA will be targeted towards industries and occupations that are undergoing transformations or are newly emerging so that Western Australia will have a highly skilled work force that can adapt to changes in the modern Australian economy. It is expected that the program will specifically benefit mature-age persons who require training to help them re-enter the work force, workers in newly emerging industries and retraining workers in industries undergoing transformation. Skilling WA should also provide improved career opportunities for existing employees and facilitate an increased commitment to training in a range of industries and organisations. The \$1 million in the Skilling WA fund will be available for training in 2002 with the identification of programs to be funded made by the end of November.

While the Government has called for expressions of interest to take up the funding, there will be more than one chance to do so. The date for closure was 14 September, and 186 applications were received. There will be another funding round in this financial year, so people who missed out the first time will get another opportunity.

I will give a concrete example. Mr Player and I were at a community centre on Sunday. One of the people there conducts training programs for childcare centres that often have a part-time administrator who must also write up the books. They must meet accounting standards, particularly if they receive government funding, as most do. Many of the people doing that work may not have the computer skills to run a financial package and would like to have that sort of training. It was pointed out to them that this program is exactly the sort of program that they

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could use. For a fee they attend a TAFE college to learn to operate one of the many finance packages available. A community-based childcare facility may have great difficulty in finding the funds and the time for an employee to participate in that type of training; therefore, an RTO came forward with an expression of interest and get funding to conduct those programs.

Ms SUE WALKER: How is that figure arrived at? Has the minister averaged out the \$1 million over a certain number of people?

Mr KOBELKE: It is a new program. We have only recently closed off the first set of applications and need to see the types of applications that came forward. The \$1 million was regarded as an amount that the Government could afford. If it proves to be a fantastic success, we may have to find more money for it in subsequent budgets. It is a new and exciting initiative and one that addresses an area of real need. I hope it will go very well. We will assess the outcomes and decide whether to maintain the \$1 million, which is a clear minimum commitment, or find additional money if it is an overwhelming success.

Ms SUE WALKER: I have another question relating to paragraph five on page 491.

Mr KOBELKE: That was the program referred to by the member for Kalgoorlie.

Ms SUE WALKER: What is the Sydney and Brisbane component about? Is the Government making money from those programs?

Mr KOBELKE: This is an issue which has been under discussion across the Governments of Australia since I represented Kay Hallahan at an education ministers conference back in 1991 or 1992 when the Commonwealth Government was trying to fund the development of these programs. Clearly, when someone develops a good package that is available through information technology or as a video, it must be shared around. There is a national agreement to share these sorts of programs. I am not sure how this program fits in, as it is still early days. However, there is probably a basis on which we would pick up credits, if not cash, as we share programs. However, this is just the first approach to other States picking up our product, which is very exciting.

Mr BIRNEY: I refer again to purchase outputs in division 29 on page 488. In the budget for 2001-02 is a breakdown of the cost for vocational education and training services of some \$411 million and a further \$46 million for employment programs. Why does the total cost of outputs in the forward estimates have a figure but there is no breakdown of the figures for the employment programs and the vocational, educational and training services?

Mr KOBELKE: The member will find that that is normal. We do not make forward projections of outputs. The pages of other departments indicate that it is not normal to carry through those figures. I could explain the breakdown.

Mr BIRNEY: This is the first time I have not seen a breakdown in any of these papers.

[7.50 pm]

Mr KOBELKE: We give the overall forward year outputs and the member will see that they are reasonably constant. I alluded to that big jump earlier in this session. An extra \$22 million has been allocated in the workers assistance package, because of the forest program. The figure is \$437.536 million for 2002-03. If the extra \$22 million is added to that, it will come to about \$459 million. There is continuity. The reason for the additional overall expenditure this year is the approximately \$22 million allocation in the workers assistance program. In the line the member referred me to in output 2, there is a big jump from \$28.832 million to \$46.509 million because of the \$22 million allocation for the workers assistance program.

Mr BIRNEY: I will ask a supplementary question: how has the minister arrived at the bottom line figures of \$437.536 million, \$439.599 million and \$438.675 million in the forward estimates when he does not know what he intends to put into employment programs or vocational education and training services?

Mr KOBELKE: Forward projections enable people to keep an eye on overall expenditure, because that is what the Government must meet. The Government must try to match revenue with expenditure. I do not intend to include a program for the whole four years that relates to smaller, individual programs, because they will stop and start as the need arises. As was indicated earlier concerning Skilling WA, \$1 million was allocated across that period. After it has run for six to 12 months, the Government may decide that it has not worked and will close it down, or that it is a fantastic initiative and it should double or treble its funding. Therefore, the Government will swap those funds around. There are two output areas. Vocational education and training services relate to the Australian National Training Authority agreement. They generally come under ANTA and provide training. Most of that funding goes to technical and further education colleges, some goes to private training providers and some goes to special, innovative programs, which is allowed under the ANTA

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arrangement. If the member wants to ask questions on that, I am happy to provide detail about some of the innovations that are taking place. They can change from year to year.

