

**STANDING COMMITTEE ON  
ESTIMATES AND FINANCIAL OPERATIONS**

**2019–20 BUDGET ESTIMATES**



**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
WEDNESDAY, 20 JUNE 2019**

**SESSION THREE  
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**

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**Hearing commenced at 2.16 pm**

**Hon SUE ELLERY**

**Minister for Education and Training, examined:**

**Ms ANNE DRISCOLL**

**Director General, examined:**

**Ms GLENDA HUSK**

**Director, Finance; Chief Finance Officer, examined:**

**Mr GRAHAM THOMPSON**

**Executive Director, Corporate, examined:**

**Ms KAREN HO**

**Executive Director, Policy, Planning and Innovation, examined:**

**Mr RUSSELL BROWN**

**Executive Director, Service Resource Management, examined:**

**Ms JODIE WALLACE**

**Acting Executive Director, Service Delivery, examined:**

**Ms MORENA STANLEY**

**Director, Training Regulation, Training Accreditation Council Secretariat, examined:**

**The CHAIR:** On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I welcome you to today's hearings with the Department of Training and Workforce Development. Can you confirm you have read, understood and signed a document headed "Information for Witnesses"?

**The WITNESSES:** I have read, understood and signed the document.

**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 answering 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:** I do not.

**The CHAIR:** We will go straight to questions. We have approximately six minutes per person, with a little bit more allocated for Hon Alison Xamon. We will start with Hon Aaron Stonehouse.

**Hon AARON STONEHOUSE:** I am looking at page 328, "Spending Changes" and the line item "Employer Incentive Scheme and Additional Apprenticeship and Traineeship Training Places". I can

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see there is an increase in spending of \$182.4 million over five years. What outcomes are you trying to achieve?

**Hon SUE ELLERY:** We want to provide financial incentives to employers to increase the number of apprentices and trainees.

**Hon AARON STONEHOUSE:** I suppose the measurement of the success of that will be more trainee placements and more apprenticeships.

**Hon SUE ELLERY:** Yes.

[2.20 pm]

**Hon AARON STONEHOUSE:** Excellent.

Again looking at “Spending Changes” on page 328, there was a review of departmental functions. What did the review find?

**Hon SUE ELLERY:** That was a capability review that I asked the department to conduct to look at its structures and functions to make sure that they were aligned with government priorities and also the best use of resources. If I give you an example—it is a small one, but I think it goes to the point I am making—the department used to produce a hard copy training update newsletter, which took additional resources and people to produce, when nowadays that information is much more efficiently provided online. It was a question of looking at functions and structures and making sure that they were appropriately aligned.

**Hon AARON STONEHOUSE:** That is quite a saving. It has reduced spending by about \$15.4 million over four years.

**Hon SUE ELLERY:** Correct.

**Hon AARON STONEHOUSE:** I commend the agency for that. That is fantastic. When was that review completed?

**Hon SUE ELLERY:** It was September 2018.

**Hon AARON STONEHOUSE:** What was the impetus for that review?

**Hon SUE ELLERY:** It was me. I asked the department to conduct a review of its functions and capabilities.

**Hon AARON STONEHOUSE:** Fantastic. Are you able to table a copy of that review? Is there a report?

**Hon SUE ELLERY:** No, I cannot. If I take it on notice, I might be able to see if I can provide you with some information about what things changed as a result of the capability review. I am happy to take the general question on notice, and we will see what additional information we can provide to you.

**Hon AARON STONEHOUSE:** I would like that, yes.

[*Supplementary Information No C1.*]

**Hon AARON STONEHOUSE:** It might be interesting to see if those lessons can be learnt in other agencies as well.

**Hon COLIN TINCKNELL:** Once again, my questions are reasonably straightforward. At page 340, if we can look at “Regulatory fees and fines”, the second line under “Income”, you will notice that figure jumps from \$688 000 to \$1.409 million. That is a substantial, ambitious target. Can the minister please explain that?

**Hon SUE ELLERY:** I can. It is to do with the transfer of the Training Accreditation Council—TAC—into the Department of Training and Workforce Development, and a half-year timing around that, but I will get the director general to describe that more eloquently than I can.

**Ms Driscoll:** The Training Accreditation Council was previously part of the Department of Education. As part of the reconsideration of our activities, there was recognition that the Training Accreditation Council would more appropriately sit with the Department of Training and Workforce Development. It transferred to our agency on 1 January this year. There is, at the same time, recognition that as a regulatory activity, and given it does have an independent council, it needs to operate very separately, so there are very strong Chinese walls within the organisation. The secretariat supporting the TAC reports to the council, and it is the council that considers the operations of those training providers that are registered and regulated through them. Therefore, the reason that there is a relatively small amount in 2018–19 reflects the fact that the revenue is operating for half a year, and then into the out years, it is a full-year effect.

