

STATE TRAINING PROVIDERS — GOVERNMENT MANAGEMENT

Motion

MR F.M. LOGAN (Cockburn) [4.24 pm]: I move —

That this house condemns the Liberal–National government for its mismanagement of the state’s training providers, resulting in significant job losses, fee increases, reduction in student contact hours and the increasing privatisation of the training sector.

I have been on my feet in this house on numerous occasions to criticise the government for its failure in the area of vocational education and training in Western Australia since its election for its first term in 2008. I will go through the history for the sake of *Hansard* and the minister, who is the sixth Minister for Training and Workforce Development in Western Australia in only eight years. Even Mr McLean of the Master Builders Association is on the record as saying that the turnover of ministers in the vocational education and training portfolio has certainly not helped create stability in construction and industry training. I will go through the history of the destruction of vocational education and training in WA over the last eight years.

In the period between 2008 and 2011 there were three ministers for vocational education and training and the emphasis of the first-term government was simply to cut costs; reduce the funding going to vocational education and training; reduce employment in the Department of Training and Workforce Development; and simply save money. There was no philosophical direction for vocational education and training. There was no policy thought in what the government was doing in vocational education and training. It was simply the two Treasurers of the day—the then member for Busselton eventually became Treasurer—pushing a round of cuts from the Department of Treasury on to the Department of Training and Workforce Development. There was no end objective for what training outcome was needed. Treasury simply demanded cost savings. That is by and large the history of any contribution by government to the Department of Training and Workforce Development and the TAFE colleges in the period from 2008 to 2011; it was simply funding cuts and job losses.

Then came 2011–12, and as a result of the National Partnership Agreement on Skills Reform, we had a policy direction. It was not a policy direction thought up by either the Liberal Party or the National Party in this state; it was an adoption of what was happening nationally, interpreted in Western Australia as Future Skills. Everyone can remember that the introduction of the Future Skills WA policy in Western Australia picked up the discredited national policy that literally has not only not worked, but led to the destruction of publicly funded vocational education and training in this state and, probably more heavily, the states of Victoria and New South Wales. The policy was driven for a student-centred funding model outcome, if people remember that. That was the basis of Future Skills.

The Future Skills policy is still the driving agenda of the Liberal–National government in Western Australia for vocational education and training. What Future Skills means today nobody quite knows because at the federal level and certainly in other states, many vocational education and training departments have moved away from the student-centred funding model. I am not too sure what Future Skills really stands for anymore, but I do know the havoc that that policy wreaked on vocational education and training for students in Western Australia—for example, higher fees. I will go through a range of things that happened under the Liberal–National government in the 2011 to 2016 period of Future Skills. Of course, we have had higher fees. Those in the certificate IV and diploma area have had fee increases of up to 520 per cent. It is more now because of the recent increase in fees this year and, of course, there will be a further increase in fees next year even though it is supposedly capped at four per cent. Obviously, it is higher than the consumer price index, but there is an increase in fees on top of the many increases that happened between 2013 and 2015. Higher fees have clearly driven down the number of students applying to undertake those higher level VET courses. There is a direct correlation between the increase in fees and the number of students applying to do those courses. Why? It is because the cost of undertaking the courses not only went through the roof, but got to a point at which, as I highlighted the other day in the house, the cost of undertaking a diploma in some colleges is higher than that for undertaking the first year of a degree at a university. That is the circumstance we have got ourselves into, which is absolutely crazy. It is crazy that a VET system has been modified and altered to the point at which it costs more to go to TAFE than it costs to go to the University of Western Australia. This is absolute madness. It is justified by the Minister for Training and Workforce Development and the government with no —

Mrs L.M. Harvey: Where is that happening here, sorry?

Mr F.M. LOGAN: Clearly, the minister has not been listening to me. I have raised this over and again in this place and I gave an example at the Central Institute of Technology, where the cost of undertaking the first year of a diploma is \$14 000 and the cost of undertaking the first year of a degree at UWA is \$8 500. One was for enrolled nursing and the other was for a proper nursing degree. That is the situation we have got ourselves into. This is madness.

