

**STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

2018–19 BUDGET ESTIMATES



**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
THURSDAY, 21 JUNE 2018**

**SESSION TWO
DEPARTMENT OF TRAINING AND WORKFORCE DEVELOPMENT**

Members

**Hon Alanna Clohesy (Chair)
Hon Tjorn Sibma (Deputy Chair)
Hon Diane Evers
Hon Aaron Stonehouse
Hon Colin Tincknell**

Hearing commenced at 11.16 am

HON SUE ELLERY

Minister for Education and Training, examined:

Ms ANNE DRISCOLL

Director General, examined:

Mr GRAHAM THOMPSON

Executive Director, Corporate, examined:

Ms KAREN HO

Executive Director, Service Delivery, examined:

Mr KEVIN COOMBES

Acting Executive Director, Service Resource Management, examined:

Ms GLENDA HUSK

Director, Finance, examined:

Dr ROSS KELLY

Director, Policy, Planning and Research, examined:

Mr GARY FITZGERALD

Principal Consultant, Policy, Planning and Innovation, examined:

The CHAIR: Good morning, everyone. This is the 2018–19 budget estimates hearing with the Department of Training and Workforce Development. On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I welcome you to today's hearing. Can the witnesses confirm that they have read, understood and signed a document headed "Information for Witnesses"?

The WITNESSES: Yes.

The CHAIR: It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and a transcript of your evidence will be provided to you. It is also being broadcast live on the Parliament's website. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before you answer the question. Agencies have an important role and duty in assisting the committee to scrutinise the budget papers. The committee values your assistance with this.

Minister, do you have a brief opening statement?

Hon SUE ELLERY: No, I do not.

The CHAIR: Okay. We will go straight to questions, starting with Hon Tjorn Sibma.

Hon TJORN SIBMA: Minister, I refer you to page 311 of the budget papers and the table at the bottom of the page linking government goals with desired outcomes in the delivery of services.

I draw your attention to the first of those desired outcomes, “A skilled workforce that meets the State’s economic and community needs.” In relation to an article that appeared in *The West Australian*, I think, two days ago concerning Western Australian builders warning of skill shortages due to an apprenticeship drought, I ask you to address whether or not we are facing a looming skill shortage in the construction trades; and, if so, what is the government attempting to do about it?

Hon SUE ELLERY: The main motivation and the theme of that story was around bricklayers in particular. I had a meeting, yesterday or the day before, I think, with HIA to talk about that and some other things as well. There is an issue with attracting young people to be bricklayers. There are not issues in other elements of the construction industry, as in there is not that kind of level of take-up of apprentices elsewhere in construction. But bricklayers are a problem. A range of things have been done. The industry construction training fund opened the centre last year. I have to remember the name of it. The Bentley facility that Hon Donna Faragher and I were both —

[11.20 am]

Hon Donna Faragher: The Construction Futures Centre, minister.

Hon SUE ELLERY: That is it, thank you. We were both at the opening. It needs a sexier name that stays in my mind. That is a fantastic facility. The construction fund is working with schools to get young people to go through that. It is a virtual experience, so they can have experience in all sorts of simulated environments. They have got cranes there; they have got all sorts of things there as well. People can test whether or not they like a particular skill area. Bricklayers is an issue that we need to focus our attention on in particular. Talking to the HIA the other day, they said that somehow we have to connect in young people’s minds that in fact because it deals with the built form, it is one of two trades that is the best leader into then actually becoming a builder yourself, getting a building licence yourself and being able to run your own business that way, but it is getting young people to understand the value of that work, which is hard, hot, cold physical labour, but it is one of the two trades that can lead you in a much cleaner, easier pathway into becoming a builder. I might just see if I can get you some more information, more generally. In the 12 months to March 2018, apprenticeship commencements increased by some 7.3 per cent compared with the previous 12 months, up from 6 315 to 6 778. That included increases in metals manufacturing and services trades, automotive trades and electrical trades. However, we still have an issue in building and construction primarily around bricklayers. We still have to do more work in that area. The State Training Board has prepared a report, which is on my desk for consideration, around how we might lift the number of apprentices and trainees in particular in Western Australia, and I will give that due consideration. That is a piece of work I asked them to do immediately after we came into government. They have done statewide consultation on that. Part of the issue is getting ahead of the game. There are employers, and I would see them and you would see them in your contact with constituents, who maintained their commitment to funding training even when times were tough, but there were many who could not or did not, and that meant we have got a lag, and we have to do our very best now to pick that up.