**Hon COLIN TINCKNELL:** Moving to page 328, under “Spending Changes”, in the line item “Streamlined Budget Process Incentive Funding”, we see one figure of 3 145 in there. What is this all about?

**Hon SUE ELLERY:** I will make some comments, and then either the DG or one of the other officers might make some comments. Treasury provides an incentive, if you like, to agencies. You can choose not to go through the full ERC—Expenditure Review Committee—process to set your budget. You can agree on a fixed additional amount going forward, and you agree that you will not put any new bids in, you will take the extra money, and there is an incentive for doing it. It is not something that is going to be attractive to agencies every year. It might be attractive to us this year, but it might not be attractive to us next year if we had particular things that we wanted to seek.

**Hon COLIN TINCKNELL:** Why was it for next year? What did you actually want to achieve?

**Hon SUE ELLERY:** No, I am saying I do not have any additional plans. I guess it is an incentive scheme from Treasury; to reduce the workload on the agency and Treasury going into the budget, to provide an incentive that if you are not going to put in big extensive bids for something that are complicated and are going to require significant analysis, there is actually a financial incentive. You can put your business-as-usual budget in, and you will get a small increase to your appropriation. For us, this year it was attractive and it worked. It may be the same next year; it may not be.

**The CHAIR:** Member, that is a standard practice of Treasury that has been going for a number of years, and all agencies are invited to participate in that. Can I suggest if you want to pursue your interest in that, you might discuss that with the committee. We can talk about that later.

Hon Tjorn Sibma.

**Hon TJORN SIBMA:** I am prepared to provide my time to another member, if they would like to take it.

**The CHAIR:** Thank you. We do not do minute banking, but that is very generous of you.

**Hon TJORN SIBMA:** Let the record show.

**The CHAIR:** I used a positive word. Hon Kyle McGinn.

**Hon KYLE MCGINN:** I am going to refer to budget paper No 2, volume 1, page 329. Part 5 of “Significant Issues Impacting the Agency” talks about supporting regional jobs growth. In my electorate, I know that the government has been working with resource companies on the Pilbara collaboration. Can you provide an update on any new initiatives coming out of the collaboration?

**Hon SUE ELLERY:** I can. Thank you for that question. The Pilbara collaboration is all of the major resource companies operating in the Pilbara. That includes BHP, Chevron, CITIC Pacific, FMG, Rio Tinto, Roy Hill, Woodside and Yara, which have committed to working with schools and with TAFE to better improve educational training outcomes for students, better pathways for students, and, where possible, local jobs. I attended a meeting of the collaboration in Karratha maybe two weeks ago now—that was the most recent one. Some of the things that they are looking at there is a pre-apprenticeship for year 11 students at Karratha Senior High—a pre-apprenticeship qualification as either an electrotechnology electrician or an engineering mechanical trade. It is a two-year program, so they attend local TAFE on a full-time basis during term 4 of year 11 and term 1 of year 12. The companies then commit to giving those students an interview if they complete their pre-app courses. It is about ensuring a much better skill set and easier paths where it is possible to local jobs with the resource companies. I might add, the resource companies wherever they operate, have been supportive of their schools and TAFEs and have worked closely with TAFE in any event around making sure that the TAFEs have access to the most up-to-date equipment and that they are meeting the industry's needs. The Pilbara collaboration brings them all together in one spot and has them working closely together.

It is unusual in the sense that they are competitors. They have not always had a history of sharing their toys and sharing the information, but for this purpose they are, and it is great.

[2.30 pm]

**Hon MATTHEW SWINBOURN:** I refer to page 329 of budget paper No 2, volume 1, under the heading “Significant Issues Impacting the Agency”. How will the new employer incentive scheme grow apprenticeships and traineeships?

**Hon SUE ELLERY:** Thanks for the question. This piece of legislation was recently debated by the house, of course. The idea is to provide a wider range of employers with a financial incentive than the incentive that existed under the previous payroll tax exemption for training. We hope to capture small and medium businesses as well and provide them the opportunity to take on particularly young people, but it does not have to be young people, into apprenticeships or traineeships. We expect to double the number of employers who would previously have been receiving financial assistance under the previous payroll tax exemption scheme. There are incentive payments—an \$8 500 base payment for a four-year apprenticeship and \$4 250 for a two-year traineeship. There are particular loadings for industry priority areas, Aboriginal workers, regional areas and people with a disability. A key additional loading is for those people aged—for apprenticeships—21 to 30. The member may well have come across some young people who might have taken a different pathway in the years immediately after leaving school but decided that they wanted to get a trade. It is pretty hard, if they have been out in the workforce, asking them to go back to apprenticeship wages. For employers, they are loath to take on 21-year-olds because it is a higher rate, obviously. This is providing additional loading for those employers who will take on those 21 to 30-year-olds.

