

**Division 51: Training and Workforce Development, \$495 241 000 —**

Mr J.M. Francis, Chairman.

Mr M.J. Cowper, Parliamentary Secretary representing the Minister for Training and Workforce Development.

Dr R. Shean, Director General.

Mr G. Thompson, Acting Executive Director, Corporate and Governance.

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

Ms S. Lapham, Executive Director, Service Delivery.

Mr R. Fernie, Acting Director, Finance Services.

Dr R. Kelly, Director, Performance Evaluation and Statistics.

Mr P. Torrisi, Director, Strategic and Executive Services.

Mr P. de Garis, Managing Director, Education and Training International.

**The CHAIRMAN:** This estimates committee will be reported by Hansard staff. The daily proof *Hansard* will be published by 9.00 am tomorrow.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item program or amount in the current division. It will greatly assist Hansard if members can give these details in preface to their question.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the parliamentary secretary to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the parliamentary secretary's cooperation in ensuring that it is delivered to the committee clerk by Friday, 8 June 2012. I caution members that if a parliamentary secretary asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

I now ask the minister to introduce his advisers to the committee.

[Witnesses introduced.]

**The CHAIRMAN:** The member for Victoria Park has the first question.

**Mr B.S. WYATT:** I refer to the second dot point on page 602 of the *Budget Statements* and to Aboriginal workforce development centres. I note the media release that the minister put out on 19 May on the budget, announcing, it seems, the establishment of Aboriginal workforce development centres in Broome, Geraldton, Bunbury, Kalgoorlie-Boulder and Perth. Can the parliamentary secretary confirm that they are the same Aboriginal workforce development centres that were announced by the minister on 4 June 2010; and, if so, why it appears that Albany has dropped off the list? Can the parliamentary secretary tell me what has happened to Albany?

**Mr M.J. COWPER:** Yes, it was a very interesting announcement and —

**Mr B.S. WYATT:** A re-announcement or an announcement?

**Mr M.J. COWPER:** Whatever—it was still very good news in any event. I am not sure why Albany was not in there. I will ask Dr Ruth Shean to respond.

**Dr R. Shean:** The first Aboriginal workforce centre was opened in Perth in March 2010. The recommendation for the training together—working together committee was that we open one in each region, and that was originally our plan. Following the receipt of the report from the State Training Board—from Sue Gordon and Keith Spence—the minister duly announced that he would follow forward with this recommendation. The idea behind having the centres was not to put on new services, but to join up existing services because they were not being well accessed by Aboriginal people. We have progressively opened more centres in Broome, Kalgoorlie, Geraldton and Bunbury, but at that stage Treasury asked that we hold off until such time as we complete an evaluation. That evaluation is underway. We will be holding off on the development of more centres until we have done the evaluation and can demonstrate that they are doing that which they were meant to do.

**Mr B.S. WYATT:** So the Albany workforce development centre has been deferred—cut. The money for that was obviously in the budget for 2010–11 when the minister first announced the centres. What has happened to

the money for that particular centre? Can the director general confirm whether that is the review that the Department of Education put out to tender for the centres, and which amounted to \$87 500?

**Mr M.J. COWPER:** Yes, the Aboriginal training and employment program has provided funding to not-for-profit organisations, and I will ask Dr Ruth Shean to outline the details.

**Dr R. Shean:** I will need to clarify the \$87 000, but the intent was to channel the remaining Aboriginal training and employment program funding to those areas that did not have Aboriginal workforce development centres—keeping in mind that the centres had no new funding—namely, the Pilbara, wheatbelt, Peel and great southern regions. The Southern Aboriginal Employment Centre has been established, which is in the great southern region, and it has its share of the \$677 200 that is directed to those areas that do not have Aboriginal workforce development centres.

**Mr B.S. WYATT:** So has an allocation been provided for the Aboriginal workforce development centre in Albany, but a centre has not been created? I am a bit unsure.

**Dr R. Shean:** I do not know where the Southern Aboriginal Employment Centre is based. Perhaps Sue Lapham will know that.

**Ms S. Lapham:** The difference is that we had a pre-existing service that covered off many of the regional centres, and that was the genesis of what was called the Aboriginal training and employment program. We then established the four regional centres, and in the areas where the Aboriginal workforce development centres were not created, we retained funding to service that area through a service rather than a centre.

**Mr B.S. WYATT:** I hope this will be my last question on this particular point. There are now centres in Broome, Geraldton, Bunbury, Kalgoorlie–Boulder and Perth—there are five centres—but there is no centre in Albany, but a service is provided in Albany. Is that correct?

**Dr R. Shean:** That is correct. We provide comprehensive services to Aboriginal people throughout the state, and perhaps I can leave that to later for us to go through. The funds that would have gone into the centres, had we established them, are available through the region, and the way that is allocated in the great southern region is through the Southern Aboriginal Employment Centre.

**Mr B.S. WYATT:** The second part of my question was about a tender put out by the Department of Education for a contract for services to evaluate the Aboriginal workforce development centres. The closing date was on 31 January this year and the tender was for \$87 484. Can I get some information on the purpose of that tender and that particular service, and why the Department of Education put it out?

[7.10 pm]

**Mr M.J. COWPER:** Is the member referring to a press release?

**Mr B.S. WYATT:** No. I am referring to a tender that was put up on the government's Tenders WA website.

**Mr M.J. COWPER:** I will get Dr Shean to answer.

**Dr R. Shean:** All I can add is that if it is the Department of Education, it would not be covering our service unless it was a typographical error. I have no information on a contract relating to us going out from the Department of Education. I would be very surprised if it related to our service.

**Mr M.J. COWPER:** Could Dr Ross Kelly respond, please. Dr Kelly's role relates to performance evaluation statistics.

**Dr R. Kelly:** If it is a Department of Training and Workforce Development evaluation, the only thing I can imagine is that perhaps Education, through the Education and Training Shared Services Centre, has managed the back end of the contract, but I am not sure. We can get further information. That figure also includes GST.

**Mr B.S. WYATT:** I would be happy to have that by way of supplementary information, simply because the director general does not appear to know about the contract from the Department of Education. The description on the document is, "Services to Evaluate the Aboriginal Workforce Development Centres". The contract was given on 19 March this year for nearly \$90 000. I would be happy to receive some supplementary information on that.

**Mr M.J. COWPER:** We are happy to provide that to the member.

**The CHAIRMAN:** Can I ask the Member for Victoria Park to reference what he requires; that document cannot be incorporated or tabled.

**Mr B.S. WYATT:** The reference number for the tender is ETQ20822012. The public authority is the Department of Education. Obviously there is some information about this. Could the parliamentary secretary

provide details on the purpose of that contract and when a report from that contract is due to be presented to government, by way of supplementary information?

**The CHAIRMAN:** Was it a newspaper advertisement?

**Mr B.S. WYATT:** It is off the Tenders WA website.

**The CHAIRMAN:** Is the parliamentary secretary happy to provide that information?

**Mr M.J. COWPER:** I am happy to provide the information the member seeks on the contract he quoted.

*[Supplementary Information No A55.]*

**Mr B.S. WYATT:** Following on from those centres, \$6.8 million was provided in the last budget to provide 3 415 training places for Aboriginal people. I was hoping that the parliamentary secretary or the director general might provide an update on how that has been spent and whether those 3 415 training places have indeed been delivered.

**Mr M.J. COWPER:** I am certainly aware of the delivery of such programs to places I have visited in the past 12 months, member, but for the actual detail being sought, I will ask Dr Ross Kelly, who is responsible for performance evaluation statistics, to respond.

**Dr R. Kelly:** I am sorry; I missed the question. I was shuffling papers.

**Mr B.S. WYATT:** Information was provided to the estimates committee last year by the director general that Treasury and Finance had allocated \$6.8 million to provide 3 415 training places that focus on increasing the workforce participation of Aboriginal people. I would like to know the status of those 3 415 training places.

**Dr R. Kelly:** The member would like specific detail about training places, but I am not sure we monitor it in that particular way. There has been an increase in the number of places funded, and our activity increased. As to whether it went specifically to that, we will have to get back to the member with further information.

**Mr B.S. WYATT:** Can I get that as supplementary information?

**The CHAIRMAN:** Is the parliamentary secretary happy to provide that?

**Mr M.J. COWPER:** Yes. Dr Ruth Shean would like to add further information.

**Dr R. Shean:** It is worth pointing out that all the funds as allocated have been spent on training places. We have 140 000 people in training. That is a record high for apprentices and trainees in Western Australia. We are certainly equipping the state's young people to take advantage of the employment opportunities that will arise from a period of sustained economic expansion. Yes, we have met all of our training targets—we have well and truly exceeded them. As Dr Kelly points out, when we finally acquit, we acquit according to student curriculum hours. We talk about a notional student number, but as the member would appreciate, once people enrol they do not all enrol for the same number of student hours. Some courses are much more complex than others. We acquit according to student curriculum hours, and we have exceeded that amount for which we have been funded.