The employment programs are those such as Joblink in Kalgoorlie. Those are the sorts of programs into which the Government puts only a small amount of money to try to cover some of the gaps left in the commonwealth system. The Commonwealth puts a large amount of money into programs such as the job creation and work for the dole programs, but there are gaps in the service. For example, there are needs in regional Western Australia that the Government does not meet. When the workers assistance program for the forests is left out, there is about \$28 million left from the year before. That money will go to labour market employment programs which cover specific regional needs and gaps in the commonwealth system. Those programs are usually run through the initiative of local community groups. They end up picking up funding from a whole range of commonwealth or private providers and can become sizeable organisations, despite receiving only a small amount of government funding.

A review of those organisations is currently being undertaken. That is being greeted positively by the sector and by the people in the programs, because the initiative was set up when the commonwealth Skillshare program was in place and a lot of commonwealth money was coming in. State money was used to help meet minor administrative costs. Those groups are no longer getting much commonwealth money, so it is now appropriate for the State Government to consider the role of labour market programs.

I am aware that there is a real need for those programs in regional Western Australia. The Government is working through a process to find what its role should be and how it should be met. The funding may need to be changed from one bucket to another. I will not start having flights of fancy because they will get out and people will start to guess what I mean. It must be flexible to meet the needs that arise. Local communities tell the Government what is needed. If we come up with a different arrangement, we could swap between output 1 and output 2, if that is requested or needed by the labour market programs.

Ms SUE WALKER: Item 6 on page 487 of the *Budget Statements* refers to tertiary scholarships for students in Bunbury. Does that refer to schools? What is that item about?

Mr KOBELKE: I understand that it is an error and that the item should not be in this section of the *Budget Statements*. That item relates to special funding for a program for Edith Cowan University in Bunbury. The campus is next door to the TAFE campus in Bunbury, which created a bit of confusion. It is not training money. Edith Cowan University will get the \$12 000, but it should not have been listed under the training budget.

Ms SUE WALKER: What part of the *Budget Statements* should it have been in?

Mr KOBELKE: I suspect that it should have come under education. The money is there and will be included in the total. However, it was incorrectly allocated under this department. In places such as Geraldton, Edith Cowan University uses buildings on the TAFE campus.

Ms SUE WALKER: I refer to dot point nine on page 491 of the *Budget Statements*. The vocational education and training program for Aboriginal people is supposed to be implemented across the State. What percentage of that funding will be used in Derby? I ask that question because the rate of youth suicide is high in that town. Those young people have nothing to do. Is there any provision for funding for that town?

The CHAIRMAN (Ms Guise): It is a new question. Since the member for Nedlands is the only one on the list, she has the call.

Mr KOBELKE: I am trying to clarify that point because the question the member asked relates to policy and not directly to programs. Programs flow from the policy. I am trying to find that information. I am impressed by the work that is taking place in the Department of Training to cater for Aboriginal people who require training. The department runs a series of programs. The national Partners in a Learning Culture program was set up by training ministers across Australia and by the federal Government. A policy specific to Western Australia was also developed and was called "Making it Happen", which I was pleased to launch with Chris Ellison, who represented the federal minister. We want to build on what has been happening in the past few years.

The figures indicate that indigenous people now represent 5.5 per cent of the total number of vocational education and training students in Western Australia, whereas Aboriginal people account for only three per cent of the population. That is a good increase and I am pleased with it. However, one must be realistic, because this figure does not indicate whether those students completed their courses. This State does not have the completion rate that the Government would like. Those students also account heavily among those who undertake low level qualifications. We must ensure not only that the number of Aboriginal people in training increases, but also that

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there is a big increase in completion rates and in the number of Aboriginal people who study higher skilled areas and full trades, etc.

[8.00 pm]

Ms SUE WALKER: What percentage of the budget set aside for vocational education and training is apportioned to Aboriginal people?

Mr KOBELKE: A range of programs is available, and many Aboriginal people take up the mainstream programs. We do not have figures for those. With the federal minister, I recently launched a vocational education and training in schools program. That involves some of the community development employment program funding that goes to Aboriginal communities, and funding from the Aboriginal and Torres Strait Islander Commission and the Department of Training. The program aims to encourage young people to stay at school and take up VET courses. It is proving very popular. It is one of many initiatives that assist indigenous people to take up training.

We need to put on the record that the technical and further education colleges are becoming the education and training area of choice for indigenous people. That is promising, but it is very much a challenge because although the numbers are good, they are at a low base. The State has done it so bad for so long. That is not a reflection on the last Government. These good figures started under that Government, and it should be praised for them. However, training in this area was for a long time conducted poorly, and we have a long way to go.

Ms SUE WALKER: Is the VET budget broken down into regions or towns? Does the minister understand my question? Has the Government broken it down? For example, Kalgoorlie receives a set amount for its colleges, etc.