**Hon MATTHEW SWINBOURN:** I had the privilege of being at the Master Painters and Decorators award night. Most of the finalists for their apprentices of the year were mature age apprentices and most of them were women who were coming into the industry new. I commend the government for that initiative.

**Hon SUE ELLERY:** Thanks.

**Hon AARON STONEHOUSE:** I am looking at page 335, “Recruitment and Management of International Students”. I was having a look at the annual reports, which had some numbers on international enrolments. It seems as though there are 842 students in public schools. I was wondering how you define an international enrolment in a public school. I was wondering if there

is any distinction between international enrolments—an enrolment from someone who is overseas attending a public school solely for access to that public school—and someone who is the child of someone here on a work visa enrolling in a public school.

**Hon SUE ELLERY:** They are two different things, but you are in the wrong division.

**The CHAIR:** This is for training and workforce development. I will ask the minister to provide some guidelines and maybe you can put that on notice.

**Hon SUE ELLERY:** I am happy to have a conversation with you behind the Chair and, if you want, we can provide you with a briefing from the Department of Education.

**Hon AARON STONEHOUSE:** That is okay. It does appear in the Department of Training and Workforce Development annual reports. I thought you might have some information.

**The CHAIR:** In the annual report or in the *Budget Statements*?

**Hon AARON STONEHOUSE:** It is in their annual report and it refers to it in the budget, but I will move on. I was more interested in the effectiveness of spending on promoting training and development to international students. It is a line item there. I will move on to something else for now.

On page 342, there is the “Statement of Cashflows”, and “Net Increase/(Decrease) In Cash Held” and “Net cash transferred to/from other agencies”. There is a \$518 000 net transfer. I was wondering if you can tell me that is for.

**Hon SUE ELLERY:** I am not able to provide you with an answer now, but I can take it on notice and we will give you an answer to explain that.

[*Supplementary Information No C2.*]

**Hon AARON STONEHOUSE:** Looking at page 343, in the “Details of Administered Transactions”, there is the temporary worker and temporary skill shortage visa holder child school fees. I was wondering why the estimate of income is unchanged between this financial year and 2021–22.

**Hon SUE ELLERY:** The DTWD’s role in this is the administration of fee collection through TAFE International—TIWA. TIWA acts as the bank in respect to international education, whether it is schools or TAFE. They collect the fees for the full-paying students. In terms of the actual money amounts, I think that is going to have to be the Department of Education, unless someone can tell me otherwise. Essentially, it is a reflection that there is no change in the number of families that are on those temporary visas.

**Hon AARON STONEHOUSE:** But there is a decrease in 2022–23. Is there an expected decrease in the number of families on those temporary skill shortage visas in 2022–23?

**Hon SUE ELLERY:** I cannot give you an answer here, and I think it will have to come from the Department of Education, but rather than take it on notice in this bit, because this agency cannot provide that answer—TIWA acts as the bank, not the policy setter—I will give you an undertaking as Minister for Education that I will follow that up and get you some information.

**Hon AARON STONEHOUSE:** The management of temporary work visas is under the remit of the Department of Education?

**Hon SUE ELLERY:** The projections about the numbers would come from the Department of Education.

**Hon AARON STONEHOUSE:** But there is no policy change in 2022–23 that you are aware of that would affect that?

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**Hon SUE ELLERY:** Not from this agency, but there might be from the Department of Education that I am not aware of. That is why I will give you the undertaking to provide you with some additional information.

**Hon AARON STONEHOUSE:** I will leave it at that for now.

**Hon COLIN TINCKNELL:** On STEM, we are looking at page 329 and point 5, the STEM skills strategy. The main thing I am interested in is that we have recognised in the past that STEM is an issue. We have not had enough teachers. There are not enough students doing it. How is the new strategy going to change that and how is it going?

**Hon SUE ELLERY:** Thanks for the question. The STEM skills strategy builds on a bunch of other work, including the work that is being done with WA Defence and defence industries and our strategic plan for that area, the battery industry strategy, Metronet and is part of Our Priorities as well. TAFE—in particular South Metro TAFE and North Metro TAFE, but not limited to them—is working really closely with defence and local industries to lift skills and, therefore, make those young people more job ready. The department is also working closely with the Department of Education around that objective of increasing the number of year 12 students who do a STEM subject, because TAFE may be able to help deliver that—some of the VET component of that in particular. Being conscious of time and that there are two other members, I will leave my answer at that, but there are a lot of things that are happening which I would be happy to provide you with extra information about.