Hon TJORN SIBMA: Minister, thank you for providing that data. Does Training and Workforce Development also capture the retention of enrolments in those courses and also the dropout rates; and if they are dropping out, where are people dropping out to? Are they dropping out of training entirely, or are they shopping courses, which you do when you are young? If that could be provided by way of supplementary, that would be appreciated.

Hon SUE ELLERY: We can get you that. I do not have it here so we will take that on notice.

[*Supplementary Information No B1.*]

Hon TJORN SIBMA: Perhaps a follow-up to that, not specifically, but generally. On page 312, there is a table concerning outcomes and key effectiveness indicators. I am just concerned about the target for the line “Extent to which career and workforce development advice provided to clients results in employment or training outcomes.” The target drops quite significantly down to 62 per cent for the 2018–19 year when the target for the preceding financial year was 70 per cent. Can you explain why there has been that significant reduction or lowering of target?

Hon SUE ELLERY: I am advised that affordability is the biggest driver of that, which is disappointing, but it is why we made one of the election commitments that we did about freezing TAFE fees. I would like to be in a position to do more than that. That is what I am advised, but I will just see if I can find some further information. Employment outcomes are also an important issue there. I guess the important point to note is that people are getting the advice that they need and that leads them into employment outcomes. I will leave it at that.

Hon AARON STONEHOUSE: Just continuing on that line of questioning around apprenticeships and a shortage of apprenticeships in some industries, I am looking at the funding on page 312 under “Service Summary” towards “Apprenticeship and Traineeship Administration and Regulation”. There is a slight increase over the forward estimates, but not a drastic increase, coming up even from 2016–17 when it was \$8 865 000. I am just wondering, firstly, what informs the department’s projections and models on what funding should be allocated to apprenticeship training and how that relates to Treasury’s projections for employment growth over the forward estimates. I am just looking at Treasury’s numbers for forward estimates. We might say that they may be a little optimistic, but they are projecting employment growth to go up about 2.25 per cent by 2020–21, and construction being the third highest category for employment. I wonder whether you could shed some light on that for us.

Hon SUE ELLERY: First of all, I will clarify that that line item that you are referring to relates to the moneys that are put aside for the administration of apprenticeships, not the funding of apprenticeship positions.

Hon AARON STONEHOUSE: Would that appear in the line below that, which is specifically about training?

Hon SUE ELLERY: Yes, it is part of procurement.

Hon AARON STONEHOUSE: There is a similar trend there. In fact, funding on procurement decreases in 2019–20 before picking up again 2020–21 and 2021–22.

Hon SUE ELLERY: What I am understand you are asking is how do we model and predict and how do we match with what training is doing. I might get Mr Kelly to talk to you in a moment, but essentially, in respect of apprenticeships—uncapped and demand driven. It is a combination of pulling all the levers that we can in other agencies to support the marketplace and then DTWD being in the position to fund those apprenticeship positions. I might ask Mr Kelly to add a bit to that answer.

Dr KELLY: The key thing is that the number one priority is new jobs and training. Apprenticeships and new entrant traineeships are a job outcome. That is always given the highest priority. We balance off the training budget in other areas, but those things always come number one.

Hon AARON STONEHOUSE: I understand that it is demand-driven, but it does seem a little out of step with Treasury’s forecast for employment growth, that there is that drop in funding next financial year. Can you explain what that drop is related to, if Treasury in that same financial year is expecting growth to be up, I think, 1.5 per cent over that same period?

