

Division 33: Training and Workforce Development, \$394 960 000 —

Ms L.L. Baker, Chairman.

Mrs L.M. Harvey, Minister for Training and Workforce Development.

Dr R. Shean, Director General.

Mr R. Brown, Executive Director, Service Resource Management.

Ms K. Ho, Executive Director.

Mr G. Thompson, Executive Director, Corporate.

Mr A.D. Kerr, Director, Finance.

Mr P. Torrisi, Director, Strategic Coordination, Communications and Organisational Reform.

Mr S. Walker, Executive Director.

Mr G. Hill, Manager, Budget and Funding.

Mr G. Hamley, Chief of Staff.

The CHAIRMAN: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day.

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

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information she agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 19 June 2015. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

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

[Witnesses introduced.]

The CHAIRMAN: Member for Cockburn.

Mr F.M. LOGAN: I refer to the service indicators that are referred to on pages 378 to 382 of the budget papers. These service indicators have changed since last year and there is no service indicator for the funding for institutional-based or employment-based training in this year's budget. Where can I find the breakdown of funding to IBT and EBT services?

Mrs L.M. HARVEY: I will refer to Simon Walker to respond to that question.

Mr S. Walker: Treasury has put in a new outcome-based measurement framework for this financial year and the forward estimates. The previous indicators are now gone and they have been replaced by the four outcome statements and nine efficiency indicators in the budget papers.

Mr F.M. LOGAN: Where can I find those in the budget papers? Can the minister take me to that line item?

Mrs L.M. HARVEY: I can refer the member only to what is in the budget, and our key performance indicators are on page 378.

Mr F.M. LOGAN: Take me to that line item that is basically a summary of what was the IBT and EBT funding.

Mrs L.M. HARVEY: I was not here for last year's estimates hearing, so I will once again refer to Mr Walker.

Mr S. Walker: The outcome-based measurement framework for government agencies changed for this coming budget period. The previous ones that the member is referring to are no longer there and the new ones are as he sees them in the budget papers.

Mr F.M. LOGAN: What can I see in the budget papers? I have been told by the minister's staff member that they are as I see them in the budget papers—as I see them where in the budget papers?

Mrs L.M. HARVEY: The member will need to ask me a question about what is in the budget papers.

Mr F.M. LOGAN: I am. That is what I am saying. Where can I find the equivalent of what was referred to in last year's budget papers? All I am asking for is the amount of funding. The easiest way to do this is by way of supplementary information. The budget papers have changed from last year to this year and from the year prior to that to last year, so it is very difficult to find out where this information is. Can the minister provide me by way of supplementary information a complete breakdown of funding arrangements to training providers that was referred to under the previous item, listing each state training provider and private provider and the funding that they receive? That is basically what I am after. Previous budget papers had that information.

Mrs L.M. HARVEY: I think the change in the KPI process bears explanation, and I will ask Dr Ruth Shean to explain how this process was initiated. It has been a process across government that has been initiated by the Auditor General's office and the Department of Treasury.

Mr F.M. LOGAN: That may well be, minister, but that is not what I am asking. The minister wants to answer a question I did not ask. To make it easier for the minister, given the time frame we have, could she provide to me by way of supplementary information the funding arrangements for training providers, listing the funding arrangement for each STP and private provider that has received funding from the state government?

The CHAIRMAN: Minister, are you clear with the question?

Mr F.M. LOGAN: It is the funding to the STPs and private providers and what they get from the state government.

Mrs L.M. HARVEY: I will provide by way of supplementary information the amount of funding allocated to each of the state training providers —

Mr F.M. LOGAN: And private providers.

Mrs L.M. HARVEY: — and the allocation to the private providers, yes.

[*Supplementary Information No B24.*]

Ms M.M. QUIRK: I refer to the table of controlled grants and subsidies at the bottom of page 385 of the *Budget Statements*. Can I confirm that the minister acknowledges that in the first line item, which identifies state government funding for training, there has been a reduction in funding of \$80 million, or over 14 per cent, from the 2013–14 actual?