**Hon COLIN TINCKNELL:** Thanks, minister. It is a very important issue, with possibly a lot of mining jobs coming up in the near future.

**Hon SUE ELLERY:** Absolutely.

**Hon DONNA FARAGHER:** I turn to page 328 and spending changes. Can I get some clarification in and around the “Revisions to Own-Source Revenue and Commercial Activity Expense Estimates”? There is quite a jump between the 2021–22 and 2022–23 forward estimates. Can you provide some clarification on that?

[2.40 pm]

**Hon SUE ELLERY:** I would love to. I am advised that the adjustment largely reflects the revision to commercial revenues associated with catering and accommodation for short courses at Muresk. The adjustment includes the population of the 2022–23 financial year estimates that were previously not reflected.

**Hon DONNA FARAGHER:** So we can keep moving, on page 332, under “Jobs and Skills Centre Services”. Can the minister confirm how many centres are now operational?

**Hon SUE ELLERY:** Thirteen.

**Hon DONNA FARAGHER:** I note in the table with respect to employee full-time equivalents that there is quite a significant continuing reduction from the 2017–18 actual of 20 moving down to 13 and then the target for 2019–20 is seven. Can you explain the reason for that reduction?

**Hon SUE ELLERY:** That is seven FTE difference is largely due to the planned transition to the jobs and skills centres approved organisational structure. They have moved from being counted as departmental staff to being counted as TAFE staff. There is no loss of jobs; it is just where those jobs are counted.

**Hon DONNA FARAGHER:** Sorry, you are just going to have to clarify that for me.

**Hon SUE ELLERY:** The jobs and skills centres are placed in TAFEs; they operate out of TAFEs. There has been a transfer of some of the department’s staff who were working in that area—labour

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market assistance et cetera—to the jobs and skills centres and to TAFE as their employer. It is just a shift to where those jobs are counted.

**Hon DONNA FARAGHER:** Why are you transitioning those staff out of the department? I understand the fact that they are in TAFE, but why are they now going to be employees of TAFE and not the department?

**Hon SUE ELLERY:** It is because the service that they are delivering operates out of TAFE. For management purposes the department does not normally employ people who work in a TAFE centre; they are employed by TAFE. It is about, I guess, ease of HR management and all those sorts of things.

**Hon DONNA FARAGHER:** The reason I asked that question—the minister would be aware—is that prior to the commencement of the centres there was some concern with regard to the pathways that might be promoted with regard these jobs and skills centres and whether individuals who come to the centres would be funnelled into TAFE rather than your RTOs and the like. This is quite a genuine question. Is there a potential conflict there, do you see, and how does that fit with the original model that had been put by the government?

**Hon SUE ELLERY:** I think the model is sound in that it brings together TAFE people plus each of them has non-government partners who they work alongside and outreach services are provided as well. One of the things that is operated out of the jobs and skills centres is the single portal, which for the first time lists all 3 000 training courses offered across Western Australia by every kind of provider—RTO, group training organisation, TAFE or whoever. They are all now on one single portal. That portal is accessible through the jobs and skills centres. Indeed, the model that brings together the partners offers people access to courses that meet their needs wherever those courses are delivered.

**Hon DONNA FARAGHER:** Just so that I can be clear. In 2017–18, there were 20 full-time equivalents according to this table and it will reduce down to seven over that period of time to 2019–20. You are telling me that the 13—I think you said that there had been no job losses as such—between the 20 and the seven, will be TAFE employees. Is that correct?

**Hon SUE ELLERY:** Correct.

**Hon DONNA FARAGHER:** Then the remaining seven will obviously remain as department employees. Is it anticipated that they will transition to TAFE or will there be maintenance of those staff within the department?

**Hon SUE ELLERY:** They are based in the department and they are providing kind of coordination support to the jobs and skills centres. If you like, not client services but services to the jobs and skills centres.

**Hon DONNA FARAGHER:** Do you anticipate any more of those seven over the next year or two transitioning out of the department as TAFE employees or do you anticipate it remaining around seven?

**Hon SUE ELLERY:** There is no plan to move anybody. Some of the jobs and skills centres started earlier than others. We took a very deliberate decision that we wanted, particularly for the regional ones, the model to be right for that a particular region so some of them have started later than others. We want to make sure that we let them have a go at operating before we make any decisions about whether they need additional resources or not. Right now, there is no plan.

**Hon DONNA FARAGHER:** What statistics are maintained by the department or the jobs and skills centres—I am not quite sure who the best person is in relation to answering this. What statistics are retained with regard to the number of individuals who access the centre?