[11.30 am]

Hon SUE ELLERY: You will recall in the debate we had around payroll tax that there was a national partnership in place which provided commonwealth funding to the state to support apprentices and to support general training. That partnership came to an end. The federal government, not in this most recent budget but in the budget before, established a new system, Skilling Australia fund, which did not focus on providing funds to the state for general training. They focused on apprenticeships and traineeships in particular, but not on general training. So the state has less money to spend on training as a consequence of the commonwealth making a decision not to provide us with that level of funding. I think in the first instance it is a \$54 million drop in funding provided by the commonwealth to the state.

We are in the process of trying to negotiate a replacement national partnership and putting the other measures that we have had to put in place in the absence of that national partnership, like the changes that we made to payroll tax, for example, to fill that gap, but that is what is reflected in that drop.

Hon COLIN TINCKNELL: Infrastructure spending, page 312. TAFE colleges—the infrastructure spending goes from \$9 million in 2016–17 to \$2.9 million in 2018–19. I am asking: what is the reason for that decline in those years, 2016–17 and 2018–19? I also note that it increases in the forward estimates, but there is a decline there.

Hon SUE ELLERY: I am advised that the difference is due to the \$5.8 million largely reflecting lower centrally coordinated maintenance and minor works expenditure and the lower number of staff—I am told to manage that—and that it is a one-off change to allow us to reallocate some funds for fit-out for the new jobs and skills centres.

Hon COLIN TINCKNELL: On that same theme, minister, page 316, “Infrastructure Management for TAFE Colleges”. What underpins the decrease in the average cost of administration training infrastructure per TAFE college between 2016–17 and 2018–19? Once again, I notice the change from \$547 000 in 2016–17 to \$487 000 in 2018–19.

Hon SUE ELLERY: It is the same explanation I gave for the previous one.

Hon COLIN TINCKNELL: Reallocation.

Hon SUE ELLERY: And a minor senior executive service reduction as well.

Hon COLIN TINCKNELL: This one, minister, is straight to you. Just an interest question, not necessarily budget related.

The CHAIR: We will find a place in the budget to relate it to, I am sure.

Hon COLIN TINCKNELL: The STEM subjects we talked about previously, we are not getting an uptake of students, but we do not have the teachers either. Do you see the main reason for this—is this one of your problems—that these people who go into that area end up getting better paid jobs than teacher roles?

Hon SUE ELLERY: That might be part of the issue, but we are doing a lot of work around the STEM subjects and training for the future. I am conscious that this is a shortened session than the last one, so I will keep my answer brief, but a whole range of work is being done. South Metropolitan TAFE, for example, we talk about the defence training that they are involved in, which is all about technology engineering, in particular, so there is a lot of work being done there. There is work being done in cyber security in training. You would be aware Rio Tinto put their hand in their pockets for \$2 million to enter into a partnership with South Metropolitan TAFE on automation, and then Rio and the Chamber of Minerals and Energy have convened a body made up of all the major resource companies to look at how they might better develop curriculum for schools and for TAFE around the STEM subjects that they are going to need, the kind of skill sets that they are going to need.

Up until this point, particularly around automation, while WA resource companies led the world and continue to lead the world in being innovative in the kind of work they have done on automation, it has all been bespoke: that is, Rio does the training that suits Rio; everybody else does the training that suits them. By them putting their hands in their pocket and putting some money towards developing some core sets of curriculum that each company can build on when they need to, but it means a student coming out of school or someone looking to retrain, has the capacity to get a high quality qualification in a set of automation skills that all of the resource industry can use and then build on top of. So there is a lot of work being done in that area.

Hon DONNA FARAGHER: My questions relate to page 310, the third dot point, concerning jobs and skills centres. My questions are around the notion as I understand it that jobs and skills centres are now bringing together career centres and Aboriginal work force development centres as well. I might ask some questions on each in part.

Last year, minister, I asked some questions around the career centres and whether they would be maintained, given the fact of this election commitment to establish these jobs and skills centres. I understood that 26 were operating across the state and that non-government organisations had been contracted to deliver those services. I went back to the estimates from last year and I noted the fact, minister, that you had indicated at the time that you did not expect that there would be a loss of contract for those non-government organisations. You might change the nature and the way they deliver some of their services but you were not looking to stopping the contracting and bringing the service completely back in. Can you just provide me with some advice as to what actually is happening with those career centres, if they are still operating, or are they now being brought into these jobs and skills centres?