Mr KOBELKE: I am trying to give a concise and accurate answer to a complex issue. We have a State Training Board, which receives advice from industry training councils, that helps develop a state training profile. The department then develops a strategy; that is, the way in which the profile will be implemented. Funding arrangements are then made for the TAFE colleges and areas in which competition for funding exists. The private sector can bid for that and get money to provide training. The application of that involves a range of complex formulas. The state training profile looks at various regions of the State - Kalgoorlie, the Kimberley - and the training needs in those areas. That is fed into the profile and the funding formulas. However, it does not mean that we allocate each town a specific amount of money for training. Various training needs are designated among industry sectors, and there is also designation by locations across the State. That is fed into the formula, because the provision of training in, for example, Newman, Kununurra or Carnarvon operates on a different cost basis from what it does in Perth. If someone in Perth wants to run a course for bricklayers and does not get enough students to make the course economical, he will simply not run the course or ask the students to go to another college or come back in one or two months when another course starts up. If someone wants a course to run in Carnarvon, he may have to fund the students to go to Geraldton or run the course with a small number of students, which involves a much higher cost structure. Those factors are built into the formula that determines the funding for providers in those areas. There is recognition on a range of levels of the needs of various parts of the State; however, the funding process is not as straightforward as allocating a certain amount of money to each town or region. Those regions or towns may also be involved in competing for funds for particular programs.

Ms SUE WALKER: If the department does not apportion the funding across the regions, how is it apportioned fairly? How does it draw the line?

Mr KOBELKE: As I have already indicated, we have a state training profile, state training strategy and regional reports. It is a flexible process. It is always under review. The department reviews the outcomes and how much training takes place in various regions and colleges in a given year. That is then fed into the next year's training profile, which also takes into account requests for additional training in particular geographical, trade or industry areas. Therefore, the department revises the funding for each year. If it received substantiated complaints that a particular region in Western Australia was under-served, it would make more funds available in the following year. It is a constantly changing menu. It may be that Carnarvon was experiencing a huge demand for plant operators - the member for Ningaloo has some experience in that area. The department would fund a program to train plant operators. However, it would be unlikely that another group of people would receive training the next year, because the demand would have been satisfied. The department may not do anything in that area for three or four years until extra construction work becomes available. The industry would then come to the department and say that it needs plant operators, and that it would prefer people to be trained in Carnarvon rather than brought in from outside because good people are ready to take the course. That is fed into the system. That is an important factor in providing appropriate training at the right time. To be frank, it does not always work. There may be a crying need to train plant operators in Carnarvon, but by the time it gets fed into the system and the training program commences, the need may have passed because an outside contractor has been brought in. A

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huge effort is made to be as up to date as possible with the needs of particular industries and locations and to provide that training when and where it is needed. However, it is a moveable feast and we cannot always get it right.

Ms SUE WALKER: I understand what the minister is saying about the training. Can he provide the figures that were used for each area? He said that a set of figures were used for different localities and areas, which were then fed into a formula. What figures did the department rely on?

Mr KOBELKE: It is far more complex than that. The training needs come through industry councils and the State Training Board, which develops the state training profile. They also come through the department, which receives requests from TAFE colleges. All that is fed into and assessed within the state training profile, which is then developed into a process or strategy to be implemented. That strategy is later assessed. We also learn about the type of training provided through our reporting to the Commonwealth.

Ms SUE WALKER: The department must have looked at old figures when estimating the budget needs.

Mr KOBELKE: I can answer most of the member's question.

Ms SUE WALKER: I clarify what I am looking for. I am trying to find out the amounts spent in particular areas in the last budget, and maybe in the previous year. I suggest that those figures were used to determine the budget estimate. Am I right?

Mr KOBELKE: Those figures would have been used, although not necessarily as directly as that.

Ms SUE WALKER: They must have been used.

Mr KOBELKE: They would not have been directly used by people allocating the funding. I am willing to provide by way of supplementary information the statistical data we have from TAFE colleges. They can designate, and they have to report back on, the training provision in their areas. I qualify that by saying that non-government training providers also provide training in those areas. It is more difficult to capture that. I will give the member what we have for the TAFE colleges, which outside metropolitan Perth are clearly the dominant training providers. I suggest that 90 per cent or more of training outside metropolitan Perth is provided by TAFE colleges. We have the data the member is seeking for the colleges. We do not have it here but, if she wishes, we can provide that by way of supplementary information.

[8.10 pm]

The CHAIRMAN: Will the minister clarify what he will provide by way of supplementary information?

Mr KOBELKE: The training delivery by TAFE colleges in regional Western Australia for the past year.

Ms SUE WALKER: For clarification, I would like the statistics on the other 10 per cent. The minister said that TAFE provides 90 per cent - is that in the whole of Western Australia, or are we just talking about the C.Y. O'Connor College of TAFE and those in the metropolitan and the outer metropolitan area?

Mr KOBELKE: I was offering the data that is easily assembled, which relates only to TAFE colleges. The private provider data is not readily accessible. I indicated that we will provide the figures for the overwhelming amount of training to the member. However, we simply do not have ready access to the private provider data in a way that can be collated without huge expenditure on resources and staff to provide a total picture.