Mrs L.M. HARVEY: That is correct; what the member sees in the budget papers is an accurate reflection of the funding.

[5.20 pm]

Mr F.M. LOGAN: Can the minister explain why funding from the state government to listed training providers continues to fall? For example, the 2012–13 actual compared with the current 2015–16 proposed budget is a cut of \$110.5 million. If we go back to previous budget papers from 2012–13 to the out years, under this line item, we see that state training providers or training has been cut by \$157.4 million. These are monstrous cuts to the Department of Training and Workforce Development. Can the minister explain exactly why?

Mrs L.M. HARVEY: I can explain part of it, and will then ask Sandy Kerr, the director of finance, to go into more detail. The reduction of \$49.1 million, from \$572.5 million to \$523.4 million, is largely due to a \$27 million reclassification of international student expenditure to other expenses, an \$11.6 million repositioning of training from 2014 over the forward estimates for course fee caps for students aged 15 to 17 years, and an around \$4.5 million reclassification for current expenditure to capital for the royalties for regions-funded Goldfields Art Centre project. There is \$3.1 million in savings from the one per cent general government efficiency dividend and \$0.8 million in workforce renewal savings. There is also a reduction of \$31.4 million, from \$523.4 million to \$492 million, due to a range of savings from the agency expenditure review looking at existing worker traineeship program initiatives and \$5 million from the workforce renewal policy. I will get Mr Kerr to explain in further detail where that reduction is represented.

Mr A.D. Kerr: I do not have the 2012–13 figure with me, but I can talk to the \$565 million —

Mr F.M. LOGAN: It is \$595 million.

Mr A.D. Kerr: Yes, but I do not have the details of what was in 2012–13 as that is not in 2013–14 or the other years. I will talk to the \$564 million to \$484 million and then I may need to take on notice what the difference between 2012–13 and 2013–14 is; I do not have that information here. The minister covered most of this. The \$564 million down to \$484 million, or \$80 million, is due to one-off grants in 2013–14 to Agricola Residential College and the Muresk Institute from royalties for regions funding of \$26 million. There was a one-off payment to state training providers in 2013–14 for the enhanced voluntary severance payment scheme of \$10 million. They are the two one-off payments in 2013–14. The other reductions were due to the agency expenditure review.

There is \$10 million there, which is in the “Spending Changes” table. There is the workforce renewal and one per cent dividend, which is also referred to in the “Spending Changes” table, and that is close to \$10 million.

Mr F.M. LOGAN: This is basically repeating what the minister said. Part of that question was about why there were cuts in the out years. Basically, the minister is telling us what she has decried about my arguments in Parliament when I have raised these issues and she has said that all I am doing is going around scaring people about these cuts. Clearly, they are absolutely true. Can the minister explain why those cuts continue into the out years?

Mrs L.M. HARVEY: Between 2015 and 2017 there is a reduction of \$52.7 million in the forward estimates that is linked to the expiry of the commonwealth National Partnership Agreement on Skills Reform. We really have no control over that funding; it is just the expiry of an agreement. It may well be replaced by another agreement in due course, but, at present, that \$52.7 million reduction as a result of the scheduled expiry of the commonwealth National Partnership Agreement on Skills Reform sits there and represents part of that reduction.

Mr M.J. COWPER: I refer to page 383 of the budget papers under the heading “Works in Progress”. I am very interested in the money allocated for the new student management system. In my short but stellar career as the Minister for Training and Workforce Development, I noted that this was a bugbear of the department. I am very keen to hear what the government is going to do about this new system. I note that \$13 million has been allocated to deal with this issue. What will we get for that \$13 million?