Hon SUE ELLERY: The six metro jobs and skills centres I think are now all open, and we are still in consultation and negotiation about the rural ones, which is where those contracts apply. The contracts have all been extended and we are working with them. What I want those regional jobs and skills centres to do is to match the particular needs of the particular region, so I have a slower rollout period for those centres while we work through each of the issues with the relevant contracted organisations.

Hon DONNA FARAGHER: I just want to get some clarification here. I understood that 26 career centres had already been operating. They had been operating under our government and had continued to operate last year. I had understood that those 26, which I think includes the Perth career centre, but also across the state, were delivered by non-government organisations. They were separate to —

Hon SUE ELLERY: Not all of them.

Hon DONNA FARAGHER: Okay. Well, they were separate to the new centres that you were wanting to establish on TAFE colleges—they were separate. I asked a question last year and was told that you were not going to see a loss of contracts for the non-government organisations providing the services under the old career centres, if I can put it that way. Are you telling me that those 26 that were operating across the state still remain, in addition to the jobs and skills centres that you have just referred to?

Hon SUE ELLERY: We are now in negotiation with the contracted organisations that provided the services through the career centres about providing those same services, including outreach and internal services, in the jobs and skills centres that will be based at TAFE colleges.

[11.40 am]

Hon DONNA FARAGHER: So what you are saying is that the career centres that have been operating will collapse into the jobs and skills centres and that you will not now have two separate —

Hon SUE ELLERY: Correct.

Hon DONNA FARAGHER: Right. Based on what you just said, there were 26, and I think you just said there have been five already established, and another—how many in regional?

Hon SUE ELLERY: I am getting conflicting information.

Hon DONNA FARAGHER: So am I.

Hon SUE ELLERY: Five metro and eight regionals will be established, plus outreach.

Hon DONNA FARAGHER: Thank you, minister. I am happy to take this on notice. Could I please have a list of the locations for the 26 career centres that I referred to that were operational, and then a list of the locations of the five metro and the eight regional and the outreach services where they will be provided?

Hon SUE ELLERY: Sure. The second part of the question I think we have already announced, but I am happy to provide that.

Hon DONNA FARAGHER: I think you have only announced the five but not the actual locations of the eight.

Hon SUE ELLERY: We can provide that for you. Can I just make this point as well, because I had this conversation last week when the regional chambers of commerce were at Parliament House: we have done extensive consultation across the state with the contracted organisations and organisations in each regional area about what the model might look like for them and what suits their particular needs. My request to the department is to aim for the end of the year, but take the time that you need to get the model right. It might be that what works in one regional location needs to be different in another regional location. That is the discussions that are happening now.

[Supplementary Information No B2.]

Hon DONNA FARAGHER: The second part is the Aboriginal workforce development centres. I understand that five were operating in Perth city, Kalgoorlie, Bunbury, Geraldton and Broome. Are all five of those centres also going to remain operational or are they being collapsed into the jobs and skills centres; and, if so, will any remain outside of the jobs and skills centres?

Hon SUE ELLERY: It is going to be on a region-by-region basis. Those are the discussions that are happening with those Aboriginal organisations now. There may be a combination—they do part of their delivery of service from the TAFE colleges part of the time and the rest of the time they might do outreach. They might be in a particular position now which is in fact the best position for them to be in for all sorts of reasons, and it may be that they continue to operate their service out of there and have connections into the TAFE-based centre as well. It is going to depend, region by region, on what suits those organisations and is the best outcome to maximise the engagement of Aboriginal people in the training system.

Hon DONNA FARAGHER: You can see where the confusion arises, though, minister, when in press statements you indicate that you are bringing together career centres and the Aboriginal workforce development centres.

Hon SUE ELLERY: Well, they are being brought together. It is just that, depending on what the particular group in that region wants, they may be physically together all of the time or physically together some of the time. It is going to depend on what is best for them.

Hon DONNA FARAGHER: I am happy to take this on notice, but could you give a breakdown of the number of Aboriginal people who have utilised each of the five centres that I have already referred to for every year between 2011 and 2017 inclusive?