Ms SUE WALKER: Do TAFE colleges exist in all regions of Western Australia?

Mr KOBELKE: The only region that does not have a TAFE college is Kalgoorlie. In Kalgoorlie, TAFE is provided for through the Curtin University.

Ms SUE WALKER: How many TAFE colleges are there in Western Australia?

Mr KOBELKE: There are 12.

Ms SUE WALKER: I am trying to ascertain how much has been spent on training in each of the regions in Western Australia.

Mr KOBELKE: I am trying to indicate that the figures that are readily available relate to the provision of training through TAFE colleges in regional Western Australia.

Ms SUE WALKER: What about the other 10 per cent?

Mr KOBELKE: The figures for that 10 per cent are not easily captured because contracts are provided to pick up service. Given that the member for Nedlands is asking a lot of questions and seeks to be informed, she might be interested to know that only half the training effort in Western Australia is provided through government funding.

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Ms SUE WALKER: I want to know what the Government will spend in each of the regions in the last budget. It is as simple as that.

Mr KOBELKE: The member for Nedlands is obviously keen to find out about training, but she is starting off from a low base. I am trying to help the member for Nedlands. However, the fact is, it is not so easily designated. For instance, the shearing provision obviously relates to world-classing, and so on, in regional Western Australia. The major provider is Great Southern TAFE. If the member wants to know what training is done in a woolshed at Naremben, I will not go to every college and through every account, which is hundreds of millions of dollars -

Ms SUE WALKER: You shouldn't have to; the figure that has been spent should be readily available.

Mr KOBELKE: The system is not set up to provide quirky answers on every detail for the member for Nedlands. It is set up to deliver training and to ensure that training is accountable.

Ms SUE WALKER: The answer is simple; you do not know where the money is, and you cannot find it.

Mr MARLBOROUGH: The member for Nedlands has been going on for the past 25 minutes and we are going nowhere.

The CHAIRMAN: I take the member for Peel's point. I have only been in the Chair for the past 10 or 12 minutes, and I realise the member for Nedlands has had a fair opportunity to ask a number of questions.

Mr SWEETMAN: My supplementary question follows the same line as the intelligent and probing questions put to the minister by my colleague the member for Nedlands. With regard to the appropriation of the VET programs, you have already nominated service providers who have a contract to provide that particular service and TAFE colleges. What does the Department of Education do? Many secondary schools are running years 8 through 10 and then 8 through to 12 even where there is a TAFE college running VET programs, and they go in tandem with TEE courses or as an alternative to TEE. Where do they draw their money from? Do they tap into this pool of funding or do they get their funds separately from the department?

Mr KOBELKE: They get their funding separately. The training money is locked into the Australian National Training Authority system. This was set up and is based in Brisbane. The organisation has fairly tight guidelines. The Commonwealth provides half the State's money for growth expenditure. With regard to capital for new buildings, the Commonwealth provides \$2 for every dollar that the State provides. It is quite a complex and detailed formula with which we must fit in, and this is quite a constraint on the States. That is another set of issues. However, I mention that because the federal minister specifically stated that money from training could not be used for VET in schools. We cannot take money out of this budget to assist with VET in schools. Twenty million dollars is provided nationally for VET in schools. Our share is just over \$2 million each year. This program was supposed to finish last year, but it was extended into this year. To my knowledge there is no commitment for next year. There is also the Australian Student Traineeship Foundation - the name of which has been changed to the Enterprise and Career Education Foundation - which provides an additional amount of money from the Commonwealth that goes into the school system. That is beyond my area, but I have an interest in it. The Minister for Education and I are working out how we can advance the VET programs in schools. He is keen on VET programs, and I wish to be supportive of him in that regard. A range of TAFE colleges act as the registered training organisation for schools offering VET programs. Therefore, there is cooperation. In some areas the schools have registered their own trainers or have used a private registered training organisation. However, a clear majority use TAFE colleges as the authorised body to provide that training. There is good cooperation, but there are a number of ways in which we can have better cooperation, and those are matters which the Minister for Education and I will take up. The program is at the crossroads. The federal funding of \$20 million a year across Australia, plus the other bucket of money, was intended for three years to get them up and running. It was not the intention of the Commonwealth to make it ongoing funding. There is fall back on the States to find the extra money to keep that going and to expand it. The Commonwealth might come on board and say that it is a good scheme. A range of issues rightly rest with the Minister for Education. However, because of the clear connection with training - because they are training packages - I will be taking a keen interest in this, and to the extent to which we can help those programs continue and expand.

Mr SWEETMAN: There is a potential conflict because where students were made post-compulsory beyond year 10 and went into a TAFE program, there is now a good reason for them to re-enrol and do years 11 and 12, and to continue doing whatever training programs the school is running in an environment that they are used to. Schools probably have more regular participants - Carnarvon High School is an example - and it has that rigid educational component as well as the vocational training opportunities that go with that. There is the potential for them to be in direct competition with each other.

Mr KOBELKE: I am not sure what the member means by competition; competition between whom?