Mrs L.M. HARVEY: Indeed, member, the current student management system has been in operation for over 20 years and it has definitely reached the end of its useful life. The existing student management system does not meet the state training providers’ contemporary business requirements and is really compromising our ability to operate efficiently in what is increasingly a more competitive marketplace. We have committed \$30 million in the 2015–16 budget to upgrade the existing student management system. The new system should begin operational rollout in 2016–17. It will significantly improve the way we track and manage our students and the ability of our STPs to administer their responsibilities. We will look at improving the attraction, enrolment and award processes. We will look at ways to drive better efficiencies through administration and examination management through that process. We will look at some self-service facilities for staff and students with the new student management system, and also at improving the quality of data, including operational reporting and all those really important aspects of managing our performance and tracking our students through our STPs. It is a long overdue investment in the system and I appreciate that the member had some input in getting it to the point at which we have funding to progress.

Mr M.J. COWPER: Will the system have the capacity for other training providers, for instance, Central Institute of Technology, to track the details of a student previously enrolled at another provider such as Challenger Institute of Technology, the Pilbara Institute or Goldfields Institute of Technology? Is there connectivity between the various training providers? I know some of the training providers operate on different platforms, and I think that would be of great assistance.

Mrs L.M. HARVEY: It is my preference for the colleges to operate the same student management system. That is what this investment is designed around, because we want to be able to track the movement of students between colleges. I will throw to the director general to add further on the intricacies of the system.

Dr R. Shean: It will be a fully integrated system, member. The initial rollout will be with just one college—that is, Central Institute. When all the bugs are out of the system, it will be rolled out across all the colleges and will relate back to a central arrangement. It will be fully integrated throughout.

Mr M.J. COWPER: Will other training providers have access to that management system?

Mrs L.M. HARVEY: This student management system is for state training providers. Indeed, one of the challenges facing the sector generally is the commonwealth government’s requirement to have a system to track students individually across the sector. Initially, this \$13 million investment will cover only our state training providers.

Mr M.J. COWPER: Is there potential for that to be compatible with the commonwealth system down the line?

Mrs L.M. HARVEY: I request the member places that question on notice so I can get some further information from the directors of the project. Obviously, we want a system that will last and serve us well for the next 20 years or so, and the more people who can use that system to help us better track student activity, the better. I am not an author or manager of the project, so could the member put that question on notice?

[5.30 pm]

The CHAIRMAN: There is no capacity to put the question on notice. It can be asked as a supplementary question or it can be asked in Parliament as a follow-up question.

Mr M.J. COWPER: As a matter of interest, how many students are currently on our books compared with last year?

Mrs L.M. HARVEY: I will ask Simon Walker, the executive director of policy and planning, to respond to that question.

Mr S. Walker: We cannot report numbers of students until the full year has finished. The only comparisons that we could make now are how many students were in the system last year compared with the year before. In 2013, there were 115 855 what we call clients—that is not enrolments; that is actual people—enrolled under public funds. In 2014, there were 107 037 clients.

Mr M.J. COWPER: Anecdotally, do you have any indication of whether that is continuing to trend south or north?

Mr S. Walker: We do not have enough information at this early part of the year.

Mrs L.M. HARVEY: I will just explain that a bit further. The difficulty we have with the enrolment data is that it is quite lumpy. I am reluctant to release information on student numbers until we have verified the enrolments. Traditionally, we do that, for the year that has just gone, by May of the following year, so in May 2015 we released the data for the 2014 student year. Sometimes student enrolments might be slow at the start of the year and then we have a massive suite of enrolments in the second half of the year, so over the year the verified data is consistent and comparable with the previous year. Given the lumpiness of the enrolments and student movements, we do not release the data until it has been verified.

Mr F.M. LOGAN: I refer to the income statement on page 385. Under the heading “Income” is the line item “Grants and subsidies”. Can I presume that most of the funding listed under “Income” is commonwealth funding?

Mrs L.M. HARVEY: I will ask Sandy Kerr to respond in detail to that question. I will ask him to give us a breakdown of what that grants and subsidies section relates to.

Mr A.D. Kerr: Effectively, that is the commonwealth revenue across the years. I can provide a breakdown if required.