The future skills policy, or student-centred funding model, has resulted in a massive increase in fees. During the budget estimates committee this year I asked the minister why she increased fees by four per cent. CPI in Perth is 1.6 per cent. Why were fees increased by four per cent? Students have to pay more. The minister's position was that students have been subsidised for too long and the government will force them to pay more. The former Minister for Training and Workforce Development, Hon Terry Redman, at least said, quite honestly, in the house during estimates committees a couple of years ago that the Department of Training and Workforce Development has to pay its wages like everyone else and the government has budgetary problems and therefore it will make students pay more and that is the end of it. At least he was being straight about the whole thing. We knew where he was coming from. It is just madness to be putting up fees by four per cent during this time of mass unemployment in Western Australia when CPI is 1.6 per cent. Why would we drive customers away? Why would we drive clients away from what the government is trying to do; that is, sell a particular training outcome? It is making things more expensive and driving them further away. We have seen higher fees, fewer students and fewer apprentices.

I have figures drawn from the department in response to questions on notice that I asked the minister. If we look at the enrolled apprentice numbers going back over the years, in 2008 the total number of enrolled apprentices in Western Australia was 23 006. In 2014, the total number of enrolled apprentices had dropped to 19 086, and of course today it is much lower. I am sure the minister has those figures to hand for 2016. She can talk about them when she has the opportunity. The member for Mirrabooka should remember that over the last eight years, the government has been crowing in this house about all the effort it has put into training and the number of apprenticeships and traineeships it created over the years. If we break down those figures, we see that the highest number of enrolled apprentices occurred in 2008 under a Labor government. These are the figures given to me by the minister in response to questions on notice. There were just over 23 000 apprentices. In 2014, the figure dropped to 19 000 apprentices. Four apprentices disappeared from the training system—that is, enrolled apprentices. Today, as the minister would admit herself, that number is significantly lower.

I will continue with the history of VET training. We have had higher fees and we have had fewer students, which was acknowledged by the minister in answers to questions asked in the estimates committee this year. We have fewer apprentices and trainees, as I just pointed out when stating the number of enrolled apprentices. There has been a continuous pattern of funding cuts to TAFE colleges and the department of training from 2008 to 2016. As I said, we are dealing with the period 2011 to 2016. If we look at the funding arrangements for TAFE colleges and go back to only 2012–13, we see that the overall capital appropriation for TAFE colleges and public VET in Western Australia was nearly \$600 million. Today, for the next financial year, 2016–17, that stands at \$365 million. It was nearly \$600 million in the 2012–13 budget period. As at today's budget papers, it stands at \$365 million for the forthcoming financial year. There have been successive cuts over that intervening period to reach the dismal level of funding for TAFE that we see for the next financial year and in the out years, that funding continues to decrease. We have had higher fees, fewer students, fewer apprentices, a continuous pattern of funding cuts and continuous rounds of redundancies. This year the minister is quite happy to let us know not only how many employees' positions will be terminated, but also from what positions they will be terminated. All the information was provided by questions on notice during estimates. Another 230 jobs will be lost across the TAFE sector, this time primarily in administration and some in the training sector of TAFE. Last year over 100 people's positions were terminated. If we go back to the previous year, 80 people's positions were terminated. If we go back further, we will find other rounds of redundancies that have taken place. The government's position is that it is not sacking people; it is making them redundant. During the last two years, over 300 people have lost their jobs in TAFE. If the minister were to drill down and find out who has been picking up the redundancies, she would find that some of the best people in TAFE—people with the greatest knowledge, the greatest level of experience and the greatest number of skills to impart on students—have all pulled the pin.

Mrs L.M. Harvey: The lecturers aren't being made redundant though; they are admin positions.

Mr F.M. LOGAN: I said that they are not all admin positions, and the minister knows that. That is the information she provided to us. Some are admin positions this year and some are front-line teaching staff. Last year, with the big round of redundancies, they were all front-line teaching staff. The point I am making to the minister is that if she drilled down and chose to take an interest in her portfolio and asked who is picking up these packages, she would find it is some of the better people who are employed and the people with the greatest experiences. She would find it is some of the top skilled trainers that we need in this state to impart skills onto the next generation of tradespeople, picking up the redundancies. I will tell the minister why this has happened; it is because they have rung me and told me. They have said that they are picking up the redundancies because they cannot bear it any longer; they have just had a gutful. Every year it is the same—cut after cut, fewer students and fewer student contact hours, and they are frustrated at not being able to

deliver the type of training that they believe makes a good student and a good student outcome. They are frustrated that they cannot do it any longer because they do not have the time and the funding. That is why they are leaving. They are frustrated; they have just had enough. After all the years they have been in TAFE, their skills, knowledge and capacity have not been recognised and they have not been listened to. They have basically walked away. Those are the types of people who have picked up packages. God knows what we will be left with when there is a change of government next year.