**Mr B.S. WYATT:** I am happy to receive this by way of supplementary information, as Dr Kelly suggested he might be able to do. As the government said last year, \$6.8 million was allocated to provide 3 415 extra training places. Could I get an update on those extra places and whether they were indeed provided?

**Mr M.J. COWPER:** Mr Chairman, I am happy for the department to provide to the member information about the 3 415 training places. I suspect, given what the director said, it will probably be even more than the numbers quoted last year. It is a good-news story.

*[Supplementary Information No A56.]*

**Mr A.P. O'GORMAN:** I refer to page 603 of the *Budget Statements*. I have two questions: one relates to the TAFE structure and the other to the student contact hours we see in the TAFE structure. Is it possible to get a breakdown of the student contact hours by institution—that is, the West Coast Institute of Training, Challenger and those organisations—and the expected increase over the next year? I require that information for all the institutions right across the state—the student contact hours this year and the expected increase in hours next year. I realise that will not be on hand; it will be supplementary information.

**Mr M.J. COWPER:** We can give the member a general outline. The detail the member requires will need to be responded to by way of supplementary information. Mr Chairman, details of student contact hours for each institute will be provided to the member for Joondalup.

*[Supplementary Information No A57.]*

**Mr A.P. O'GORMAN:** My question still relates to student contact hours, but for the private registered training organisations. I refer specifically to “Employment Based Training” on page 603. At the bottom of the page there

is an efficiency indicator using student curriculum hours. What is the status on the review of student curriculum hours' funding for private RTOs? That relates to the submission given to the director general by a private RTO consortium in November last year. Can we get an update on where that is at?

**Mr M.J. COWPER:** Is the member actually looking for the hours? The breakdown the member indicated gives us the efficiency indicators in dollar terms.

**Mr A.P. O'GORMAN:** Yes; it only tells us how much. I am interested in the student contact hours and where we are at with the review submitted to the director general on student contact hours.

**Mr M.J. COWPER:** I am trying to clarify what the review is. I will go to Kevin Coombes, the acting executive director of services, resource management.

[7.20 pm]

**Mr K. Coombes:** That review is currently being prepared for tender in the marketplace and will involve input from the delegation referred to by the member to form a reference group to oversee the conduct of that review.

**Mr A.P. O'GORMAN:** Is the tender to get an outside consultant to conduct the review with the private operators?

**Mr K. Coombes:** That is to conduct a review of the funding for employment-based training—the funding rates we pay to private providers for employment-based training.

**Mr A.P. O'GORMAN:** I have a further question about the funding for employment-based training. There is an issue with private registered training organisations at the moment in that they have to have infrastructure and staff to accommodate classes of up to 15 students, but students can withdraw from the course at any time without penalty. The RTOs are only paid on unit commencement and unit completion. Student withdrawals leave a major funding deficit for the RTOs, which makes the courses financially unviable. The RTOs require funding to cover the infrastructure and staff for the duration of the course, and should not have funding dependent on student completions. Can information be given about where things are going with that? Is it part of the review?

**Mr K. Coombes:** That would not be looked at directly as part of the review, because the review will focus on the funding rate that is paid, as the member made reference to, on commencement and completion of each unit. Therefore, it will look at the rates paid for that purpose.

**Mr A.P. O'GORMAN:** So, the rates paid for that purpose are being looked at.

**Mr K. Coombes:** We will not be looking at supporting infrastructure costs for private training providers.

**Mr A.P. O'GORMAN:** I understand that; they should be providing infrastructure, but trainers for 15 students still have to be provided. If the number of students drops to five, it makes it unviable for that RTO to run that course. Is anything being looked at to do that? I think it will probably be said that there is, but I want to be clear.

**Mr K. Coombes:** I think the short answer is, no.

**Mr M.J. COWPER:** Dr Shean will say something.

**Dr R. Shean:** This is a challenge for everyone in the training market, not just private trainers, but state training providers too. Seasoned trainers know when they begin a course that there will be an attrition of students during a course and they need to cater accordingly. I cannot see that we would be in a position to use our hard-won training dollars to start paying a premium for those providers that have very high attrition rates when the pressure is on us as a training environment to increase the completion rate. If we were to do that, we would lose the confidence of the state Treasury and the taxpayers of Western Australia. Getting value for money is important throughout and having providers work with students who are likely to stay the distance and maximise the likelihood of students staying the distance is important to us.

**The CHAIRMAN:** We are up to a new question and I will briefly ask my own question. I am not quite sure whether this information is available and if it is not, I am happy, but is it possible within the branch of Indigenous affairs to get an assessment of what percentage of the staff employed are actually of Indigenous background?

**Mr M.J. COWPER:** That information is available. I was aware what it was last year and I would like to know what the update is. It obviously changes from week to week. Dr Shean.

**Dr R. Shean:** I can give the chairman that information for the department. Out of a full-time equivalent figure within our main operations of 548, we currently have 20 Aboriginal staff, which is 3.7 per cent. The Council of Australian Governments' national target for Aboriginal employment is 3.2 per cent. Clearly though, the fact that we are in excess of the COAG target does not mean that we are comfortable with it and we will continue to try to recruit Aboriginal people.

**Ms J.M. FREEMAN:** What levels are they employed at?

**Mr M.J. COWPER:** They start from TR, at 4.3 per cent —

**Ms J.M. FREEMAN:** What is TR? I am asking what public sector levels they are. Are they level 1, level 2, level 3, level 4 —

**Mr M.J. COWPER:** For Level 1 it is 6.7; level 2 is 8.2 —

**Ms J.M. FREEMAN:** Is that numbers of people or percentages?

**Mr M.J. COWPER:** For salary level 2, 8.2 per cent of employees are Aboriginal; level 3, 1.8 per cent; level 5, 1.4 per cent; level 6, seven per cent; level 8, 2.3 per cent and I note that there are no level 4s.

**Ms J.M. FREEMAN:** Are there senior executive service levels after level 8, or is there level 9 and then SES levels?

**Mr M.J. COWPER:** There are trainees at levels 1, 2, 5, 6 and 8.

**Mr P. ABETZ:** I refer to “Significant issues impacting the agency” on page 601. Under that heading there is reference to skills shortages and I ask: what exactly is the government doing to address the skills shortage? I notice that a number was mentioned for young people engaged in training, but are there any other strategies?

**Mr M.J. COWPER:** There could be a book written on what is actually being done and I think there has been! There has been widespread documentation on that issue. The state government has committed \$99.1 million over the next two years to help address the looming skills shortage. We know that there will be a shortfall in Western Australia of, I think, 76 000-odd places. The focus is on delivering critical skills training as prioritised in the state’s priority occupation list and state training plan. This will help to ensure that training is focused in those areas of greatest need. The state government is also continuing to develop the Western Australian workforce through the implementation of the document I referred to called “Skilling WA: A workforce development plan for Western Australia”. The plan includes an increase in participation in the workforce, supplementing the Western Australian workforce with migrants when vacancies cannot be filled by local workers, attracting and retaining workers, and ensuring flexible and responsive pool training. As the member will know, under that particular plan there is a five-point plan for skilling WA and that includes taking those people who have been disadvantaged and people who have been out of the workforce for a long time, with a particular focus on Indigenous training, and getting as many people in Western Australia to participate in the benefits of this period of sustained growth. Of course, it also means that we will bring people from elsewhere, including the eastern states—there has been a fair bit said on that in recent times—and also from overseas, and a fair bit has been said on that also in recent times.

**Mr B.S. WYATT:** Last year, the Minister for Training and Workforce Development went on a very high-profile trip to the United Kingdom and said at the time —

I’m working with Ciaran Cannon and the Irish Government and we’re going to go around the Feds on this thing. We’ll work with the Irish Government and we’ll hold it up as a big success.

Can I be given the numbers of Irish skilled migrants—other than the good member on my left!—who have come in —

**Mr A.P. O’GORMAN** interjected.

**Mr B.S. WYATT:** He travelled to the United Kingdom and Ireland; I apologise.

How many Irish skilled migrants have come to Western Australia as a result of this trip by the minister and the fact that he “he went around the feds”?