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Mr SWEETMAN: I refer to students who go post-compulsory and enrol at TAFE instead of re-enrolling to do years 11 and 12 and stay in the school environment. I take the minister's point that on occasions TAFE runs programs from the schools in cooperation with the school's administration.

[8.20 pm]

Mr KOBELKE: There are boundary issues which correctly reflect what the member is talking about. However, students who are aged 16 are discouraged from taking up a full-time course at TAFE. They rightly belong in the school system. The means of discouragement and the rules were touched on, in part, in my earlier response that ANTA is a complex set of arrangements, and certain criteria must be met before a student can enrol and take up courses. My view - although I am not sure if this sits exactly with the Minister for Education - is that school education should have a breadth to it. We should not be asking young people at the age of 15 or 16 to embark on a training program to determine what their career prospects will be for quite some years. There is no longer such a thing as a career for life, but if a person commits to do a particular trade, the chances are that he or she will be in that trade for a few years, and may then decide that it was not what he or she wanted. The whole system now has much greater flexibility, so that people can move from one sector to another - from school to TAFE, and from TAFE to university and back again. More students finish a university course and come into TAFE than TAFE students move into university. They see the value in the training they can obtain in the TAFE system. It is a very fluid area, but the point of the member's question was to establish the role of vocational education and training in schools. The answer is that it gives that broad education to young people, and it has particular benefits for some young people who simply are not succeeding at academic subjects. Providing them with a more hands-on education related to training can give them a whole new outlook on school, and re-motivate them so that they then succeed at school. There may be a very small number who, at an early age, know that they do wish to be, for example, a motor mechanic. They may have mucked about in the backyard with dad's car and they know how to do it. Those who can make such a choice at such an early age, and find a career in a particular trade and enter the TAFE system, are a very small minority, and we do not encourage that, because many of those people may find they were acting on a whim and were not mature enough or did not have a broad enough general education. Trying to get into training will lead them down a dead-end street, when they really need a broader general education. The question has touched on big issues, and the Government does not have all the answers, but it is addressing these matters.

Mr MARLBOROUGH: All my concerns about the issue of training relate to what seems to be a proliferation of private training organisations, and the different standards that seem to be applied to their ability to be in the industry. On the one hand there is the Chamber of Commerce and Industry of Western Australia, leading the field in terms of quality of training, and on the other hand, coming into the arena in more recent times, are traditional labour hire companies. The classic example is Skill Hire Pty Ltd, of Albany, which was able to come into the training field by purchasing 300 positions for apprentices that were part of the sale of a collapsed training company in Welshpool. Skill Hire has no history in the training field; it has a history of providing cheap labour for industry. On page 486, dot point 4 states -

Increased demand for high quality training centres across Australia, from industry and other stakeholders, has resulted in a national review of registration standards for registered training organisations.

What is being done in Western Australia to establish those standards? I am now seeing many young people in industry who have been sitting on their backsides for 12 months without being able to get a job with any company. The greater concern is that many of these organisations have no history in training, and have acquired apprentice positions, as I have suggested, by buying them from a bankrupt organisation. What is being done in Western Australia to address the discrepancies in standards, and how quickly is it intended to address what appears to be a national approach to sorting this out? Can the minister say how many private trainers are operating today in Western Australia, and how that compares with two years ago?

Mr KOBELKE: The question touches on a crucial issue in the provision of training, which does not have an easy answer. I can deal with some aspects of the question. I have been advised that about 1 000 registered training organisations are operating in Western Australia. A number of those are simply mutual recognition of other States. Those to which the Government provides funding number less than 150, which are actively involved in programs using public money. There is potential for an organisation to have status as a registered training organisation while some questions remain as to the substance of that provider and its ability to provide training programs. The Government is undertaking a review, and changes are being made to the training accreditation bodies' validation arrangements. Although previously that function was contracted out, I was keen to ensure that the regulatory mechanism existed to maintain the highest possible standards, so that has now to be brought back into the Department of Training. This is only part of the supervision, but it will provide the

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Government with a better window into the provision of training in some areas. The review being headed by the member for Riverton has as one of its key terms of reference the examination of the competition issue. I see benefits from competition, but the previous Government saw competition as an end in itself, which was not really delivering if everything was simply put out to tender and the lowest price won. I need to qualify that by saying that the last minister was very strong on not having open-ended user choice, which would have meant competition between providers in areas where there simply was not a market that could sustain competition. I applauded the previous Government when it was tight on that, and in taking the argument up to the Commonwealth, which was trying to drive competition.

To summarise briefly, competition is important, but it is only a tool, not a goal in itself. Part of the review being undertaken by the member for Riverton is aimed at trying to achieve a better balance between competition and cooperation. That relates back to the companies that may pick up contracts to provide training in that competitive environment, and the task of ensuring that they are quality providers. They do not simply get the job because they put in the lowest price. Putting in place a system that manages that is not so easy, but I am confident that the review will give the Government some very good guidelines on managing those issues raised by the member for Peel.