**Hon SUE ELLERY:** Each of the centres collects and reports on those statistics. I doubt we would have them here. I have some global figures. I might be able to get them broken down if that is of assistance. From 1 July 2018 to 31 May 2019, there were 4 314 career guidance sessions, 1 547 Aboriginal and Torres Strait Islander clients, 1 734 apprenticeship and/or traineeship assistance services and 1 096 skills and qualifications recognition information services. Total visits to the jobs and skills website to 17 June 2019 was 634 571. Total visits to the jobs and skills centres jobs board to 7 June 2019 was 32 916. If you need that broken down any further, I would have to take that on notice.

**Hon DONNA FARAGHER:** If I could take that on notice, that would be appreciated.

*[Supplementary Information No C3.]*

**Hon DONNA FARAGHER:** With regard to the jobs and skills centres, are they manned—if I can use that terminology—staffed on a full-time basis?

**Hon SUE ELLERY:** Yes. They each have a mix of staff. They will have some part-time staff. They also provide outreach services to communities. I will give you an example. The Albany one provides outreach services to Cranbrook, Denmark, Frankland River, Gibson, Gnowangerup, Hopetoun, Katanning, Kojonup, Mt Barker, Ravensthorpe, Tambellup, Walpole and Wellstead. There will be stuff out and about at various stages and they are a combination of full-time and part-time staff.

**Hon DONNA FARAGHER:** Again, going back to the notion of statistics—I am not quite sure what may or may not be kept in this regard, but I will ask it anyway—are there any statistics that are kept to effectively monitor, I suppose, the outcomes from the engagement with the jobs and skills centres; and, if so, what level of detail do those statistics provide?

**Hon SUE ELLERY:** That is a good question. Certainly, in my visits to them I have spoken to staff at each one who talk about follow-up. I will see if I can get more information on that. It is in fact one of our measures of key effectiveness in the budget on page 331; that is, the extent to which the services provided result in career employment or training outcomes. Yes, that means that is recorded. I do not have any more details on that here, but, yes, it is recorded.

**Hon DONNA FARAGHER:** I might come back to you behind the Chair and ask for some additional information. I know we are short on time. Related to that are the Aboriginal workforce development centres. Can I confirm that they have now been closed or are they still operating?

**Hon SUE ELLERY:** They have been integrated into the jobs and skills centres where they operate. Jobs and skills centres are combination of partners and some services that were offered previously in a different format, so they have been incorporated into the jobs and skills centres.

**Hon DONNA FARAGHER:** The staff who we were in those Aboriginal workforce development centres—I think there were five—what has happened to those staff?

**Hon SUE ELLERY:** They are in the jobs and skills centres.

**Hon DONNA FARAGHER:** As well?

**Hon SUE ELLERY:** Yes.

**Hon DONNA FARAGHER:** Can I have a breakdown of the staff for each of the jobs and skills centres?

**Hon SUE ELLERY:** When you say “a breakdown of the staff”, as in —

**Hon DONNA FARAGHER:** Who are engaged to support the jobs and skills centres within the TAFEs that they operate?

**Hon SUE ELLERY:** So the numbers?

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**Hon DONNA FARAGHER:** The numbers and their job descriptions; if that can be broken down.

[3.50 pm]

**Hon SUE ELLERY:** The model of jobs and skills centres is that we engage with not-for-profit partners as well. I can give you a commitment, without a shadow of a doubt, about giving you the information of those employees who are public sector employees. I would need to have a discussion with the not-for-profit partners in each of the JSCs about whether they were happy. I cannot see why they would not be, but I do not hold that information; they hold it. I will give you an undertaking that I will ask them if they are happy to have that information released.

[*Supplementary Information No C4.*]

**Hon DONNA FARAGHER:** We can take that on notice, and I appreciate your response there. With regard to what were the Aboriginal workforce development centres when they were there in their own right, are you able to advise and take on notice the total number of interactions with Aboriginal people in each of the years that they were operational? You would have to go back in time.

**Hon SUE ELLERY:** Before the JSCs?

**Hon DONNA FARAGHER:** Before.

**Hon SUE ELLERY:** I will give you an undertaking that I will take it on notice. If it has to be done manually and it is going to be a particularly resource-intensive exercise, then I may not give it to you, but I will investigate whether it is possible to do it in an efficient way. If it is, I am happy to provide that to you.

[*Supplementary Information No C5.*]

**Hon ALISON XAMON:** I refer to page 329, “Significant Issues Affecting the Agency”. I just want to get some clarification on a few points. Point 3 is the enterprise training program. Can I confirm—is that the \$1.2 million national partnership funding?

**Hon SUE ELLERY:** So, \$3 million of it comes from the national partnership and about \$800 000 comes from our standard training funds.