**Mr M.J. COWPER:** The minister did travel to the United Kingdom, and particularly to Ireland. As the member would know, there has been a traditional flow of Irish nationals to this country for many, many years. The only downside of that trip was that I was not invited!

**Mr B.S. WYATT:** Perhaps that is why it was not as successful as the minister would otherwise have liked!

**Mr M.J. COWPER:** I have some answers for the member on Ireland, but I have never been, so it is a bit of a disappointment, although that is about the only disappointment. I do know that we are unable to provide the exact numbers at this particular time.

[7.30 pm]

**Mr B.S. WYATT:** Approximately.

**Mr M.J. COWPER:** I know there are lots.

**Mr B.S. WYATT:** Lots!

**Mr M.J. COWPER:** Inasmuch as wherever I go, they seem to be everywhere. I am sure that the member experiences very similar sorts of situations.

**Mr B.S. WYATT:** There must be an approximate number. I look at some of the media both before and after the trip. He described it as “going around the feds or the 457 visas”; there would be a huge success. For the minister to say that, there must have been a measure of how that would be a success. What did the minister view as a successful trip in terms of Irish skilled workers coming to Western Australia, and what are the approximate numbers of workers that have actually arrived?

**Mr M.J. COWPER:** I am actually not familiar with what the minister considers to be a success. But I can tell the member this: as I mentioned before, they appear to be everywhere. I was down on the foreshore; even kiteboarding trainers are coming from Ireland. The fact remains that the people coming from Ireland and other places are recorded by the commonwealth. As such, we can get the information. Further details of the numbers coming in are not succinct in the context of the member’s question, but I will ask Dr Ruth Shean to make some comment in relation to those numbers.

**Dr R. Shean:** As the parliamentary secretary points out, the data is held by DIAC. Although we process the front end of some visas, visa issuing is the responsibility of DIAC, and we never know who actually arrives in the country, so we cannot give the member that data; the member would need to go to the commonwealth government for them.

We do have some indications of success, though; two in particular. One is that prior to Minister Collier’s visit, we developed a web portal on how to live in Western Australia. We did quite a bit of market research on the concept before starting it. Originally, we were looking at a web portal on how to work in Western Australia. We found from a number of focus groups, however, that what people are after in coming to Australia is not work as the focus. They are happy to work, but lifestyle is the reason that they choose to come here. This is particularly so for British people; they like moving to another country where they can speak the language and where they believe they will have better health care, better education and a better chance at homeownership. The web portal was launched in early July last year. We have been monitoring the hits regularly. On average, we get some 40 000 hits per month, but when the minister was in the UK and particularly in Ireland and doing quite a bit of media, the number of hits escalated dramatically. We were getting several thousand hits each day. There was a huge amount of interest. The other thing that I can attest to is the number of letters that we get from people from Ireland wishing to come to Australia and seeking advice from us. Our advice is twofold: one is that the immigration issue sits with DIAC primarily, although we can assist. But we certainly can assist with other information about living in Western Australia. The other thing, however, the member may recall—Minister Collier spoke about it at the time and certainly when he returned—was the likelihood of establishing a memorandum of understanding with Ireland. That presented us with some difficulties, because we found to our great chagrin that we are indeed a subnational jurisdiction. Western Australia is not allowed —

**Mr B.S. WYATT:** I am surprised the minister would not have worked that out.

**Dr R. Shean:** I am sure the minister knew that only too well, but we were hoping Western Australia could negotiate some direct arrangements. We were not able to establish an MOU as such because of that arrangement; that would need to be established through Canberra. But last week I met with the Irish Ambassador, Mr Noel White, and two of his representatives who are now based in Sydney. They run an agency called Enterprise Ireland. This is about the very notion of helping Irish people come and settle to work in Australia. We spoke with him about the possibility of having a very informal arrangement, a very informal memorandum of understanding, through which we could assist Irish people to locate to Western Australia. He was very interested to do that, and so we are continuing a working relationship in that respect.

Our sense was that it was a very successful trip. The interest from Irish people was remarkable. We look forward to working with Ireland, as we do with all those countries with whom we do business into the future.

**Mr B.S. WYATT:** In relation to the KPIs that the minister hoped to achieve from this trip—increased hits on the web portal—did he have some KPIs for people coming to Western Australia to work? Secondly, I am interested in the focus groups that were conducted on that web portal. When were those focus groups conducted?

**Mr M.J. COWPER:** The skill sets of people who come from particularly Ireland are very interesting as far as our requirements go here in Western Australia. I am very interested to know how they spread across the spectrum. I would ask the director to respond.

**Dr R. Shean:** First, no, the minister would not have had as KPIs those Irish people settling, because we would not be able to get that information. Once again, that is commonwealth information.

We held the focus groups in Perth. These were supplemented with information from the skilled migration workshops that we held right throughout the state during the year. The primary information was taken from people who settled in Perth, but it was supplemented by information that we had from elsewhere.

**Mr B.S. WYATT:** When were those focus groups conducted?

**Mr M.J. COWPER:** I would have to get that information. If it is of such urgent need, we can get that for the member.

**Mr B.S. WYATT:** Again, they are specific questions. I am happy to get them by way of supplementary information. I had a couple of questions about those focus groups. Perhaps I will spell them out and that can be allocated a supplementary number.

**Mr M.J. COWPER:** We can put a fence around them; yes, that would be good.

**Mr B.S. WYATT:** When were the focus groups on the web portal conducted? How many people were involved? Who conducted the focus groups? What was the total cost of those focus groups? I think that is fairly clear.

**Mr M.J. COWPER:** Mr Chair, the information sought was when these focus groups occurred; how many people attended; who conducted or facilitated the focus group; and the total cost.

*[Supplementary Information No A58.]*

**Ms J.M. FREEMAN:** I refer to the efficiency dividend under “Major Spending Changes” on page 600 of the *Budget Statements*. To achieve the \$8.809 million in savings for 2012–13 and the \$60.861 million total over four years, what cuts will be made to programs in the Department of Training and Workforce Development?

**Mr M.J. COWPER:** Member, could you just raise your voice, please?

**MS J.M. FREEMAN:** Sorry. Gosh; that is the second time I have been asked to raise my voice.

**The CHAIRMAN:** It is very unusual for you, member for Nollamara. Normally we are asking you to tone it down.

**Ms J.M. FREEMAN:** To achieve the \$8.809 million for 2012–13 and the \$60.861 million total over four years, what cuts to programs and FTEs will be made to achieve those savings, and from what sections of the department? What revenue measures will be made to achieve the savings? What fees and charges will be raised for students and what new fees or charges will be instituted?

**Mr M.J. COWPER:** The minister at this particular time has not arrived at a decision on that. That is something he is currently taking on advisement and will announce in due course.

**Ms J.M. FREEMAN:** In terms of the minister reaching those determinations, can the parliamentary secretary give an indication of what sorts of issues the department is looking at, what areas the department is looking at, how they are considering that particular efficiency dividend in their management? How are they doing it strategically? Given that they will have to implement it in June, they must be already discussing it at this time. Have they made any presentations to the rest of the department with respect to that, either in a DVD or in a PowerPoint presentation and can that be tabled here tonight?

**Mr M.J. COWPER:** There are a few questions in there, Mr Chair. One is that it would be premature for anyone to comment on what the minister may decide. Therefore, the premise of the rest of the question cannot be provided to the member tonight in as much as we do not have PowerPoint presentations.

**Ms J.M. FREEMAN:** Have any presentations been made to the staff in the department of the sorts of efficiencies that will be looked at? Can that be tabled?

**Mr M.J. COWPER:** At this particular time, those efficiencies have not been defined. As such, therefore, there has not been any fishing expeditions by the minister to pre-empt what might be his decision.

**Ms J.M. FREEMAN:** A further question, through the Chair —

[7.40 pm]

**The CHAIRMAN:** Before we do, we cannot table documents.

**Ms J.M. FREEMAN:** However we do it, will those considerations be ready in time for the end of this financial year; and, if not, when will they be available? Will the minister undertake to table in the Parliament in due course the detailed list of where the savings will come from?

**Mr M.J. COWPER:** Yes. The Treasury department would have an expectation that they would be proceeded with and the decision will be made by the minister in a timely manner. At the end of the day, it is the minister's decision and I cannot put a time frame on when that might be, other than to say that it is eminent.

**Ms J.M. FREEMAN:** Eminent or imminent?

**Mr M.J. COWPER:** It is imminent and eminent —

**Ms J.M. FREEMAN:** It might also be eminent!

**Mr M.J. COWPER:** The minister would not want to leave himself in a situation in which the Treasury is breathing down his neck.