Mr BIRNEY: I draw the minister's attention to page 502, which appears to be the budget done on a cash basis. More specifically, I draw his attention to the bottom of the page, where the item "Cash assets at the beginning of the reporting period" is stated as being \$31.274 million. The last line on the page contains the item "Cash assets at the end of the reporting period", which shows an amount of \$20.624 million. This effectively means that the cash held by the Department of Training will decrease by some \$10.650 million during the year. That appears to be an anomaly, compared with previous years, particularly 1999-2000, when cash assets increased by \$2.47 million. Again in 2000-01 cash assets increased by \$1 million. In the light of this, what is the reason for such a substantial decrease in cash assets?

[8.30 pm]

Mr KOBELKE: As I mentioned earlier, one must bear in mind financial years and calendar years. Part of the money carries over because of that, but it is not the major component in the figure the member has picked out. Another aspect is that often funds are committed but not spent. The \$32 million is a particularly high figure due to the carryover of funds. When programs were initiated or committed, the funding was put into the system for them, but they have not been delivered. A key issue is capital expenditure. Some key capital items have not progressed as quickly as anticipated, so money is sitting there. With some major information technology projects, money has been committed but not spent. Capital and IT projects contribute \$7 million to the \$32 million cash carryover. Colleges were sent \$1.2 million for equipment funding which they have not expended as a result of delays in the provision of equipment or its ordering. The WA Academy of Performing Arts at Mt Lawley is part of Edith Cowan University. The department makes a major contribution to its funding, particularly to a major capital development to which it has committed. The academy has \$1.2 million in cash which is yet to be expended on that project. Delays in project completion dates and final payments have slowed down the making of payments. About \$1 million is sitting there waiting for work to be completed. In those three areas the expenditure of \$3.5 million has been held up.

Mr BIRNEY: I understand that the minister is saying that a number of projects earmarked for funding have not required funding at this stage, and so it has been carried over to another year.

Mr KOBELKE: Perhaps it is not so much a question of "have not required funding", but more a question of the work not being finished, payments not being made until the work is finished and the bodies holding onto the cash.

Mr BIRNEY: In the light of the minister's answer, why is there zero for capital contribution this year in line 3 of the cash flow budget, when \$7.8 million is shown for previous years' budgets?

Mr KOBELKE: It has been explained to me that it is a new accounting standard. The figures must be shown in that way. The member would not be correct in reading them as meaning that no capital contribution is made in this budget.

Mr BIRNEY: Where is the capital contribution in this year's budget shown in the papers?

Mr KOBELKE: That is a very good question. I am assuming that it is part of the new accrual accounting which rolls the two together, so the capital is in the output appropriation of \$322 million.

Mr BIRNEY: With respect, accrual accounting does not roll capital contributions into operating balances. Budget paper No 3 shows clearly differences in capital contribution from ongoing operational contributions. Why would a separate capital contribution not be shown in this paper?

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Mr KOBELKE: The member is looking at a statement of cash flows under a controlled cash flow statement. That is the way it must be treated. Page 499 shows the capital contribution to meet equity needs. There is nothing from asset sales, a commonwealth grant of \$16.6 million, the funding included in output appropriations of \$8.5 million and internal funds and balances of \$4 million. That gives the capital of \$29 million for the current year.

Mr SWEETMAN: On page 495 the dot point above major initiatives for 2001-02 refers to the access all areas strategy for young people being expanded. I probably should know what that is, but I do not. Will the minister explain what it is?

Mr KOBELKE: My notes relate to only two of the seven programs; that is, the job works program and the bunch of tickets program. If the member wishes, I can provide by way of supplementary answer the names of the seven programs mentioned and some explanation of them.

Mr SWEETMAN: Will the minister say what the programs do?

Mr KOBELKE: The access all areas program is available to young people to help them make career choices and get them into training and/or jobs. The program has been very successful for young people who have left school and who perhaps did not give the thought they should have to a career. As the member would be well aware, some young people plan things, take the right steps, find out what is available and have some ideas. Others do not know or, if they do know, their opportunities may suddenly diminish because their exam results are not what they had hoped for or family circumstances have changed and suddenly they must rethink. The access all areas program provides a ready contact point. Its programs help young people get jobs or training. It gets them onto the right foot to access opportunities in life.

[8.40 pm]

The CHAIRMAN: Does the member require supplementary information?

Mr SWEETMAN: No, thank you, Madam Chairman. I refer to dot point 7 on page 495, which states -

The Priority Access Policy was expanded to all State government building and construction contracts (excluding housing) valued at \$150,000 or more.

The minister made a comment earlier about TAFE colleges and service providers training people in country areas. He also said that employers were tapping into programs. Schools are also turning out students who need further training. Whatever qualifications those people have, be they plant operators or have a skipper's ticket, they want jobs in their area of training. Under the tendering process - Priority Access - a lot of small country town contractors are excluded from competing for good jobs, which would enable them to place people in traineeships or apprenticeships. Page 493 refers to group training schemes by which apprentices and trainees are registered to a central body and placed in employment with participating employers on a rotational basis. I have always advocated that. Priority Access registration favours metropolitan contractors and larger regional contractors. Contractors from outside regional areas should be allowed to compete for work on the basis that they will employ a certain number of trainees or apprentices, depending on the value of the work involved.