On top of the continuous rounds of redundancies, of course there have been fewer student contact hours. That is a direct result of the funding cuts and the operational hours of training that have been allocated to each particular college and then from the college to each particular course. There have been reductions in the number of courses available. The current reform process within TAFE means that the whole administration of TAFE is being reorganised from 11 colleges into five centres. The prioritisation of specialist skills is now being shifted around the various 11 colleges, fewer courses are being delivered overall and there are fewer student contact hours as a result. In conjunction with the fewer student contact hours, of course, there was the cancellation of the five craft trades. As we know, the Minister for Training and Workforce Development got on her high horse about that by saying that they are thin markets and there are only a handful of people doing them, and asking why we should be funding them when there are only a handful of people; it was probably better that these people disappear from Western Australia and go and undertake their trade training in Queensland or New South Wales. I have raised this issue on a number of occasions in this house. I speak as a person who has been through vocational training to the level of technician with an associate diploma, and for the life of me, I just do not get where the minister is coming from.

I will give the minister one example. She may remember that I took to her the case of a young woman who was caught up in this issue in the area of trimming.

Mrs L.M. Harvey: She's graduated now. She's doing very well.

Mr F.M. LOGAN: She has graduated; I am sure she texted the minister as she did me to say that she has graduated, and that is a great outcome. I thank the minister; I was going to save it up till the very end to say thanks very much. That is a great outcome for Gemma and I wish her good luck in her future career. I also thank the minister for ensuring that she was able to complete her training. It was a great outcome. But for the life of me, I cannot understand why those crafts were cancelled here in Western Australia and that training was shifted to the eastern states. I know that only a handful of people go through the trimming course, but it is not a small industry; it is actually a bigger industry than the minister thinks it is. There are more trimmers than the minister thinks there are, just as there are more furniture polishers. I thought there were only a handful of furniture polishers in this state, but when I got involved with the industry, I discovered there were loads of them. Not only are there furniture polishing companies, there are also furniture manufacturers, because furniture manufacturing is on the rise here in Western Australia and is an increasing area of activity. They employ furniture polishers for their own furniture, so it is not just furniture polishing companies; manufacturers employ furniture polishers as well.

The trimming apprentices were trained in vehicle trimming and boat trimming and they also have the skills to be involved in the furniture industry as well because the nature of the craft allows them to go into the furniture industry to reline sofas and other furniture. As I said, the furniture industry is growing and the trimming industry is never, ever going to go away. As long as we have boats, hot rods and vintage and custom cars, and people have crashes and rip their linings and tear their seats, we are going to have trimmers. People cannot have those vehicles and boats and playthings without trimmers. The trainer at Balga who was delivering that course was a businessman who worked all day at his business and then came into Balga TAFE in the evening to deliver the course on a part-time basis.

Mrs L.M. Harvey: He's a very good man.

Mr F.M. LOGAN: He is, and he is very good at his job. His costs and the overall costs of Balga TAFE were nothing; we are talking about a tiny amount of money. As he said to me—he may well have also said this to the minister—half of his effort was voluntary. Why would we get rid of those trades? They are needed. We actually need those trades. I know people might look at them and say that they are old-fashioned trades and that they have been around for a long, long time, but we still need them. They have not disappeared. Even though it is a thin market, as the minister called it, they are nevertheless still important and we should retain the capacity to train people in those skills in this state and not subcontract that training out to some other state. It is just wrong, from an economic point of view, from a skills point of view, and from the point of view of cost to the college itself. It is just wrong. Under a WA Labor government, that will change, I can assure the minister.

Mrs L.M. Harvey: We will fund the program again if the industry can provide the students. We will absolutely fund it again if the numbers come back up, but at the moment the numbers aren't there to justify the program.

We haven't closed the door on it. If industry says it wants people trained and they're prepared to produce them, we'll put the program back on again.