**Mr A.P. O'GORMAN:** I refer to the issue we were talking about before under “Significant Issues Impacting the Agency” and the United Kingdom, Ireland —

**Mr M.J. COWPER:** Which page was that?

**Mr A.P. O'GORMAN:** Page 601. I want to go back to the fishing expedition, if we like, to bring out more skilled labour from Ireland and the UK and the efficiency dividend that we are looking at. The parliamentary secretary said that there is no key performance indicator to measure the number of people who migrated here as a skilled workforce, but can he tell us the cost of that trip to Ireland and the UK and what the itinerary was? Can we have that supplied by supplementary information?

**Mr M.J. COWPER:** To my knowledge, the funding of that was not through the department. Two staff members accompanied the minister on that particular trip and it was funded through the ministerial office, to the best of my knowledge.

**Mr A.P. O'GORMAN:** Parliamentary secretary, can I ask that we get the cost of the trip and the itinerary supplied by the minister's office?

**Mr M.J. COWPER:** The department cannot do that, but I will make the request on the member's behalf. However, I will not supply that by way of supplementary information. If the member writes to me, I will progress that to see whether the minister is willing to provide that information.

**Mr B.S. WYATT:** Can we get the cost of the two departmental staff and the itinerary?

**Mr M.J. COWPER:** If the member would like to put that request, I will put it to the minister and see whether he is —

**Mr B.S. WYATT:** I am not asking about the ministerial staff; I am now talking about the department staff. I would like to get the cost for the departmental staff and the itinerary.

**Mr M.J. COWPER:** I refer to Mr Fernie.

**Mr R. Fernie:** We can provide further information on the cost for the staff to go on that trip as funded by the department, but we do not have it now.

**Mr B.S. WYATT:** I would like the cost of the trip and the itinerary by supplementary information.

*[Supplementary Information No A59.]*

**Mr B.S. WYATT:** I refer to “A skilled workforce that meets the needs of Western Australia” under “Relationship to Government Goals” on page 601 of the *Budget Statements*. On Tuesday, during the Public Sector Commissioner division, there was some discussion about the Public Sector Commissioner's investigation into the relationship between the minister's office and the department. The Public Sector Commissioner asked me, the member for Cannington and the Leader of the Opposition to refer a couple of questions to the director general. To quote the Public Sector Commissioner, he said about that investigation —

They were essentially issues of communication and expectations of time frames in which requests for information from the department were to be supplied ...

I would like some more information and details on problems in communication between the department and the minister's office and the outcomes of those investigations within the department.

**Mr M.J. COWPER:** I am encouraged by the member wishing to discover the information that he seeks, but that is not a matter for the director in this forum. It is a question the member can direct to the minister or the Public Sector Commissioner.

**Mr B.S. WYATT:** The Public Sector Commissioner asked me to ask the director general and this is the forum to do that. He said that the director general would be here later in the week.

**Mr M.J. COWPER:** The director general is here to assist me as the parliamentary secretary to answer questions on the budget papers.

**Mr B.S. WYATT:** That is exactly what I have asked.

**The CHAIRMAN:** Perhaps rephrase your question, member for Victoria Park.

**Mr B.S. WYATT:** I will rephrase the question. Maintaining a skilled workforce is exactly the role of the Department of Training and Workforce Development. How many people in the department are on stress leave?

**Mr M.J. COWPER:** I am not aware that any are on stress leave at this point in time. That is not available to us.

**Mr B.S. WYATT:** I would like to get information on how many staff have been on stress leave over the past 12 months. Obviously, saying “at this point in time” is not terribly useful; I will get an answer that states on 31 May there was none —

**Mr M.J. COWPER:** Could the member repeat that?

**Mr B.S. WYATT:** I would like supplementary information to be provided on how many staff have been on stress leave over the past 12 months since the last estimates period. I appreciate that is a specific question. I am happy to have that by way of supplementary information.

**Mr M.J. COWPER:** Given that the member has rephrased the question, we will provide the information that he seeks if we can, but it will not have any reference to names.

**Mr B.S. WYATT:** I am not interested in names, only numbers.

*[Supplementary Information No A60.]*

**Ms J.M. FREEMAN:** I refer to “Outcome and Key Effectiveness Indicators” on page 602 and, in particular, “Graduate employment rate”. In 2011–12 the graduate employment rate was 80 per cent. What sort of reasons would there be for a graduate not finding employment? How many people are represented by the 20 per cent who failed to find employment? Can the minister supply a breakdown of that 20 per cent who failed to find employment between publicly funded apprentices, privately funded apprentices, publicly funded trainees and privately funded trainees? If the minister cannot provide that information for the 20 per cent who failed to find employment, can he give me that information for the 80 per cent of graduates who found employment?

**Mr M.J. COWPER:** It is a very complex question, but I will refer to a very competent and capable person, Dr Ross Kelly, the director of performance evaluation and statistics.

**Ms J.M. FREEMAN:** There is always someone in the room who does statistics.

[7.50 pm]

**Dr R. Kelly:** I will break it into two parts. We will need to get the detail back to the member. We are able to access that data. I am not sure whether all of that will be able to be answered, but we will explore the data and answer those things that we can. Those we cannot answer, we will make clear why we cannot. We are limited by the nature of the questions asked in the survey, which is undertaken by the National Centre for Vocational Education Research, but we will explore that. If I can clarify, the first part of the member’s question is to do with people who do not find a job and the reasons why. The reasons for that can be manyfold. Without getting into too much detail about the labour economics of it, some people can be unemployed before they start their training and, although the training may help, it is not a guarantee that an employment outcome will be achieved. Another reason is that, having got new skills, people are taking time to find a job that will suit their circumstances and aspirations. I add that Western Australia does particularly well in the number of graduates who find employment after their training and/or who go on to further training, which is also a good outcome.

**Ms J.M. FREEMAN:** In terms of the people who were unemployed before training and are unemployed after their training, one thing that seems to be prevalent in the communities that I represent, particularly some of the African communities, is that they get qualifications and graduate by getting their coursework done but when they finish they cannot find employment and are told that they do not have any experience working in that area. What sorts of programs will be run by the department to ensure that there is mentoring and on-the-job training so that people have direct on-the-job experience or even work experience?

**Mr M.J. COWPER:** I understand the question because I have heard it myself. How does one get experience? I would hate to think that just because they are from a particular ethnic group that that precludes them.

**Ms J.M. FREEMAN:** The point is that if they have any experience outside of Australia, people tend not to give it as much credibility, respect or credence as if they had gained the experience in Australia. Places like Curtin University run almost job-ready courses so that people get work experience and workplace training so that they can put that on their CV. Is the department doing anything similar to ensure that graduates who were unemployed before they got the training can get the additional assistance they need so they can get employment after the training?

**Mr M.J. COWPER:** Dr Ruth Shean would like to comment.

**Dr R. Shean:** We do not do just training. A very big part of the work the department is involved in is workforce planning and employment advice. One of the strategies we use for people either prior to or while they are in

training is to send them to our careers centre in the city. The centre provides advice both directly and online to those who wish to seek advice of any sort about the likelihood of them being employed. We also have 14 workforce development centres around the state, two of which are specifically funded to provide employment advice and experience in résumé presentation and so on for people from culturally and linguistically diverse backgrounds. One of those is in Mirrabooka, which the member may be aware of, and the other is in Fremantle. The responsibility of the centres is to help give advice on courses and on where work experience can be gained. They arrange work experience and help people seek employment once they have had adequate experience. Another thing that we have found with many different migrant groups is that although a university education is valued, vocational education is not. The two centres have spoken to me about this—Mirrabooka in particular—and have asked us to do what we can to encourage people to accept VET rather than a university course. To that end, last year for the first time we introduced at our state training awards an award specifically for people from a culturally and linguistically diverse background. I think that the first person who won that award last year was a South American graduate. Interestingly, our Apprentice of the Year was also from a non-English speaking background and she had been from this exact category. Her parents, who are Chinese, insisted that she study commerce at university before she was allowed to follow her dream, which was to become a pastry chef. She enrolled in that course and became the Western Australian Apprentice of the Year. We provide a lot of support for people before they start their course, when they are doing their course and when they have finished their course as well as offer incentives, once they have finished, to become role models for others who are in a similar position.