Hon SUE ELLERY: Yes, we will take that on notice.

[Supplementary Information No B3.]

Hon SUE ELLERY: If it is helpful as well, I have some additional information which might be of assistance to the member. In 2017, course enrolments for Aboriginal people were up by some 741—that is seven per cent. That is an increase of over 37 000 training hours. The number of Aboriginal people engaged in an apprenticeship or traineeship in 2017 also increased by 4.1 per cent and there was an increase of 26 per cent of Aboriginal school-based trainees, so those numbers are quite good.

Hon DONNA FARAGHER: Thank you; I appreciate you providing that. With respect to the jobs and skills centres and what might be a bit of a mix-match of other services that will continue or not continue, are you anticipating that there will be savings achieved by bringing the career centres and Aboriginal workforce development services or parts together with the new jobs and skills centres in terms of what you had previously been funding to what you will be now?

Hon SUE ELLERY: No; we might need to top it up.

Hon DONNA FARAGHER: Are you aware of some concerns with respect to the notion that by them being located at TAFE, they will only receive advice to go to TAFE? That might be fairly simplistic, but that is a concern that has been raised. I am quite genuinely wanting to get some understanding, in terms of assurances, that prospective students will be provided with independent advice relating to all training services and providers, including those not related to TAFE.

Hon SUE ELLERY: Yes, I have heard that, but in the design I guess we have ensured that everybody involved understands that their role is to provide advice to people about what they are seeking—the best possible advice on the full range of options. What is available now in one spot, which has never been available before, is that there is one portal that provides all 3 000 courses, I think it is, that are available from any provider in the training space across Western Australia. That is all on one site. You might think that that was a perfectly logical thing to do and why has it not been done before, but it was not. Part of the new model that has been developed is this new one-stop website, which lists every single course available. If someone went into a jobs and skills centre and was interested in health—this is what they showed me when I went to the first one—all of the courses available in the health area from all of the providers are in that one spot. The person can then pick and choose the bits that suit them—where the delivery is that might be better for them, such as being delivered in suburb or town X versus suburb or town Y. That is all on one website.

[11.50 am]

Hon ALISON XAMON: I refer to page 310 and part of the third dot point down talking about the craft industry apprenticeships from WA providers. I asked some questions about this last year and was told at the time that discussions were being held with TAFE colleges about reactivating training in this area. I am hoping that has been done now. Will any WA private or public providers be delivering craft industry qualifications, which are currently still being provided by interstate RTOs; and, if so, which ones?

Hon SUE ELLERY: Yes. Significant progress has been made to ensure that apprentices studying in craft industries have the opportunity to study in WA. North Metro TAFE has been established, for example, as the location for the return of craft industries to WA. They are working in close collaboration with the relevant industry training council, which is the Food, Fibre and Timber

Industries Training Council, in preparing delivery to commence in those trades this year. The college has recruited new training staff—lecturing staff—to deliver on each of the qualifications and existing facilities are being upgraded to meet the new training package requirements. Delivery commenced in wood machining, vehicle trimming and flooring technology in May, and textile fabrication, upholstery and furniture finishing should all commence by August 2018.

Hon ALISON XAMON: Are any private providers going to be delivering any of those courses?

Hon SUE ELLERY: I am not sure. Can I ask Mr Coombes to provide us with some more information on that, please?

Mr COOMBES: For the particular qualifications that the minister noted there, the answer would be no. North Metropolitan TAFE will be the sole provider for those qualifications in Western Australia.

Hon ALISON XAMON: Excellent. I am happy to take the following on notice, minister, but I am hoping I could have the number of enrolments in those courses for this year, please?

Hon SUE ELLERY: We will take it on notice.

[Supplementary Information No B4.]

Hon ALISON XAMON: Still on page 310, it is improving a quality control system, which is in one of the dashes down the page. Is the department still on track to complete 80 audits for this financial year, the 2017–18 year?

Hon SUE ELLERY: The proposed target for 2018 is 60.

Hon ALISON XAMON: Is that a decrease on what was originally a target of 80?