**Hon ALISON XAMON:** So \$800 000 is coming from the state, effectively?

**Hon SUE ELLERY:** Yes.

**Hon ALISON XAMON:** Okay, that was the next part I wanted to ask. How is that money going to be spent? For example, is the Joondalup campus upgrade part of this program?

**Hon SUE ELLERY:** Enterprises—employers—will partner with eligible registered training organisations to seek funding to support training for existing employees. Existing enterprises will seek assistance, saying, “We want to upskill our employees to be able to deliver”, for example, the additional workload that we know is coming with the NDIS. They want to upskill some of their employees. The way the model will work, is the employer must contribute a minimum of 20 per cent of the total cost of the training program, and the contribution must be cash; it cannot be in kind. There will be a slightly lower contribution from regional and remote areas, to recognise the higher costs that they bear in any event. The focus of the enterprise training program is to support enterprises to upskill their workforce. Those RTOs that are delivering under the program are required to provide both training and assessment, and a particular focus is on social assistance and the allied health sector. This is a deliberate decision made, noting the labour market demand arising out of the NDIS.

**Hon ALISON XAMON:** On the same page, point 4 is the international education strategy. I will probably have to take this as a supplementary information. Can I please have the list of the VET

qualifications that are relevant to the graduate migration stream occupations that are referred to in this point?

**Hon SUE ELLERY:** There are none, as yet. We are still working on the model for how we include VET in the graduate stream. It has not been finalised yet.

**Hon ALISON XAMON:** When are you anticipating that will be finalised?

**Hon SUE ELLERY:** We certainly would like it to be done sooner rather than later, but it is basically still before the government.

**Hon ALISON XAMON:** When you say “sooner rather than later”, I suspect that goes without saying, but are you hoping to have it in train, for example, for next year or the year after?

**Hon SUE ELLERY:** Honestly, member, I would like it in place as quickly as possible. I am not trying to be smart. I cannot give you a deadline, because I do not have a specific deadline, but I have told the agency that it is a priority, from my point of view.

**Hon ALISON XAMON:** On the same issue, point 6 on page 329 under “Significant Issues” is the regional labour market reviews. When is it anticipated that these reviews are going to be finalised and also published?

**Hon SUE ELLERY:** They are rolling reviews that are done. Some have been done already and more are to be done. They are really an advisory work for government. I will take it on notice as to what has been done already and what the future program for doing them is.

**Hon ALISON XAMON:** Thank you. As part of that answer on notice, I would really appreciate knowing what the dates are for finalisation and publishing for each review.

**Hon SUE ELLERY:** I will give you what I am able to give you.

**Hon ALISON XAMON:** Who is actually undertaking these reviews?

*[Supplementary Information No C6.]*

**Hon SUE ELLERY:** They are done by the department. They are being run by DTWD. They might contract consultants to do some of the consultation with the stakeholders, depending on what the region is and what they need.

**Hon ALISON XAMON:** Just to confirm, those contracts are just to assist, but ultimately the reviews are still being finalised by the department itself?

**Hon SUE ELLERY:** Correct.

**Hon ALISON XAMON:** Okay, thank you. Has the government received any sort of commitment from the TAFE colleges themselves that they will look to implement whatever comes out from these reviews?

**Hon SUE ELLERY:** TAFEs are really keen to make sure that they are relevant. The MDs are absolutely switched on to making sure that they are meeting their local community needs, and recognise that the needs in Geraldton may well be different to the needs in Kalgoorlie. They are absolutely committed to making sure that their training is relevant.

**Hon ALISON XAMON:** I want to move to page 335, please, “Explanation of Significant Movements”. Point 4 pertains to the cost per student contact hour. I note that an increase in cost per student contact hour has been noted as being primarily due to a change in the student mix. Can you just please provide a little bit more information about this mix? Are we talking about a change in the level of qualification or industry area, or are we talking about particular demographics of students who are requiring additional support? What are the changes?

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**Hon SUE ELLERY:** That is a very good question, and I am going to see if I can provide you with an answer. I am conscious of the time and that other people will have other questions. I cannot get an answer quickly, so I think I will take that question on notice.

*[Supplementary Information No C7.]*

**Hon ALISON XAMON:** Okay, so in that case I am going to move on to page 338, which is about the asset investment program, and point 3. I note that works with estimated expenditure continuing in 2019–20 include a number of projects. Do you have a priority listing for the upcoming works; and, if so, is it possible to have that tabled?