Mr F.M. LOGAN: Further to that, could the minister explain the increase of \$1.6 million between the 2014–15 estimated actual and the 2015–16 budget estimate and the difference of \$13.6 million between the 2013–14 estimated actual and the 2015–16 budget estimate, particularly in light of the \$80 million reduction further down the page? Am I correct in saying that what we have on page 385 of budget paper No 2 is an increase in commonwealth funding to the operations of the Department of Training and Workforce Development and a decrease from the state government?

Mrs L.M. HARVEY: There is an increase to the National Agreement for Skills and Workforce Development and the National Partnership Agreement on Skills Reform of \$19.5 million, which is part of that. There is also a decrease subsequent to that. Perhaps Mr Kerr could detail the breakdown of those increases and decreases within the grants and subsidies.

Mr A.D. Kerr: We received an increase in 2014–15. The National Agreement for Skills and Workforce Development does not generally move by anything other than indexation and population growth adjustments. The major reason for movements between years is the National Partnership Agreement on Skills Reform.

Ms M.M. QUIRK: I refer to the line item “Workforce Renewal Policy” under the spending changes on page 375 of the *Budget Statements*. I note that it is clearly aimed at TAFE colleges or state training providers. Why is there a total cut of \$70 million from 2015–16 to 2018–19 listed against this item?

Mrs L.M. HARVEY: I will ask the director general to explain that in further detail. I have negotiated some concessions to that workforce renewal policy given the circumstances that our state training providers operate within, particularly in regional areas in which they have a high turnover of lecturing staff, for example.

Dr R. Shean: The total of \$70 million breaks down, with nearly \$12 million being worn by the department itself and \$58 million being worn by the sector. That is over the out years, too. That is a cumulative figure. As the minister has already mentioned, that is being achieved through some reduction in the original allocation. We were not able to get a frontline staff adjustment for all the colleges, but the minister negotiated a change of a similar nature. Similarly, building on to this is the 200 voluntary severances.

Ms M.M. QUIRK: What relationship does this have, if any, to the \$19.6 million that has been allocated for redundancies?

Mrs L.M. HARVEY: I will ask Dr Shean to talk to that detail.

Dr R. Shean: The member would recall that towards the end of last year, the Treasurer made reference to 200 severances. That \$19.6 million was set aside to fund the 200 severances. It is distinct from the public sector workforce renewal program but it is part of getting colleges to focus on those areas of priority skills and letting staff go in general industry areas that are no longer required.

Ms M.M. QUIRK: Does that equate to 200 positions?

Mrs L.M. HARVEY: We would need to provide the number of positions by way of supplementary information.

Mr F.M. LOGAN: Before the minister details what supplementary information she will provide, I will just say that I asked a question on notice to the minister earlier in the year about the number of redundancies and jobs to go. Is this \$19.6 million that Dr Shean just referred to in addition to the number indicated to me by way of parliamentary question? A number of redundancies have already occurred. The minister has indicated the number of redundancies for this year and I presume that was from last year's budget funding. Is this \$19.6 million for further redundancies; and, if so, how many?

Mrs L.M. HARVEY: I would need to provide that by way of supplementary information. A large number of questions on notice have been put to me. Does the member recall which question on notice it was?

[5.40 pm]

Mr F.M. LOGAN: I have not got it in front of me, no, but I will do.

Mrs L.M. HARVEY: Chair, I think I need to have that question put on notice so that we can cross-reference with the previous question that the member put to me regarding redundancies.

Mr F.M. LOGAN: I can frame it in a simple way so the minister can avoid that question altogether: How many redundancies does the \$19.6 million allocated here equate to? Is it over and above the existing redundancies? That is it.

Mrs L.M. HARVEY: It equates to 200 redundancies.

Mr F.M. LOGAN: The other part of the question was: is it over and above the existing number that have already been identified and funded?

Mrs L.M. HARVEY: It is the number that has been identified—the \$19 million is the 200 redundancies that have been identified.