**The CHAIRMAN:** I am concerned about youth unemployment in not only the south metropolitan area, but also the state. Regarding the take-up rate of training among unemployed people—by that I mean the percentage of unemployed people who undertake and complete training—is any data available that will give a comparison between the south metropolitan area, or any other geographical area in Western Australia, compared with the rest of the state? For example, what is the percentage of unemployed youth in the south metropolitan area who undertake training compared with the average percentage across the state?

**Mr M.J. COWPER:** I understand where you are leading with that question, Mr Chairman, and I do not know whether that information exists, but I will ask Dr Kelly, who may know.

**Dr R. Kelly:** The best way to answer that is to refer to the census data. That information is gradually released over the next few months. There are a number of sources for that information. The Department of Training and Workforce Development will obtain the data and we can investigate it for the member. In terms of relating back to unemployment and the region that people come from, the census data is required to do it properly. We record where people come from but we need to know where the populations are drawn from. That is the other important part of the member's question. That data will be rolled out in detail from about July and we will be able to access and investigate it. We do that as a matter of course for our research into policy development.

**Ms J.M. FREEMAN:** Supplementary information was to be provided to me for the 80 per cent who graduated and the 20 per cent who did not graduate regarding privately funded apprentices, privately funded trainees, publicly funded apprentices and publicly funded trainees. Can I also get, if possible, those numbers for the 2010–11 and 2011–12 budget years just so I have that comparison? That was the supplementary information the parliamentary secretary was going to provide me.

**Mr M.J. COWPER:** I am not sure how we can accommodate that. Do we cancel the previous one and start another one?

**The CHAIRMAN:** No. If the parliamentary secretary is happy to provide that information, I will allocate a new number for that question.

**Ms J.M. FREEMAN:** I thought it was different.

**The CHAIRMAN:** It is different data.

**Ms J.M. FREEMAN:** No, it is the same data; did you allocate a number previously?

**The CHAIRMAN:** I am doing that now.

*[Supplementary Information No A61.]*

**Mr M.J. COWPER:** We will provide the information that is readily available. We do not know about some of the things the member has asked for.

**Mr B.S. WYATT:** I refer again to “Relationship to Government Goals” on page 601, which refers to “the relationship between the agency's services and desired outcome, and the government goal it contributes to”. On Tuesday, the Public Sector Commissioner specifically said that the investigation was into the time frames between what the government wants, which is exactly what that line item is about, and what it expects from the

department. Obviously, that was an issue of some concern, as confirmed by the Premier and the Public Sector Commissioner on Tuesday. Hence there was a PSC investigation into the matter. I would like to know whether, as a result of that investigation, the issues regarding the time frames have been resolved or are being resolved and whether there has been any impact on the staff within the department. It is on the public record that two staff from the department have moved into the minister's office to facilitate that relationship issue. Have there been any other movements of staff as a result?

[8.00 pm]

**Mr M.J. COWPER:** In any government department or in any minister's office there will be movements. The relationship that exists between the department and the minister's office is a very harmonious one, and the minister is quite happy with the performance of those in his office and also those in his department.

**Mr B.S. WYATT:** In terms of the time frames, the issues that resulted in the Public Sector Commissioner investigating this relationship led to staff in the minister's office undergoing ethics training. Has similar training been required for departmental staff? I would be very keen to hear whether the director general is satisfied with the outcome of that particular investigation and whether that relationship is more productive.

**Mr M.J. COWPER:** I am sure that the director general is a very competent person; that is why she is in the job.

**Mr B.S. WYATT:** I am not reflecting on the director general, I assure you.

**Mr M.J. COWPER:** And she is managing her department quite adequately and to the satisfaction of the minister.

**Mr B.S. WYATT:** I agree, but that is not the question I asked. The question I asked is about whether departmental staff have had to go through any particular training as a result of that investigation. The Public Sector Commissioner told us on Tuesday that the minister's staff had to go through it. I am therefore curious to know whether the departmental staff have. As the Public Sector Commissioner said, these are questions that should be put to the director general and so I am following the Public Sector Commissioner's advice.

**Mr M.J. COWPER:** The department members, as part of their ongoing training programs, have done ethics training, as have all public sector staff. I recall in fact having done it myself as a member of the police force.

**Mr B.S. WYATT:** Is that a fallout of the investigation or is that the normal, standard training effectively that staff do?

**Mr M.J. COWPER:** I am aware that all members of the public sector are facilitated with that training.

**Mr B.S. WYATT:** But were there any specific results of that investigation that impacted on the department?

**Mr M.J. COWPER:** The fact remains that all those people within that department have had ethics training.

**Mr B.S. WYATT:** I am not trying to be belligerent here, parliamentary secretary. The Public Sector Commissioner asked the opposition to put these questions to the department and the parliamentary secretary seems reluctant to allow the director general to even address any of these issues. They are not insignificant issues. This is a Public Sector Commissioner's investigation into the relationship between the minister's office and the department. There were allegations ranging from bullying to stress leave. These are issues that I think are relevant for accountable government.

**Mr M.J. COWPER:** I understand where the member is going and I understand the purpose, but I just want to draw the member back to the focus on the budget papers that are before us. As previously stated by the Chair, perhaps the member could rephrase that question.

**Mr B.S. WYATT:** I do not know how else I could rephrase it. I have rephrased it about five different times.

**Mr M.J. COWPER:** The member has asked me whether there is any particular training or additional training that the staff have undertaken. Yes, they have; they have undertaken ethics training and that is symptomatic of many government departments.

**Mr B.S. WYATT:** Further to that —

**Mr M.J. COWPER:** I do not care to add anything to that.

**Mr B.S. WYATT:** Sorry?

**Mr M.J. COWPER:** I do not propose to add anything further to that.

**The CHAIRMAN:** The member for Nollamara.

**Mr B.S. WYATT:** All yours, if you can get anything out of this one!

**Ms J.M. FREEMAN:** I refer to page 602 and the key effectiveness indicators on the apprenticeship and training rates.

**Mr M.J. COWPER:** Is it the completion rates or the training rates?

**Ms J.M. FREEMAN:** It is the apprenticeship and traineeship training rate under “Outcomes and Key Effectiveness Indicators”. It is both.

**Mr M.J. COWPER:** Is it the 3.2 per cent line the member is referring to?

**Ms J.M. FREEMAN:** Yes, at this point in time. I am actually referring to the whole section on outcomes and key effectiveness indicators. The first question I ask that may assist me with my total question, as I am a bit confused, is that last year in the Assembly estimates hearings Dr Ruth Shean, the director general, said —

... at the moment we have some 40 000 apprentices and trainees, which is the highest number we have ever had in Western Australia ...

Can I confirm that when we started this division I heard the director general say that we had 140 000 apprentices and trainees? I am just trying to clarify what the correct number of apprentices and trainees is compared with the current rate in the budget papers.

**Mr M.J. COWPER:** I understand that the number of people in training would be 140 000. I will just get Dr Ross Kelly to clarify for us, please.

**Dr R. Kelly:** The figure of 140 000—it is not exactly 140 000; it is just over—is the number of students we have enrolled in our TAFE colleges and private providers, whereas the other figure relates to the number of people in contracted training, so that there is an employment contract in place. They relate to two different things. One is about enrolments in colleges and private providers; the other is about those who hold a contract with an employer and who are on indentured training basically, either as a trainee or as an apprentice. That is the difference. The figure was over 40 000 at this time last year and it is now over 42 000.

**Ms J.M. FREEMAN:** So it is 42 000 now.

**Dr R. Kelly:** Just over.

**Mr M.J. COWPER:** One in that 42 000 would be my son.

**Ms J.M. FREEMAN:** I hope he is part of the successful completion rate!

**Mr M.J. COWPER:** So do I.

**Ms J.M. FREEMAN:** A further question through the parliamentary secretary: in terms of the 42 000 indentured—let us use the old phrase because I understand “indentured” —

**Mr M.J. COWPER:** Master and apprentice.

**Ms J.M. FREEMAN:** In terms of the 42 000 indentured apprentices and trainees, I understand the minister had a target of 47 100 by 2012. The number the parliamentary secretary has given me looks like it fell substantially short—some 5 000-odd short. Can the parliamentary secretary tell me the reason the number of indentured apprentices and trainees fell short of the minister’s target in that time? A target was outlined in the previous budget. I can find it if the parliamentary secretary wants me to, but a target was set and it fell short of that amount.

**Mr M.J. COWPER:** The very competent and capable people in this room are salivating at the thought of answering that question. Dr Shean.