[3.00 pm]

**Hon SUE ELLERY:** Do you mean for the works referred to in 3.1—the \$67 million?

**Hon ALISON XAMON:** Yes.

**Hon SUE ELLERY:** I will take that on notice as well. There is a list, but I do not have it here.

*[Supplementary Information No C8.]*

**Hon ALISON XAMON:** I note the table that is immediately below as well, which looks at the completed works and the ICT student management system for the training sector. I note that the total budget for the project is now listed at \$17 million, rather than the initially budgeted \$15 million. Can you please advise how the additional \$2 million ended up being spent and also whether the issues identified by the frontline staff regarding the enrolling students entering attendance and assessment marks have been rectified?

**Hon SUE ELLERY:** Yes. Significant changes to business practices and processes at the TAFE colleges were required to align the functionality of that off-the-shelf system. There has been considerable technical and process change and a whole range of alternative solutions had to be developed and implemented. All five TAFE colleges are now managing and enrolling students in the SMS and for those that transitioned in 2018, they have identified a considerable improvement in the enrolment process for 2019. In respect to the \$2 million, it was not being spent on assets; it was being spent on funds for staffing to assist with the transition.

**Hon ALISON XAMON:** That was part of my question. Are there any other bug fixes that remain outstanding? It is a pretty big project.

**Hon SUE ELLERY:** To a certain extent, there is work in progress to make sure that if any issues do arise, the department assists in implementing any solutions to those. There is a priority actions register to capture any key issues and monitor the progress of improvements, and the key areas for enhancement include class registration and attendance, apprenticeship management, the SMS and blackboard interface, and the SMS and finance 1 system interface. But the department is working with South Metro TAFE in particular to address staff concerns.

**Hon ALISON XAMON:** Can I just confirm: has the apprenticeship training records system interface been implemented; and, if so, when did that occur?

**Hon SUE ELLERY:** Yes, it has.

**Hon ALISON XAMON:** I know that was one of the ones where the dates kept blowing out.

**Hon SUE ELLERY:** Yes, but very recently.

**Hon ALISON XAMON:** Very recently. Okay.

**Hon SUE ELLERY:** That is the best I have right now.

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**Hon DONNA FARAGHER:** I am going to go to page 329, “Significant Issues Impacting the Agency”, and item 6 regarding regional labour market reviews. Can I ask what the current status of those reviews are?

**Hon SUE ELLERY:** Hon Alison Xamon just asked a question about that. I have given an undertaking to provide further information about those that have been completed already and what the rollout is for future ones.

**Hon DONNA FARAGHER:** So you have taken that on notice, have you?

**Hon SUE ELLERY:** Yes.

**Hon DONNA FARAGHER:** Apologies; I must have been deep in thought on another matter.

**Hon ALISON XAMON:** If I can please go back to the asset investment program on page 338 —

**Hon SUE ELLERY:** We are having a little bit of trouble hearing you.

**Hon ALISON XAMON:** I am so sorry.

**Hon SUE ELLERY:** If you could also slow the pace a little bit, that would be helpful.

**Hon ALISON XAMON:** I do believe this is a request you have to make to me frequently. It is page 338 and the asset investment program. I just want to go back to some of the points I was asking about before. I was wondering is it possible to have tabled, please, the completed enrolment numbers for the semester ending 31 December 2018 for each TAFE college.

**Hon SUE ELLERY:** I will get the director general to give you some comments, because we think we have the data here.

**Hon ALISON XAMON:** That is even more exciting. But if it is going to take a while, I am happy to take it on notice, because I have many questions.

**Hon SUE ELLERY:** Just give her a minute to look.

**Hon ALISON XAMON:** No, I mean to read out.

**Ms Driscoll:** I am aware, of course, that there were some concerns because there were some lags last year in relation to data being entered into the student management system. In relation to the end result for 2018, we actually saw an increase of 0.9 per cent, so a one per cent increase in the number of course enrolments across the five TAFEs. I know, in particular, there was a concern about North Metro TAFE as the first college to move to the new system. The course enrolments there were a 1.8 per cent increase. It really was just a lag in relation to populating the system, but as that came to fruition, we ended up with a one per cent increase overall and a two per cent increase in North Metro in course enrolments last year over the previous years.

**Hon ALISON XAMON:** So, minister, that has all been finalised now, because that was the concern—the lag. I am happy to have taken on notice, or tabled, the actual enrolments for each of those colleges for December 2018, please.

**The CHAIR:** You might be better off taking it on notice. It is easier for the committee.

**Hon SUE ELLERY:** I will take it on notice.

*[Supplementary Information No C9.]*

**Hon ALISON XAMON:** If I can now move to page 335, “Recruitment and Management of International Students”, and the point about the total cost of service. Would it be possible to get a breakdown of the total cost of service, but I am particularly interested in the fees that have been paid to agents?