Mr F.M. LOGAN: Can I put it to minister this way: the \$200 million is allocated from 1 July this year. Under this budget paper, that money becomes available on 1 July this year. Redundancies have already taken place within the Department of Training and Workforce Development and within the state training providers since January this year. That funding for those redundancies must have come from last year's budget. That is why I ask whether it is over and above this \$19.6 million.

Mrs L.M. HARVEY: I will provide by way of supplementary information the number of redundancies that have already been funded out of the existing budget and the number of redundancies that have been identified for the next budget period.

Mr F.M. LOGAN: Yes, that is fine.

[*Supplementary Information No B25.*]

Mr M.J. COWPER: Minister, I would be interested to know what section of the department those 200 redundancies came from.

Mrs L.M. HARVEY: I will get Dr Shean to identify where those redundancies were sourced.

Dr R. Shean: The 200 voluntary severances were entirely for the state training providers. They were not from the department. The department let around 50 staff go during the last calendar year and it will certainly let some others go during the current calendar year. Let us not confuse them with what is happening with the state training providers. I think we currently have around 32 that we are working on at the moment to let go before the end of the financial year. That is consistent with the public sector workforce renewal program.

Mr M.J. COWPER: Were those 32 were from the department?

Dr R. Shean: From the department.

Mr M.J. COWPER: I recall there were 600-odd staff there about two years ago. How many are in the department now?

Mrs L.M. HARVEY: Do we have the total number of full-time equivalents currently employed at the department? Dr Shean has the detail on that.

The CHAIRMAN: Dr Shean.

Dr R. Shean: The full-time equivalent originally transferred to the department was 587—roughly 600—in October 2009. There have been numerous changes to that figure. For example, we have transferred some staff back to Education and we brought over the Training Shared Services Centre from the Department of Education. The new number was therefore 675 —

Mr M.J. COWPER: As of when, sorry?

Dr R. Shean: I will give the member the figure as for the 2015–16 budget. I am doing a comparison between 2009 through till now. The enhanced voluntary severance program—I have said roughly 50—was actually 49 staff last year. We did program rationalisation of some 16 staff and this financial year we will lose 34 as part of the workforce renewal program. That means that for the 2015–16 budget, we will have 566 staff.

Mrs G.J. GODFREY: I refer to page 376 of the budget papers, under the heading “Relationship to Government Goals”. In relation to procurement of training, what is the government doing to support its commitment to encourage women into trade and industry areas with low female participation?

Mrs L.M. HARVEY: The state government committed \$1.2 million over four years for a scholarship program aimed at expanding the career options available to Western Australian woman, particularly having women enter areas where we have traditionally seen a low representation rate of women. We have up to 400 scholarships that are now available for women to commence training in specified qualifications. The scholarships are designed to help with the cost of training, student fees, learning resources, mentoring, coaching, tools for some of the trade equipment, accommodation, transport and also childcare fees. We are doing this first of all to try to direct more women into those priority areas of training in the science, technology, engineering and maths areas, and secondly, to increase the level of training of those women and therefore also their earning capacities. Those scholarships have been very well subscribed to at present. We are pretty excited about the uptake.

Mr F.M. LOGAN: I refer to page 380 of the budget papers, service indicator 5, “Apprenticeship and Traineeship Administration and Regulation”. In the promotion and regulation of apprenticeships, particularly from the government’s perspective, the Priority Start policy is in place to promote the employment of apprentices through government contracts. Can I ask the minister a couple of questions about this? Firstly, I am aware what Priority Start states, but in terms of Priority Start in practice under the government, do the program’s obligations only apply to contracts that have been put out to tender—for example, advertised on the Tenders WA website—and, if not, what other types of contracts do they apply to?

Mrs L.M. HARVEY: Priority Start is an important policy document. I will get the executive director of policy, planning and innovation, Simon Walker, to respond to where the policy kicks in.

Mr S. Walker: The member is asking what types of procurement for —

Mr F.M. LOGAN: No, I will just read the question out again, Simon, through the Chair and the minister. Does the Priority Start program apply only to contracts that have been put out to tender, for example, advertised on the Tenders WA website; or if not, what are the other parts of the contracts?