Mr KOBELKE: It is an important point and it has not been brought to my attention that it is a major problem. It may always be a difficulty. As the member rightly pointed out, group training schemes are available; therefore, if a contractor takes on an apprentice or a trainee who fits the criteria, it will be recognised. A difficulty may be that a particular provider or contractor in a remote area may have difficulty in obtaining a suitable trainee, even under a group scheme. I have no appetite for rolling back the program; it is very important to provide opportunities for young people to get training. The Government buys supplies and has contracts to the value of \$5 billion a year. The Government may be able to use that as leverage to get more contractors and suppliers to provide training in order to get government work. If there are obstacles to contractors in remote areas, the Government will work to overcome the obstacles, as it wants work to go to those areas. That is a clear direction of this Government. The group training scheme is currently undergoing a national review. I have no idea what will come from that, but I am committed to group training schemes.

I spoke at a conference of group training schemes a month or so ago in Perth. The scheme operators were preparing a submission as part of the national review. I have indicated publicly that I am a strong supporter of group schemes as there are a number of areas in which employers and contractors are not normally able to take on an apprentice or trainee without the assistance of group schemes. That is a potential answer to people in regional areas. There may be other obstacles. If the member or others bring those forward, the Government will try to work with contractors to find ways around them. I would rather put additional assistance packages in place so that employers can take on trainees in areas of difficulty, rather than back off and tell them that they do not have to be involved in training. I do not want to do that.

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Mr SWEETMAN: I will give an example of what I am talking about: the North Water Estate contract in Carnarvon. Priority Access had nothing to do with that. The tighter eligibility applied to contractors in which financial viability, the experience of personnel, planning inventories and experience of contracts of a certain value over the previous five years had to be demonstrated. It is a war of attrition that has knocked out of business a lot of regional contractors. They are picking up the crumbs from the table. Larger contractors do the work that the smaller contractors would have been eligible for. The smaller contractors work as subcontractors - if they have not closed down. The North Water contract is a classic example. The project is worth in excess of \$4 million, but less than \$1 million of it stayed in Carnarvon. One contractor received about \$700 000 of that. Not much of the work was spread around the community. Aboriginal people got a fair go because it was negotiated under native title that any contract for North Water would result in traineeships being offered to Aboriginal people, based on the value of the work. That worked reasonably well. Since that project, \$1.4 million has been allocated for the surge wall in Carnarvon. No local contractor was eligible to tender for the work. Priority Access was one of the contributing reasons. The latest contract is for the bridge. Contractors from Geraldton and Perth have told local contractors that they are ineligible to tender. They knew that because, when they registered to compete for aspects of supply as a subcontractor, they were told they were ineligible. They are looking for major contractors on which they can piggyback their way into the contract. It is hard for them to commit to employing apprentices under such circumstances. They see big capital work projects come into the region, but they cannot get a shot at them.

Mr KOBELKE: A lot of that problem does not relate to Priority Access and training. There are other contributing factors. To the extent that Priority Access becomes another obstacle to regional companies picking up work, I am happy to open lines of communication to assist those companies to meet the training requirements and pick up contracts. I am happy to work with people to sort that out. I accept that the problems the member is alluding to are real, but they relate to issues other than training.

Mr QUIGLEY: I refer to pages 487 and 492. Approximately \$4 million is provided over the next four financial years for the development and introduction of the Skilling WA program to provide short training courses to assist workers to gain new employment-related skills. How might this be undertaken?

Mr KOBELKE: I thank the member for his interest in Skilling WA. As indicated, \$4 million is available. TAFE colleges, private training organisations and industry employer groups have been invited to make submissions. I have already answered the question in part. The first expressions of interest have closed. Others will be called in due course. It is an exciting program. There is a huge range of areas in which people need retraining or in which they find they have inadequate skills to do their job and need training. The Government is trying to meet those special needs with Skilling WA. It will make a great contribution to helping people get the improved skills they need to maintain employment. It will help the unemployed gain employment.

Ms SUE WALKER: I refer to the first line item at page 487, which refers to the establishment of world class interactive technology. The budget allocation is \$125 000. What is meant by "world class interactive technology"?

[8.50 pm]

Mr KOBELKE: That item picks up a range of matters. All members will be aware of the expansion of technology into almost every area of life, and the range of new industries being established around information and communication technology. We have real leaders in Australia in the TAFE sector in Western Australia. E-central in East Perth changed its name from Advanced Manufacturing. That company designed a three-dimensional software package that is used by Woodside in the oil and gas industry to simulate a diver laying an underwater pipe hundreds of metres below the surface of the ocean. World-leading technology is available through the technical and further education sector in Western Australia, and that is only one of many examples.