**Ms J.M. FREEMAN:** Salivating!

**Dr R. Shean:** The figure of 47 000 was the stretch target set just after the last period of sustained economic expansion and before the global financial crisis. When the global financial crisis struck Australia, it meant that fewer people were prepared to go into training and fewer people were prepared to train them, so the rates of indenture dropped. We have now to a large extent overcome that but there is that permanent dip. We are now heading upwards again, but the GFC is the reason for not having reached that target.

**Ms J.M. FREEMAN:** I have another question. In terms of the 140 000 places in TAFEs—we do not call them TAFEs anymore; whatever the sector calls them, I can never remember—and in training institutions run by the department, last year’s budget overview document stated that training places would increase from 134 000 to 156 000 in 2011. We are now sitting in 2012 and the target of 156 000 has not been met. Is it the same reason: we could not meet a stretch target because of the global financial crisis?

**Mr M.J. COWPER:** Dr Ross Kelly, please, through the Chair.

**Dr R. Kelly:** If it is possible, we can come back with the precise detail, which I do not have at my fingertips. But in general terms, it is to do with the scope. We collect many statistics that cover our broader scope. That includes not just those that are funded directly by the department, but also those that are funded elsewhere, and also I

think some of the fee-for-service in private training as well. So there is a variety of different scopes for the data collections that we have, and I think the figure of 156 000 relates to that particular issue. But we will need to confirm that and come back with the explanation and precise statistics for the member.

**The CHAIRMAN:** Is the parliamentary secretary prepared to do it by supplementary answer?

**Dr R. Kelly:** Yes.

**Mr M.J. COWPER:** That information will be provided by way of supplementary.

**The CHAIRMAN:** Okay; so we know exactly what is to be provided and what the question is.

*[Supplementary Information No A62.]*

[8.10 pm]

**Ms J.M. FREEMAN:** Currently the department is meeting the target of 140 000, and has a stretch target of 156 000. Can I get a detailed breakdown of the institutional-based training and the employment-based training divide in the 156 000 stretch target that the department wants to meet?

**Dr R. Kelly:** We will be able to clarify the issue. There are other issues involved in planning two years or three years out, or 12 months out, as the case was for that one, to see precisely whether it will go to EBT or IBT.

**Ms J.M. FREEMAN:** Instead of the stretch, just give me which of the 140 000 are institutional or employment based.

**Dr R. Shean:** As I understand it, we can provide that for the 140 000 without any difficulty. We cannot provide the projections for who will train over future years. I think we had the same discussion last year; we cannot provide it with any certainty at all until it has happened. We will provide what data we can and see whether that hits the mark.

**Ms J.M. FREEMAN:** I think we had the global financial crisis last time as well.

**Mr B.S. WYATT:** I refer to the new national partnership on skills reform in the final dot point on page 601. In the most recent issue of the magazine *Training Matters*, volume 14 of March this year, mention is made of the fact that the department has engaged the Nous Group to explore the options and potential budget impacts of possible entitlement designs for the WA vocational education and training system. What is the value of that particular contract with the Nous Group?

**Mr M.J. COWPER:** I do not have that information available to me but Mr Ryan Fernie, the acting director of finance, might be able to assist with some points.

**Mr R. Fernie:** We can get that information. We do not have it on hand at the moment.

*[Supplementary Information No A63.]*

**Ms J.M. FREEMAN:** I refer to the KPIs for apprentices and traineeships on page 602.

**Mr M.J. COWPER:** KEIs.

**Ms J.M. FREEMAN:** I must have the worst accent in the place!

**Mr B.S. WYATT:** It is a bit of an Irish accent!

**Ms J.M. FREEMAN:** In the major spending changes at page 622 in the 2011–12 budget, there was the youth attainment and transitions commonwealth government funding of around \$3 million, which went into the forward estimates.

**Mr M.J. COWPER:** Page 622?

**Ms J.M. FREEMAN:** It is in last year's budget; it is not in this year's budget. There is not a lot of detail in this year's budget, so I had to look at last year's budget. In the 2010–11 and 2011–12 budgets there was an allocation of \$3 million over two years as bonus payments to employers who take out-of-contract apprentices and trainees to allow them to complete their apprenticeships and traineeships. How many out-of-contract apprentices on the out-of-contract register were helped with these funds? Was the whole allocation of \$3 million used? If not, has it been carried over? Was it part of the youth attainment and transitions commonwealth government money or was it separate from that? How are we assisting out-of-contract apprentices at this time?

**Mr M.J. COWPER:** The questions the member has asked are very complex and contain a fair amount of detail. I would like Dr Shean to make some comment, but I suspect we will have to provide that by way of supplementary information.

**Dr R. Shean:** We will provide it by supplementary information, but my understanding is that changes have been made to the funding for this. The productivity places agreement ceases at the end of this year. Although that

primarily relates to funds for training places, some of the incentives will also reduce. My understanding is that some of these incentives will change. I can certainly give the member an idea of what the breakdown was before. I think the member needs to keep in mind that it is likely to change into the future, as I understand it. We will provide the best information we can, but keep in mind that the information we provide on what has happened in the past may be about to change.

*[Supplementary Information No A64.]*

**Ms J.M. FREEMAN:** I am interested to know the rationale for that change.

**Dr R. Shean:** The funding from the commonwealth government for the productivity places program has dropped dramatically. As at 30 June, \$25 million a year will drop from the commonwealth government over three years, a total drop of \$75 million. Although that will impact on training places, it will also impact on some other elements of that which we have been purchasing. There is some discussion at the moment between the various senior officers from each jurisdiction about whether the state is prepared to continue with its effort on some of these incentives. As the member might understand, there is a great deal of unhappiness. I am not too sure exactly how they will apply in the future. The matter is unresolved in many respects. We will get the member the information that we have available at the moment.

**Mr M.J. COWPER:** I understand that the state has picked up some of the shortfall, but it is nowhere near the level that has been cut by the commonwealth. I understand there has been some movement to try to fill that gap.

**Mr B.S. WYATT:** Is that the \$25.4 million and \$12.7 million?

**Dr R. Shean:** It is roughly \$25 million over three years. This is complicated by the fact that we purchase our training on a calendar year, so a part-year effect is \$12.5 million. It is more accurate for me to say that the cut overall is \$75 million. It is probably relevant to point out that the cut we have had for training places from the commonwealth government dwarfs that which the efficiency dividend represents from the state's perspective. This is why the business of how we manage our training places over the next few years becomes so critical. The state has picked up far more in training places to pick up the shortfall from the commonwealth government than will be taken out through the efficiency dividend. In fact, we have a significant net gain from the state government.

**Ms J.M. FREEMAN:** I refer to the appropriations of \$495.241 million and the total cost of services of \$699.49 million on page 600. The gap between those two is commonwealth funding in any event, is it not, so commonwealth funding is still being allocated to the department?

**Mr M.J. COWPER:** Yes; there are contributions but, as Dr Shean mentioned before, there are significant complexities to it. I will ask Dr Shean to comment, please.

**Dr R. Shean:** So far \$38.2 million is making up the shortfall in commonwealth funding under the new national partnership on skills reform. We will have further funding requirements once the outcome of the Nous report, which the member for Victoria Park referred to, is known, and we have acted upon those. At that stage, once the reforms that are required under the new national partnership are clearer—this relates in fact to the need to introduce an entitlement model from 2014—we will go back to state Treasury and work out what our requirements are. It is very complex. At the moment, the \$75 million has been supplemented by \$38.2 million from the state government.

[8.20 pm]

**Ms J.M. FREEMAN:** I understand that the department has had a cut, but if we look at the total appropriations and the total cost of services, it looks as though the department is still receiving just over \$204 million from the commonwealth. Is that the case?

**Mr M.J. COWPER:** The member is asking a question that relates to numbers, and our fantastic numbers man here today is Graham Thompson.

**Mr G. Thompson:** The total cost of services reflects not only the appropriations, but also the other funding in there. In 2011–12 there is an amount allocated from royalties for regions for two specific items—Muresk and Agricola.

**Ms J.M. FREEMAN:** And how much is that?

**Mr G. Thompson:** That is about \$30 million.

**Ms J.M. FREEMAN:** So there is still about \$170 million coming from the commonwealth then?

**Mr G. Thompson:** I am just explaining the reduction in the total cost of services, which is not reflected in the appropriation. That has gone down by \$56 million, which is not in line with the appropriation. The total cost in

2011–12 also included some commonwealth funding for the education investment fund, which was one-off funding and is not in the total cost of services for 2012–13.

**Mr M.J. COWPER:** What is the total?

**Mr G. Thompson:** The combined total is around \$40 million, which is reflected in the total cost of services.

**Mr B.S. WYATT:** Just to follow up on that—I am assuming I know where the member for Nollamara is going—we have talked about \$75 million in cuts. What, then, is the total commonwealth contribution remaining?