Mr S. Walker: I am afraid I do not have the answer to that question.

Mrs L.M. HARVEY: Member, if you could put that question on notice to me, I am happy to give you a more comprehensive response.

The CHAIRMAN: It is not supplementary; the minister wants a 30-day notice?

Mrs L.M. HARVEY: Yes.

The CHAIRMAN: Okay. Question on notice.

Mr F.M. LOGAN: If I am going to do that, I will also put on notice whether it applies to other government expenditure as well. For example, if we expend money on buying things such as apartments, does the policy apply to that as well, or is it related only to specific tender processes?

Mrs L.M. HARVEY: Member, I cannot provide that by way of supplementary information. I will need to take the question on notice.

Mr F.M. LOGAN: That is all right; I said I would take it on notice.

The CHAIRMAN: Member for Girrawheen.

Ms M.M. QUIRK: I defer to the member for Cockburn. I am very deferential today.

Mr F.M. LOGAN: I take the minister to the income statement on page 385 of the budget papers. Under the heading “Income” there is a line item for “Grants and subsidies”, which we talked about earlier, and “Other

revenue”. Can the minister explain whether other revenue is the income received from student fees? Is that what other revenue refers to?

Mrs L.M. HARVEY: Not specifically; there is an increase of \$39 million from \$13.2 million to \$52.2 million, which is due to the reclassification of \$39 million in international student delivery revenue from the sale of goods and services. There is a decrease of \$3.7 million from \$52.2 million to \$48.5 million, which is due to a \$2 million reduction from local commercial activity from the agency expenditure review of commercial activities initiative, and \$2 million from lower commercial activity in Muresk Institute’s operations. So it is a combination.

[5.50 pm]

Mr F.M. LOGAN: Can the minister show me in the budget papers, whether it is in the balance sheet following that or in the income statement, where I can find the income from student fees?

Mrs L.M. HARVEY: I will defer that question to Mr Kerr.

Mr A.D. Kerr: There is no breakdown of the fees, but page 248 of budget paper No 2 provides the revenue for the state training providers. Fees are collected directly by private training providers so they are not shown in the budget papers. Certainly the revenue that is collected by the state training providers in total is shown in table 2.1 on page 248 of budget paper No 2.

Mr F.M. LOGAN: Given that it is not income to Treasury but income to the department, why is it not shown in these budget papers as well? At the end of the day, it is a balance sheet.

Mrs L.M. HARVEY: I will ask Mr Kerr to respond to that, because the nuances of where this income is recorded is probably best explained by the finance officer who has to understand it.

Mr A.D. Kerr: The budget papers reflect only the revenue and expenditure that comes through the department’s books, if you like. As the revenue from students is directly collected by the training provider, it does not appear in the department’s budget papers.

Mr M.J. COWPER: I refer to “Works in Progress” on page 383 and note that there is money in the budget for the upgrade and expansion of the Pilbara Institute. I am very interested to know the outcome of how that is to be managed. I recall that the Pundulmurra campus and the Pilbara Institute were competing for the same space. What was the final rationalisation and is there a plan to consolidate those training facilities? Have they been combined into one or will they be maintained separately?

Mrs L.M. HARVEY: There has certainly been a lot of work in the Pilbara to try to consolidate our service delivery up there. I will ask Russell Brown to comment further on the Pilbara institute and the proposals in train there.

Mr R. Brown: There was a campus in South Hedland at Pundulmurra and also the South Hedland Campus. At this stage we are in the process of building a new health and allied training facility on the Pundulmurra Campus. Once that has been completed, there is a proposal, which is a publicly available document that should be on our website fairly soon, to consolidate that delivery into the Pundulmurra campus. We are engaging with other agencies, the Government Office Accommodation and the Pilbara Development Commission to repurpose the existing South Hedland campus because it is a large piece of infrastructure that could be used for many different community purposes.

Mr M.J. COWPER: Has the vacant land adjacent to Pundulmurra campus been utilised? Has that asset been gained?

