

Division 26: Country High School Hostels Authority, \$6 867 000 —

Ms L.L. Baker, Chairman.

Mr J.H.D. Day, Minister for Planning representing the Minister for Education.

Ms S. O'Neill, Chief Executive Officer.

Mr D. Smith, Chief Finance Officer.

Ms S. Couch, Manager of Residential Colleges.

[Witnesses introduced.]

The CHAIRMAN: Member for Moore.

Mr R.S. LOVE: My question refers to the outcomes and key effectiveness indicators on page 303 of budget paper No 2. The first table on that page has a heading “Outcome: Quality accommodation, care and services for isolated students who have to board away from home to attend school:”, underneath which is the figure for the average residential college occupancy rate, with a stated budget target of 75 per cent to be achieved in 2014-15. I refer to a matter of concern in my area, being Geraldton Residential College, which is at the moment sitting on a 75 per cent occupancy rate. It is doing so with approximately 30 per cent of that 75 per cent being students from Geraldton Grammar School. Without those students, the occupancy rate would be down to 45 per cent. Royalties for regions is in the process of completing a \$2.6 million build, and at the moment the college is not accepting any new registrations from students who are not at a government high school. If that trend is allowed to continue, I do not think the budgeted 75 per cent occupancy rate can be achieved. In view of that, I am asking what can be done to ensure that a 75 per cent occupancy rate will be achieved, and whether that will encompass some degree of acknowledgement of the need to support the students in the area who wish to go to grammar school.

Mr J.H.D. DAY: My initial comment is that the primary role of the hostels, of course, is to provide for students at government schools, but that is relaxed in some areas, as has been the case in Geraldton in recent times. I know there has been quite a discussion about this within the Geraldton community, and the member is reflecting that in his question. I will ask the chief executive officer to provide further information.

Ms S. O'Neill: To keep it brief for the member: we are well aware of, and are having discussions around, the issues. We are having another look to provide advice to the minister on some of the options. The member is quite right: there is a build. We have to ensure that we have sufficient places for public school students, because that is the actual purpose of the institution. Because occupancy and enrolment are down across the state, there may be an opportunity to provide some relief, but Nagle Catholic College has closed its doors to boarding. It is quite a complex situation. We are having another look at the options, and the minister will make those discussions available in due course.

Mr R.S. LOVE: This has been discussed, as the minister is probably aware, for quite some time now, going back to before the build commenced. These types of decisions need to be made by students and families well in advance of their placement. Can the minister give us an indication of when that reconsideration will be completed?

Ms S. O'Neill: I am not in a position to pre-empt when the minister will make that decision, but we are providing him with further advice as we speak.

Dr A.D. BUTI: I refer to page 301 of the *Budget Statements*. Residential college boarding fees will have increased by 7.5 per cent by 2015, which will, of course, be a considerable increase for some families. What consultation did the government have with the stakeholders on that; and are there any plans to increase the boarding-away-from-home allowance to assist parents to pay for the increase in boarding fees?

Mr J.H.D. DAY: The increased charge, of course, would reflect the increased cost of operating the hostels. From my reading, quite a substantial subsidy is provided by the government on behalf of taxpayers, but we need to try to be measured and balanced in all of that. That, in broad terms, explains the reason for the increase. I do not know whether there was specific consultation or not, but I will ask Mr Smith to provide an answer.

Mr D. Smith: Last year the authority incurred a loss of \$525 000—well over half a million. The only avenue open to the authority is to increase fees to avoid a further repeat of that deficit. There is growing concern that we are operating outside our means, and that was the chief reason for increasing the fee. I might say that only 20 per cent of the boarders will actually pay the full fee because the other 80 per cent get allowances. So it will not be quite as hard as it seems.

Dr A.D. BUTI: Are there any plans to increase the boarding-away-from-home allowance?

Mr J.H.D. DAY: No, there is no current plan to, as I understand it. That is not done by this authority, of course, but I am not aware of any plan to increase it at this stage.

Dr A.D. BUTI: Under “Spending Changes” on page 301 of the *Budget Statements*, I notice that in 2014-15 there will be quite a significant procurement savings amount. Where has that been found? Where are those savings coming from?

Mr J.H.D. DAY: The procurement savings of \$507 000?

Dr A.D. BUTI: Yes.

Mr D. Smith: This is part of the government’s procurement savings, and these are areas such as equipment repairs and maintenance, consumable expenses, administration expenses and other expenses. We will be achieving these by reducing costs across all the expense categories in 2014-15.

The appropriation was recommended.

Meeting suspended from 12.58 to 2.00 pm