**Mr G. Thompson:** From the new national partnership?

**Mr B.S. WYATT:** The total contribution.

**Mr G. Thompson:** In 2012–13, total commonwealth?

**Mr B.S. WYATT:** We have been given figures for the next three years, which is \$75 million, made up of \$25 million over three years, I think the director general said. It is in the budget papers somewhere, so if the parliamentary secretary could just point it out —

**Mr G. Thompson:** If we are talking about just the new national partnership, I can refer the member to “Major Spending Changes” on page 600 and the line item “National Partnership Agreement on Skills Reform”. That shows the cash flows across the forward estimates under that new partnership. It does not include other commonwealth funding, which we also receive, and for which we would have to refer to the table on page 610 that shows the commonwealth grants coming in.

**Mr B.S. WYATT:** So there is commonwealth capital for 2012–13 of \$13.4 million, and the recurrent is \$160.69 million, which is increasing across the forward estimates. I would have thought that the \$25 million a year that has been cut from the commonwealth has been cut from the commonwealth recurrent budget.

**Mr G. Thompson:** That is correct.

**Mr B.S. WYATT:** So the \$199 million from last year has now been cut; I see. Thank you.

**Ms J.M. FREEMAN:** Does the \$160 million that is there include the \$25 million that has been pointed out to us, or is that separate from the \$160 million?

**Mr G. Thompson:** No, the \$160 million includes the \$25 million.

**The CHAIRMAN:** Any further questions? I thought you were finished, member for Victoria Park.

**Mr B.S. WYATT:** I am never finished—not with the way the parliamentary secretary is answering the questions.

I have a general question that relates to page 602 of the *Budget Statements*. I am keen to hear from the director general on this; it probably involves a time frame. The second dot point reads in part —

Increasing the participation of Indigenous people in the workforce is a key component of the Government’s strategy for workforce development and its commitment to closing the gap ...

In the past five years have there been increases in the number of Aboriginal people in training and Aboriginal people who have completed training? Are we able to get statistics that show those two entry and exit points? I am curious to know whether, on a real basis, we are getting more Aboriginal people —

**Mr M.J. COWPER:** I understand where the member is going with that very interesting question, and one that is very important. For us to have an assessment of that, we need to hear from someone who is across the statistics aspect, and that would be Dr Ross Kelly.

**Dr R. Kelly:** In terms of the precise numbers, we will have to provide that as supplementary information. However, there has been an increase and it has been quite significant, and completions at higher levels have also been good.

**Mr B.S. WYATT:** So that information can be gathered. If I can get it by way of supplementary information, I would appreciate that.

**The CHAIRMAN:** Are we quite clear on what has to be provided?

**Mr M.J. COWPER:** The information is the number of Indigenous people in training and the completion rates over the past how many years?

**Mr B.S. WYATT:** If I can get the figures for the past five years, and for the purpose of supplementary information, if the parliamentary secretary is able to get it over the past three years, I would not be fussed. I want the percentage of Aboriginals commencing training and the percentage completing the training course.

**Mr M.J. COWPER:** If that is available, I would also be interested to see it. Dr Shean would like to make a comment and shed some light on the matter.

**Dr R. Shean:** The figure is on the way up. Our stats show that Aboriginal people represent three per cent of the WA population. For the reporting period ending 31 March 2012, Aboriginal people made up 5.4 per cent of all publicly funded DET clients, which was up from 5.3 per cent for the previous years. We will certainly go back over the past five years, but we are seeing an increase.

**Mr B.S. WYATT:** I assume the director general has the percentage figures. Can I get the real numbers?

**Dr R. Shean:** I can give the member those actual numbers now. The figure for the period ending 31 March 2012 is 3 416 clients, and for the previous period it was 3 142.

**Mr B.S. WYATT:** And can that be provided over that time frame as supplementary information as well?

**Mr M.J. COWPER:** Dr Kelly would like to clarify a point on that matter.

**Dr R. Kelly:** Those figures are indicative of the change that has happened year on year and they represent data for the calendar year up until 31 March, so they are headed in the right direction. They do not reflect a four-year period, which is what we will provide in this supplementary information.

**Mr B.S. WYATT:** The current figures?

**Dr R. Kelly:** Yes. It is how we are performing so far this year, but we will come back with the figures for the full period.

*[Supplementary Information No A65.]*

**The CHAIRMAN:** Any further questions?

**Ms J.M. FREEMAN:** I refer to “Item 149 Capital Appropriation” in the appropriations, expenses and cash assets table on page 600. The 2011–12 budget shows \$22 million, and the estimated actual is \$3 million. Clearly, there is a deferred payment from that \$22 million to make up \$20 million in 2012–13. In 2013–14 in the forward estimates there is only \$12 million. It appears that there is no plan for the state to fund any metropolitan capital works in those years. If we look at the previous budget—because that is how we have to find out anything that has happened in this budget—it looks as though that amount is to do with the Challenger TAFE work. Does that mean there are no capital works to be done in the department in any of its facilities, and why is that so? Why has no planning been done for any of the state training facilities to have any more capital works and upgrades?

[8.30 pm]

**Mr M.J. COWPER:** Dr Shean, please.

**Dr R. Shean:** When we de-merged from the Department of Education, there was no planning for capital infrastructure in the sector at all. Apart from Challenger TAFE, as the member observed, we ended up with virtually empty capital works in that particular line. In the past 12 months, we have conducted what we call STAMP—our strategic asset management plan. We have done this for the metropolitan area and are now extending this to the regional areas. We have a down payment on STAMP in this budget for the commencement of retrofitting and remedial works. We have only just completed that planning proposal. In the meantime, royalties for regions funding has contributed significantly to the regional planning that we have done.

**Ms J.M. FREEMAN:** Is the strategic asset plan publicly available and can that be made available to us in terms of the asset plan for facilities?

**Dr R. Shean:** No. It is an internal planning document. If the member is interested in the long-term planning, perhaps in due course a parliamentary question would be the right way to go. We have completed the first stage, but we are still undergoing planning. We are about to start stage 2. As it currently stands, it would not make a lot of sense to most people. It is very analytical work on our part.

**Ms J.M. FREEMAN:** I refer to the down payment for remedial works. Can the parliamentary secretary outline where those remedial works will be and at what campuses or institutions?

**Mr M.J. COWPER:** Dr Shean, please.

**Dr R. Shean:** Our goal is to look at remedial work to the same level to ensure that all campuses reach safe standards. At this stage, although we have a preliminary bid from the campuses as to where that should be spent,

we still have to do the allocation. Keep in mind that we have not started the financial year yet, but we anticipate getting this out promptly into the new financial year—and, no, we cannot give that detail at this stage.

**Ms J.M. FREEMAN:** Are there any actual risks to employees or students because those campuses need to be brought up to safe standards, but there has been no upgraded capital works?

**Mr M.J. COWPER:** I would not imagine that would be the case, but I will allow Dr Shean to comment.

**Dr R. Shean:** All the managing directors of the state training providers are very aware of their occupational health and safety responsibilities. My understanding is that we have had to do urgent remedial works to keep sections operating or we have had to temporarily suspend work in some areas. For the most part, we are just about able to keep pace with this. Keep in mind that we have a very ageing infrastructure—we have a lot of very old buildings. Our work will be just-in-time work to make sure that we keep pace with the safety requirements.

**Ms J.M. FREEMAN:** In keeping pace or keeping up are there any issues with asbestos or any asbestos replacement programs at any of the department's facilities?

**Mr M.J. COWPER:** As the member will appreciate, there are a number of institutes right across Western Australia. We do not have the information available now.

**Ms J.M. FREEMAN:** Will the parliamentary secretary take it on notice?

**Mr M.J. COWPER:** We will answer that by way of supplementary information. Mr Chairman, the information requested relates to facilities under the control of the department that have asbestos.

**The CHAIRMAN:** Will the member rephrase her question?

**Ms J.M. FREEMAN:** Has the department identified, in terms of the remedial works, a need to replace asbestos, or are there any difficulties with asbestos? It is really about asbestos identification and the plan to replace asbestos at the department's campuses.

*[Supplementary Information No A66.]*

**Ms J.M. FREEMAN:** In respect of the strategic asset plan, I refer to the Balga campus of Polytechnic West. Has there been any discussion about using parts of the Balga campus as a parking facility for the light rail to Mirrabooka?