Mrs L.M. HARVEY: I will ask Mr Brown to respond.

Mr R. Brown: There are two aspects of vacant land on the Pundulmurra campus site. Part of it was utilised for Aboriginal student accommodation in partnership with BHP. The other part of vacant land on the Pundulmurra campus has already been built on with new trade workshops, and it will also house the new health campus facility. The old accommodation, which was the old workers camp on the other side of the road, has been decommissioned —

Mr M.J. COWPER: Did it have asbestos in it?

Mr R. Brown: That is right. We are in the process of clearing that site after which the site will become available for disposal.

Mr M.J. COWPER: What will happen to the old facility next door to the new recreation centre?

Mrs L.M. HARVEY: I will ask Mr Brown to comment in detail. Indeed, we have a lot of assets in the Pilbara and we are trying to consolidate that into one campus to provide a better student experience. That is what we are focused on with the Pilbara Institute. There are challenges in the Pilbara at the moment as well with respect to

student participation. It is quite important that we get that right to ensure that the Pilbara Institute operates effectively and efficiently and obviously releases itself from what looks increasingly more like stranded assets. I defer to Mr Brown.

Mr R. Brown: We are engaging with the Pilbara Development Commission, the Shire of Port Hedland and other central government agencies to find a repurpose for the existing South Hedland campus, which is the one that the member referred to as being next to the rec centre. It is a large facility that could house public libraries and all sorts of other community groups et cetera. We are engaging in that consultation process now so that when Pilbara Institute is consolidated on the Pundulmurra campus, there is another purpose for that building as a very viable and valuable asset within the town.

Mr M.J. COWPER: That asset will potentially reinject funds back into training. There was talk about it being offered to a private school at one stage. I note that there might be scope for a Catholic school. Are there no prospects?

Mrs L.M. HARVEY: We will entertain any option that people are prepared to put to us about that site. It is an active conversation and the Pilbara Development Commission is helping us to find leads for potential interest in the site.

Mr F.M. LOGAN: I refer to “Spending Changes” on page 375 and to the line item “Agency Expenditure Review Savings Measure” under which there are four items—apprenticeship support program, commercial activities, existing worker traineeship program and industry training advisory arrangements, all of which seem to have been cut significantly in the forthcoming budget estimates and in the out years. Can the minister explain why?

Mrs L.M. HARVEY: I will ask Karen Ho to comment further, but there have been changes in the commonwealth provisions of service in the apprentice support services space so we made a decision to step out of that space. There is no point in both of us servicing the same market.

Ms K. Ho: There are changes to the apprenticeship support services being provided by the department for the 2015-16 financial year and they are prompted by the commonwealth government providing a new set of services. The department has traditionally, through ApprentiCentre, provided services, administrative training contracts and the regulation of the apprenticeship system. It has also provided a number of support services, including assisting employers to recruit apprentices, the monitoring of progress and advice and information support. It was envisaged that it would be a one-stop shop, but it has always been quite difficult because the commonwealth has also provided services that confuse employers and apprentices.

Mr F.M. LOGAN: I am aware of the federal changes and the ApprentiCentre changes. How does that account for the other items listed—commercial activities, existing worker traineeship program and industry training advisory arrangements? Does it cover all of them?

Mrs L.M. HARVEY: There have also been changes to the skilled migration program. Obviously, there needed to be changes to skilled migration given that we are starting to see more availability of locally based workers. I will ask Karen to speak about the skilled migration changes as well.

Mr F.M. LOGAN: Minister, is that covered in the budget?

Mrs L.M. HARVEY: It is covered under commercial activities.

The CHAIRMAN: Ms Ho, you have about 10 seconds.

Ms K. Ho: “Commercial activities” covers a downsizing of our activities in the migration service area to reflect reduced demand to process applications from skilled migrants. That is covered under the commercial activities figure.

The CHAIRMAN: Thank you, Ms Ho.

The appropriation was recommended.

Meeting suspended from 6.00 to 7.00 pm