Hon SUE ELLERY: The total number is 102. That includes on-site; including spot audits, desktop and strategic, the total number will be 102.

Hon ALISON XAMON: Otherwise, 60 is the number of full audits that are anticipated?

Hon SUE ELLERY: Sixty desktop.

Hon ALISON XAMON: It is 60 desktop; thank you. In the budget is there any increase in funding or staffing to enable the increase in on-site audits for 2018–19?

Hon SUE ELLERY: No.

Hon ALISON XAMON: They are expected to perform that within the existing envelope?

Hon SUE ELLERY: Correct.

Hon ALISON XAMON: Will the satisfaction surveys, the completion rate information et cetera, is that going to differ from what is already being collected?

Hon SUE ELLERY: If you look on page 312 of the budget papers, under that table that is “Outcomes and Key Effectiveness Indicators”, the last one is the proportion of graduates satisfied with the overall quality of training. So you can see that the actual for 2016–17 was 87.4 per cent and the estimated actual for 2017–18 is 88.7 per cent.

Hon ALISON XAMON: I am asking about the nature of the data that has been collected. Is it changing at all? Is it anticipated that it will just be continuing on in its current form?

Hon SUE ELLERY: I understand it is run nationally, so we do not want to tweak the methodology that you use because then you are not comparing apples and apples. There is no plan, that I am aware of, to change the methodology. The director general might want to add something.

Ms DRISCOLL: I might add that there is additional surveying that we do locally, particularly to assess the levels of satisfaction in TAFE colleges, but additionally we are looking to expand that to RTOs—registered training organisations—as well. It provides, as your initial question indicated, a detector

of degrees of satisfaction and, of course, engagement with the training provider, so it is a useful source in managing the contracts related to the privately run training organisations. There are plans to do some supplementary sampling.

Hon ALISON XAMON: Minister, that is a very helpful answer. Thank you. It is good to hear that is going to be rolled out to private providers as well. What is the proposed time frame for when that is going to be occurring?

Ms DRISCOLL: We are looking to implement over this financial year commencing 1 July.

Hon ALISON XAMON: The next financial year is when that is going to be commencing?

Ms DRISCOLL: Yes. I would not expect it necessarily to be part of this. As indicated earlier, the primary source of information is through the national database. That provides a level playing field across the nation and it certainly does survey both private RTOs as well as the TAFEs. This is sort of supplementary information as a more timely indicator of what is happening.

Hon ALISON XAMON: Is it anticipated that that information will become publicly available?

Ms DRISCOLL: Some of it is currently publicly available. There are some issues with sampling with the private RTOs, because the numbers are so low. There would be issues, I think, in considering how we make that public in a way that is reliable and statistically valid.

Hon ALISON XAMON: On the same point, how much public funding is being allocated to private providers? Is it possible to get a breakdown of the specific courses and the numbers of enrolments?

Hon SUE ELLERY: We can provide some of the answer now. I will ask Mr Coombes to do that and then we might take the rest of it on notice.

Mr COOMBES: In the 2017–18 financial year, approximately \$73 million was provided to private providers.

Hon SUE ELLERY: Can you repeat the second bit?

Hon ALISON XAMON: The second part—I am comfortable with getting this on notice—is a breakdown of that \$73 million into specific courses and also the number of enrolments.

Hon SUE ELLERY: We will take that on notice.

[Supplementary Information No B5.]

Hon ALISON XAMON: I now want to significant issues impacting the agency on page 311 and the issue of specialist curriculum to address the skill needs of displaced workers in the resource sector. I note that some questions about this have been put on notice previously. I have a follow-up question to some of the questions on notice. Which other industries have been identified as likely to be impacted by automation and new technologies? Are there any plans in place yet to start working on industry partnerships and reskilling in those industries? I note that the previous question on notice talked about training being delivered by South Metropolitan TAFE and other TAFE colleges.

[12 noon]

Hon SUE ELLERY: That is a very specific project around the automation linked to the resource industry but frankly, depending on which futurist you read, automation is going to be everywhere in every industry. People are talking about it in aged care, which freaks me out a little bit because it would depend entirely on what it was. Call me old-fashioned, but I think there are some services where I think you still need personal humans delivering care. Nevertheless, frankly —

Hon ALISON XAMON: It is a thing that is coming.