The issue of a skills divide in our community is important. There is a real danger that communications technology will open up another area of haves and have-nots. The Government will address that issue through a range of training programs. At the introductory level, the Government will provide training in information and communications technology. A huge amount of work is taking place across our TAFE colleges in that area. At Challenger TAFE in Fremantle, I opened an Internet cafe in which people could learn skills in a specialised state-of-the-art facility. People can buy a smart card for \$10 or \$20 and put the card into a computer. On the weekend, the Premier announced an initiative for people who cannot function with that type of technology.

As part of that initiative, the Department of Training undertook a study about people's acceptance and need of technology. That study showed that 400 000 Western Australians, or 30 per cent of the adult population, were not familiar with or felt they could not handle the new technology. The Government has launched a \$1 million a year program that will give funds to community-based organisations to run their own training programs. They can apply for grants of up to \$20 000 to run programs, whether it is the Country Womens Association of WA in

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a small town, an autumn centre, or a learning centre link. A group of parents who know that they can use the computers in a school but do not feel confident that one among their number can run the training programs could apply for the grant. They can present their own training proposal and funding will be provided for that.

One of the great things about this initiative is that it will lead the community to initiate how they want to use the technology and how they learn to use it; the Government is not laying down the guidelines for how it will happen. It is up to the community groups to design programs that will give them the skills they need to simply use a computer as a word processor or to use the Internet. That initiative included a videotape with an introduction about how computers work that people can watch on their televisions. It also has introductory booklets for people who do not know the first thing about computers. That will whet their appetites and give them a bit of help.

In addition to that, community groups can apply for funding so that they can run their own programs in small groups to become familiar with the technology and learn how to use it. For many groups, that will be the start of a new experience in which they can bring people in touch with that information and communication technology. From there, they may want to progress to more formal training or simply teach themselves on the basis of the start they will get through our First Click program. It is an exciting program for which I commend the department. Ian Hill is the director who took a logical approach and did the necessary investigative work to find out people's needs. The department came up with a creative package that will provide a means to get more people involved in the use of that technology. It should help to break down barriers that could leave whole sectors of our society locked out of the world of information and communication technology that confronts us.

Mr BIRNEY: I congratulate the minister for the Government's IT initiatives that were announced by the Premier. It is a useful and helpful initiative for a number of people who have not previously been involved in the IT industry.

I draw the minister's attention to the priority and assurance dividend on page 487 of the *Budget Statements*, which appears to be code for budget cuts to the minister's department. I apologise for not asking this as a supplementary question earlier. I note that in the previous answer, the minister said that \$5 million of the \$5.8 million would be saved in administration costs. Will the minister tell me what the major components of that \$5 million saving will be?

Mr KOBELKE: I answered that question the last time.

Mr BIRNEY: The minister broke it down, but he did not break down the administration costs. The minister said that the administration costs were \$5 million and that there were savings costs of \$500 000 and another of \$300 000, but the minister did not break down the \$5 million of administration costs.

Mr KOBELKE: I previously indicated part of those costs to the member. Redundancy will not be provided for. About \$1 million will be saved that could be seen as future costs in this year's budget. The Government has retained money that would have been available for consultancies, which saves another \$500 000. The restrictions on paying out annual long service leave will save another \$500 000. People may take their long service leave and they will be paid; however, people will not be allowed to cash it up, which is an extra cost. There is a four per cent cut across administrative budgets. I indicated earlier that that measure will save \$2 million. When people leave through natural attrition, they will not be replaced as quickly as they normally would be. Through that and other administrative costs, we achieve savings.

Mr BIRNEY: Will the savings from natural attrition total \$2 million?

Mr KOBELKE: No, the administrative budget will be pruned back by \$2 million. That has a range of measures, but a key one is the rate at which people are replaced or not replaced at all.

Mr MCGOWAN: My question relates to the savings made from travel, advertising and consultancies referred to on page 487 of the *Budget Statements*. Will the minister detail to the House how the Government will achieve these savings over this financial year and over each of the out-years, which total about \$6 million?

[9.00 pm]

Mr KOBELKE: I thank the member for the question. Much travel takes place in the training and independent colleges, and some of that is necessary. Of course, people must be able to deliver courses in particular areas. There is also the need for consultation between colleges in the development of courses.

The Commonwealth runs some programs, for which it pays travel costs. Also private companies pay for the travel costs of a trainer to deliver programs at their premises, which may be remote from Perth. The training budget is large and we believe that enough of it can be pruned to meet those savings, which pruning has been spread across the budgets of all independent colleges and the Department of Training. I am therefore confident that we will reach the savings target. For some months all requests for travel came to my office for signing off,

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where I was able to vet them. There were occasions when two people from the same college wanted to attend a national conference, and I said that only one could go and bring back information from that conference for the other people at the college. By those means we can cut back on the travel budget and achieve the required savings. That will from time to time place a stringency on colleges and lecturers. However, this is a matter of the Government's reordering its priorities. Making those savings will enable us to achieve the priorities that we have laid down, particularly an increase in the number of apprenticeships and traineeships that deliver outcomes for young people who need that training.

Committee adjourned at 9.02 pm