**Hon SUE ELLERY:** We do not have that information here, but I can take it on notice.

[*Supplementary Information No C10.*]

**Hon ALISON XAMON:** Again, on the same point on page 335, it says “Less Income”. Is the income here entirely from student fees; and, if not, what other sources of income are part of this number?

**Hon SUE ELLERY:** It is largely fees. The other bit that is in there is interest.

**Hon ALISON XAMON:** Sorry; can you say that last point?

**Hon SUE ELLERY:** The other bit that is in there is interest.

**Hon ALISON XAMON:** Okay. I have that. On page 335, under “Explanation of Significant Movements”, I note at point 2 that there is “lower than anticipated levels of international student training activity”. I note also this is the second year in a row that has this note. I am aware of the strategy, of course, to increase international student numbers. However, I would appreciate the department’s advice about why these numbers have fallen so far below expectations.

[3.10 pm]

**Hon SUE ELLERY:** If you read the two pages together—the other page is page 340—yes, there is an anticipated slowdown in growth, but we are anticipating growth. If you read page 340 at the same time —

**Hon ALISON XAMON:** International student course fees?

**Hon SUE ELLERY:** Yes, you will see there a predicted growth.

**Hon ALISON XAMON:** Yes, so it has fallen now, and I still have not received an explanation as to why, but I hear there is an anticipation it is going to grow into the future —

**Hon SUE ELLERY:** Correct.

**Hon ALISON XAMON:** Is there an explanation as to why it has fallen for the last two years?

**Hon SUE ELLERY:** We think there was a combination of factors from where that decline started in 2016–17. One is the state of the economy. International students looking to come and study here and then be able to get work attached to their qualification, could see the economy not having the same level of job activity as it had had previously. We think it was a combination of things around the economy. Compared to our competitors, if you like, particularly Victoria, we were not aggressively promoting and marketing to international markets. I recently visited Box Hill TAFE in Victoria, which is really a market leader. I went there to steal all their ideas, which they were happy to share. But the comparison of aggressive marketing that they have been doing essentially over about 10 years now compared to what was not being done in Western Australia, was quite marked.

**Hon ALISON XAMON:** I will just move to page 340, which you were just on anyway, under “Income from State Government” and “Royalties for Regions Fund: Regional Community Services Fund”. I note this is a substantial and ongoing draw on the royalties for regions fund, so what specifically is this being used for?

**Hon SUE ELLERY:** It reflects the cost of VET regional subsidies being met by RforR rather than the appropriations. From 2019–20, the additional costs of training delivery in regional areas is being met by RforR, so that includes the loadings for staff in the regions, class-size loadings to ensure that smaller class sizes remain viable, and housing costs to cover the difference between GROH costs and tenant rental—that range of things.

**Hon ALISON XAMON:** I will move to page 334, “Apprenticeship and Traineeship Administration and Regulation” and “Net Cost of Service”. I note the reduced cost of service and note 1 that explains

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that this is primarily due to an improved ICT system and changes to organisational structure and therefore cost allocation. How much did the ICT cost to design, test, implement and provide changed management for?

**Hon SUE ELLERY:** I will get the director general to give you the information that we have with us now. If there is more information that needs to be provided we will take it on notice. I will ask the director general to tell you what we have on us now.

**Ms Driscoll:** Under page 338, “Asset Investment Program: Completed Works” is reference to the training record system and quality business system—the last entry on that line. A significant component of that was the WAAMS—Western Australian apprenticeship management system—but it also included a consolidation of systems across the TAFEs, so some supporting systems et cetera. It is a component of that item. To give you the specifics, we would have to take that on notice. I might flag that we are further developing WAAMS as we speak, in that it will be the online portal for employers to make claims for the enterprise incentive scheme. We are looking to be very progressive in terms of employers not having to make a paper claim. They will be prompted; we will have the record of the apprentice and/or trainee, and after six months, which will be the first milestone, people will be invited to confirm arrangements and then make a claim. We are continuing to upgrade what has been a successful rollout as of May last year with WAAMS to make its next phase of facilitating the employee incentive arrangements.

**Hon ALISON XAMON:** I think I am going to have to put the rest of my questions on notice.

**The CHAIR:** Yes, and did you want the earlier one?

**Hon ALISON XAMON:** Yes, please.

*[Supplementary Information No C11.]*

**The CHAIR:** That concludes this hearing. On behalf of the committee, I thank you for your attendance today. We will forward you the transcript of evidence, including the questions you have taken on notice highlighted on the transcript within seven days of the hearing. If members have any unasked questions, please lodge them by the electronic lodgement system by 5.00 pm on Friday 28 June. Responses to these questions and any questions taken on notice today are due by 5.00 pm on Friday, 26 July. Should you be 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, thank you for your attendance today.

**Hearing concluded at 3.17 pm**

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