Hon SUE ELLERY: How long is a piece of string? The proposition is that, increasingly, we are going to be relying on automated services to do a whole lot of things that are done for us now and that the things we will place greater value on are those things where we have human interaction. Your question was, in part, I think whether further partnerships are proposed? No, there are not, but I am not opposed to them. I would encourage them. I am waiting on a piece of work from the State Training Board particularly around the labour market needs in aged care, health and disability services. That might touch on some of the issues around this notion that automation can be part of those industries, but I am waiting for that report.

Hon ALISON XAMON: Minister, that report might answer part of my question. My question was actually whether there are additional industries that have been identified now as requiring training. It sounds as though, from what I can hear, apart from the body of work that is occurring that you just referred to, the sector is pretty much just waiting to see what pops out.

Hon SUE ELLERY: I think it would be inaccurate to say there is not, because automation is part of a whole range of training that is already being delivered by training providers, including TAFE, across industries.

Hon ALISON XAMON: What I was asking, though —

Hon SUE ELLERY: Hang on a second, because I have two people trying to assist me to answer this. Part of what I am being told as well is that jobs and skills centres will provide a role in identifying what industry needs, or whether industry or particular niche bits of industry need a particular bit of training work done or developed to meet their needs. Part of their role is to stay connected with local industry as well. I might just get Mr Kelly to talk about the work that is being done at Edith Cowan University, which the department is supportive of as well.

Dr KELLY: Work is being undertaken nationally and, through the industry skills council as well, further work is being done. I understand that the State Training Board we are working with on looking at the future of work type projects, which automation is front and centre of—robotics and so forth. We will be talking with Edith Cowan University within the fortnight and looking to put in further work and obviously advice to the minister. Every training council is fixed on this particular issue. It is important work and it is a game changer.

Hon ALISON XAMON: Thank you. It sounds like it is one of those matters I should keep revisiting as information the emerges.

Can I move to page 313, “Workforce Planning and Development” and note (a) down about a third of the page. Is the department continuing to develop new teaching and learning resources in hard or soft copy, as online courses, or as broadcast?

Hon SUE ELLERY: I am not sure that we understand the connection of your question.

Hon ALISON XAMON: It is because I am following up from a question on notice, which was put in. I am trying to get additional information on that. Basically, the question which had been asked was: what is own-source revenue that is not linked to a specific service? The answer that came back was: RECUS: professional development and production and sale of learning resources to the VET sector were revised due to previous overstatement of commercial activity associated with professional development and learning materials. Arising from that, I am asking: is the department continuing to develop new teaching and learning resources in hard or soft copy, as online courses, or as broadcast?

Hon SUE ELLERY: The short answer is, no. That is less of the role department going forward. I might get the director general to add something to that.

Ms DRISCOLL: Over the past years, the revenue in this space has decreased. There is an increasing recognition that the training providers themselves are best placed to develop their own digital resources. Indeed, through our asset management arrangements, we continually are working with the TAFEs to ensure their equipment and digital capacity is optimum. Increasingly, the department certainly does provide, on a shared-services basis, ICT services to the TAFEs to ensure we maximise the economies of scale while ensuring that the TAFEs themselves have a large say in identifying and developing their digital needs. It is a recognition that, increasingly, capacity to design your own digital support activities is more achievable with software that is available now and, increasingly, the department does not have a major role in that space.

Hon ALISON XAMON: I might ask some supplementary questions on notice later to try to get a little bit of detail about that revenue from the previous years because it is a good idea to get an idea of how much we are talking about. In that case, I will move to page 316 and “Recruitment and Management of International Students.” I asked a question on notice, which was answered. It was: given the reduced of students and the tightening of federal visas, what do you anticipate happening in this space over the forward estimates?

The answer that came back was: The international education strategy was going to be led by the Department of Jobs, Tourism, Science and Innovation. I note from the other estimates that there was a strong focus on bringing up the China numbers again.