**Mr M.J. COWPER:** The member has the jump on us all here!

**Ms J.M. FREEMAN:** The parliamentary secretary might want to speak to the Public Transport Authority, because there is a reference in one of its documents to using the Balga campus of Polytechnic West as a parking facility.

**Mr B.S. WYATT:** The 2011–12 budget for capital appropriations is just over \$20 million, but the estimated actual is \$3.7 million. Can either the parliamentary secretary or the director general explain that rather large difference between the budgeted expected spend and the actual?

**Mr G. Thompson:** The difference relates to the timing of the completion of projects. I do not have the specific details of which projects that relates to, but that is largely what the difference is and it has been re-flowed into the 2012–13 budget.

**Mr B.S. WYATT:** Looking at the \$20.374 million for 2012–13, the vast majority of it relates to delayed projects from 2011–12.

**Mr G. Thompson:** That relates to the timing of completion of those projects. I do not have the specifics of which projects it relates to.

**Mr B.S. WYATT:** The parliamentary secretary will be aware of the axing of funding for the First Click and Second Click programs. I am curious to know what number of people will no longer be able to access the First Click and Second Click programs for 2012–13. While the parliamentary secretary is seeking information, I will flesh this out with a bit of a narrative. This is a particularly popular program in my electorate and I know that the member for Nollamara is of a similar view, and no doubt the member for Armadale has some very positive things to say about it. Perhaps the parliamentary secretary would like to give us some information about the total number of people who have accessed the program over the past 12 months, and we can perhaps draw some conclusions about how many will miss out.

**Mr K. Coombes:** In respect of the First Click and Second Click programs, from 2008–09 through to 2010–11 there have been about 8 000 enrolments in all.

**Mr B.S. WYATT:** Just to clarify, that is not 8 000 a year, it is 8 000 over three years.

**Mr K. Coombes:** Yes, 8 000 over those three years. That compares with about 15 000 enrolments in the previous three years, so the numbers have roughly halved over the last three years. I do not have the full program details for 2011–12 because we are still waiting on acquittals from the agencies that run the program.

**Mr B.S. WYATT:** Has the annual funding for all six years stayed the same, with a consumer price index increase along the way?

**Mr K. Coombes:** There has been a slight decrease. When we had 15 300 enrolments the total funding over the three years was just over \$3 million.

[8.40 pm]

**Mr B.S. WYATT:** Was that \$3 million in total?

**Mr K. Coombes:** I am sorry; it was \$3 million in total. In the past three years the total funding was \$2.65 million over those three years, so a reduction of about \$350 000 over three years.

**Mr B.S. WYATT:** What number of organisations have been funded to provide the programs? Are those figures available over those six years?

**Mr K. Coombes:** We do not have them over the six years, but for the most recent round in 2011–12, 49 agencies were funded.

**Mr B.S. WYATT:** Is it possible to get those figures for the last three years? I am happy for it to be by way of supplementary information.

**Mr K. Coombes:** I would have to take that question on notice, but yes, we could get those figures.

**The CHAIRMAN:** I would like to clarify what information will be provided.

**Mr B.S. WYATT:** The number of organisations funded over the last three years to provide the First Click and Second Click programs.

[*Supplementary Information No A67.*]

**Mr B.S. WYATT:** What is the full-time equivalent cap for the 2011–12 financial year?

**Mr M.J. COWPER:** Acting executive director Mr Thompson, please.

**Mr G. Thompson:** The FTE cap for 2012–13, as per the budget papers, is 558.

**Mr B.S. WYATT:** That is 558; it must have been the same for 2011–12.

**Mr G. Thompson:** No, because in 2011–12 we transferred the K–12 function to the Department of Education.

**Mr B.S. WYATT:** Please say that again. The department transferred the —

**Mr G. Thompson:** It is called the K–12 function and it was transferred from our department to the Department of Education.

**Mr B.S. WYATT:** Therefore, the department lost some numbers.

**Mr G. Thompson:** Yes. Also, from 1 July, the Vocational Training and Education Centre will become a statutory authority—it is currently part of the department—and the figure I gave also excludes the transfer of those positions.

**Mr B.S. WYATT:** What is the number for VTEC?

**Mr G. Thompson:** The number for VTEC is 99 full-time equivalents.

**Mr B.S. WYATT:** So 99 FTEs come out of the total as of 1 July this year and the FTE cap for the department is 558 for 2012–13.

**Ms J.M. FREEMAN:** I refer to the first dot point on page 601, which starts with the words, “In an environment where skilled labour demand is expected to outpace supply”. I also refer to the line item “Skilled migration unit” on page 622 of the *Budget Statements* for 2011–12, and the amount of funding in last year’s budget papers, because I cannot see it in this year’s budget papers. Last year in 2011–12 just over \$1.4 million was allocated and in the 2012–13 forward estimate the figure was \$1.48 million. It was \$1.5 million for 2013–14 and \$1.5 million for 2014–15. Clearly, there is concern about the 1 700 foreign workers that a very prominent mining magnate has been able to get permission to bring into Western Australia —

**Mr M.J. COWPER:** She is a very good friend.

**Ms J.M. FREEMAN:** Yes!

Work needs to be done around those migration schemes. I also refer to the media statement by the Minister for Training and Workforce Development given on Saturday, 19 May, on the state budget, in which he states that one initiative to address skills shortages is —

- changes to market testing requirements for the Regional Sponsored Migration Scheme, making it easier for employers to fill persistent job vacancies through streamlined migration arrangements

Given the concern of our community about ensuring jobs go to Western Australian workers, what is the funding for this? I can only find the ongoing funding in last year's budget, as I outlined. The only dot point I can refer to is on page 601 of this year's *Budget Statements*. I want to know the funding for the regional sponsored migration scheme or skilled migration unit on an ongoing basis. Also, how is what is outlined in the minister's media statement being met?

**Mr M.J. COWPER:** I just want to clarify what the member is seeking. The member was referring to the 1 700 —

**Ms J.M. FREEMAN:** No, I was not. I was just putting that on here. For the skilled migration unit, I have got some funding that was in last year's budget. But there is no clear capacity to understand what is going on this year, in this budget, given that a major statement was made by the minister on Saturday, 19 May 2012.

**Mr M.J. COWPER:** I understand the question now, member, and in order to keep some balance in my team here, I will give Phil de Garis a bit of a run on this one.

**Mr P. de Garis:** The skilled migration unit is funded, as stated, in the coming budget at \$1.485 million. Its job is and always has been to undertake two roles—one is state sponsorship, and the other is to be the regional certifying body for the RSM scheme. The RSM scheme is expanding, but we believe that the unit, as funded, will be able to manage its role as the regional certifying body.

**Ms J.M. FREEMAN:** Was the RSM scheme able to get the 1 700 foreign workers in or was that done directly through the government's federal counterparts?

**Mr P. de Garis:** No. The enterprise migration agreement is between the Department of Immigration and Citizenship and Hancock Prospecting. It is not part of the state government's operations at all.

**Ms J.M. FREEMAN:** As I recall—I have tried to find it—last year we talked about discussions between the department and those large companies and about the department becoming directly involved in that migration role. At the moment, the department state-sponsors some migration. Has that progressed any further? Am I making any sense? We had some discussion about this last year in terms of how the department was looking at filling the skills shortage.

**Mr M.J. COWPER:** That was a bit different from what is currently occurring. Dr Shean will respond to that.

**Dr R. Shean:** As Mr de Garis says, this particular arrangement is specific between Hancock Prospecting and DIAC. Our role on this one was to verify data only. We do have a data verification role in this. In particular, we were asked to confirm that the forecast labour constraints outlined in the Hancock EMA submission were consistent with our data, and we did that, and the other was that the proposed training plan that they put in place was consistent with our state priorities, and we did that. That was our only role in this particular initiative.

**Ms J.M. FREEMAN:** So we did have a role. Given the concern that people in Western Australia have about ensuring that our young unemployed people can fill that sort of need in our community before we bring in foreign workers under these sorts of things, did the department, in its role of looking at and verifying the statistics, and given that the department trains people as well for those roles, talk about any training of existing people who could fill that sort of need that Hancock was suggesting?

**Mr M.J. COWPER:** As I understand it, the question the member is asking is: has there been any dialogue in relation to the state fulfilling any of these training requirements?

**Ms J.M. FREEMAN:** Yes.

**Dr R. Shean:** I can confirm that, yes, we did. The department commented on the training commitment of the EMA and suggested that given the scale of the project and its projected workforce, the EMA should contain a commitment to the training of apprentices and trainees throughout the project; so, yes, very strongly.

**The appropriation was recommended.**

[8.50 pm]