Hon SUE ELLERY: Honourable member, I am sorry; can you slow it down a bit? It is just a bit hard to keep up with you.

Hon ALISON XAMON: Sorry. I am asking about the international education strategy. The first part of my question is: who has been consulted for the department of that international education strategy?

Hon SUE ELLERY: The lead agency is JTSI. However, we have been engaged as an agency ourselves. That strategy is still being developed. StudyPerth has been significantly consulted. A wide range of other organisations having consulted as well, but given that my agency is not the lead, the question is probably best directed to the Premier in his capacity as minister for JTSI.

Hon Dr SALLY TALBOT: I know that you have covered this in a bit of detail already, minister, because members have been talking about the TAFE industry skills centres, but I wondered whether, in relation to that being mentioned in the significant issues on page 310, you could talk about the election commitment to put one in the south west, in my electorate?

[12.10 pm]

Hon SUE ELLERY: Bunbury and Peel would be getting a —

Hon Dr SALLY TALBOT: So two in the south west?

Hon SUE ELLERY: Yes. Bunbury and Peel would be getting jobs and skills centres and those negotiations are well advanced with Peel, and for Bunbury the negotiations and consultations are continuing.

Hon Dr SALLY TALBOT: Did you have any sense of time lines?

Hon SUE ELLERY: I would like them to be in place by the end of the year. Peel is pretty much ready to go, I think. I would like them to be in place by the end of the year, but I am not going to set an arbitrary date, because I want to get it right. I am aiming for the end of the year and am encouraging everybody involved to aim for that, but I want it to be right for the particular region, so, frankly, if some of them were ready to open at the end of the year and a couple needed a bit more work, I would be relaxed about that as long as the end result is that it is right for that particular region.

Hon Dr SALLY TALBOT: Are the TAFEs keen?

Hon SUE ELLERY: Very—everybody is very keen about it, really because people are working together who perhaps have not done before. Some of the technology, the portal, I was talking about before, when you think about it is so logical, I am surprised it was not done before, but it is going well.

Hon Dr SALLY TALBOT: You are not anticipating major problems with Bunbury; it is just a bit slower?

Hon SUE ELLERY: I am not. I do not like to invite bad spirits, so I am not!

Hon MARTIN PRITCHARD: You have touched on this with a number of other questions prior to this. I refer to budget paper No 2, volume 1, page 310. It is the third dot point and the third dash underneath that, “implementing a new regional labour market review framework”. I just wondered whether the minister could explain what the state government is doing to identify the priority occupations required for the state into the future, and you have talked about regions, but then also how the TAFE colleges will fit in and align themselves with those requirements.

Hon SUE ELLERY: We know that the regions are going to have different labour market needs at different times, so the department initiated an annual labour market review for each region to provide the basis for development of region-specific lists of key occupations that will then inform what those regional TAFEs offer. They did a pilot in the goldfields and we know that there are labour market pressures in the goldfields now, so there are some elements in the goldfields that are struggling to fill positions now. What that found in respect of the goldfields was that they were worried about potential skill shortages as the mining activity increased. They identified particular occupations that they were having some difficulty with. What that did was then assist Central Regional TAFE to make a decision to recommence the delivery of some training—for example, enrolled nursing and child care—at the goldfields campus to meet those specific identified needs. A good, well-connected TAFE would have connections with what its local industry needs in any event, but database decisions, evidence-based decisions, are always better than those based on your personal relationships and your intuition, so the fact that this is an initiative that the department proposes to roll out region by region annually, I think is going to be really helpful. I want to commend the department for coming up with that initiative.

The CHAIR: On behalf of the committee, I thank you for your attendance today. The committee will forward the transcript of evidence, which includes the questions you have taken on notice highlighted on the transcript, within seven days of the hearing. If members have any unasked questions, I ask them to submit these via the electronic lodgement system on the POWAnet site by 5.00 pm on Wednesday, 27 June. For the department, responses to these questions and any questions taken on notice are due by 12 noon on Friday, 13 July. If you are unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. Once again, I thank you for your attendance today.

Hearing concluded at 12.15 pm