Mr F.M. LOGAN: I have a couple of points, minister. One is that regardless of what the State Training Board tells the minister, regardless of what the industry training councils tell her, and regardless of what her chief executive officers tell her, TAFE does not communicate with industry; it does not. It hardly even gets back to them. I wrote the minister a letter the other day, to which she replied, about the trimming industry. The poor man was trying to get an answer out of TAFE, here and in New South Wales, for six months, and nobody would return his calls. It does not get back to industry. The relationship between industry and TAFE colleges is dismal, as the minister knows; that was highlighted in her reform paper. It is dismal and the worst part about it is that TAFE does not even go out to industry to seek its input. TAFE's view of the world is that the clients will come to TAFE. It does not go out and engage and try to encourage those industries to put students through those courses.

Mrs L.M. Harvey: That's what I'm trying to change.

Mr F.M. LOGAN: That is one of the reasons those five craft courses have continued to diminish over the years. It is not that the industry has shrunk at all; it is that there has been a diminution in the number of apprentices taken on because of financial issues within the industry. Not only that, but the department has not gone out and sold itself to encourage people to take on apprentices and bring them in.

Just on that point, another part of the history of what is, in my view, the destruction of the VET sector in Western Australia, is the involvement of the federal government in the process of undermining vocational education and training in WA. I refer to the example of the ApprentiCentre, where 20 people were employed, but it is now gone. As the minister knows, it had a role in engaging with industry, ensuring that apprentices were looked after and encouraging companies to take on more apprentices. The minister also knows that has now been contracted out to the private sector because the dumbos in Canberra—on both sides of Parliament, I might add—think they can do everything better than the states and created Apprenticeships Australia. The federal government does not have a public sector in that area at all because it basically closed it down and has subcontracted out all that work to, in this state, three private training providers, and it believes that that is somehow going to increase the number of apprentices in Western Australia, but already it has not. If we ask the apprentices who are in the system, they say there is no interest; all they are asked to do is to sign on the dotted line to show that there has been contact with them and, bang, “Thanks very much; we've got our money.” The funding arrangement is put in to the federal government, the money is picked up and that is done. If there are any problems with the apprentices who are supposed to be looked after, no-one gets involved. For example, when apprentices end up before the Apprenticeship Office, is Apprenticeships Australia involved? Not at all. It puts its hands up and says, “Oh, no, that's not our area of expertise, sorry. We can't do anything there.” The poor old apprentices are on their own, with their mums and dads, trying to save their apprenticeships before the Apprenticeship Office. It is just a disgrace. It is chaos and a disgrace. That is another reason that we are seeing a diminution in training and a failure by the training sector to engage with industry and take on more apprentices.

Another element of the history of training and the undermining of it in Western Australia is that, not only is there a pattern of a decrease in funding for training itself, but also, whilst there is a decrease in the funding pool available to training overall, the available funding is now being skewed towards the private sector. Earlier, I referred to the increase in the number of student contact hours now shifting from the Department of Training and Workforce Development and TAFE colleges to private registered training organisations. A significant increase in the number of student contact hours—all of which is funded by the taxpayers of Western Australia—is going to private RTOs in Western Australia. The pool of funding has been shrinking for training in Western Australia since 2008 and now we are at the point at which, over the last three years, although that pool of funding is diminishing, a greater share of that pool is going to the private sector rather than public TAFE colleges for the delivery of training on the ground. I thank the minister for providing the list of private RTOs and the number of hours that have been undertaken since 2013. We are funding McDonald's to deliver public training. Why does McDonald's not fund training? Why do Western Australian taxpayers fund McDonald's to deliver training? Kentucky Fried Chicken is being paid to deliver training in Western Australia. That is also paid for by taxpayers.

Mrs L.M. Harvey: Do you think that people working in those industries should not receive training?

Mr F.M. LOGAN: Yes, they should, but why does McDonald's not pay? It is a big enough company.

Mrs L.M. Harvey: What happens to those people when they leave McDonald's and Kentucky Fried Chicken? I know one person who has left McDonald's. She went through her training program, got up to manager at a store level and she is now running one of the biggest fishing tackle companies in Australia, courtesy of all the training she received at McDonald's—part of it is publicly funded but most of it is not.

Mr F.M. LOGAN: That is a wonderful thing.

Mrs L.M. Harvey: There is a net benefit to the community by funding that training.

Mr F.M. LOGAN: There is a benefit to her because now she is running that big tackle place.

Mrs L.M. Harvey: And a commitment to train people within that organisation.

Mr F.M. LOGAN: Remember, this government's student-centred funding model means that students should be paying for this. There is a benefit to her and there has also been a significant benefit to McDonald's—a benefit that it should pay for. McDonald's should be paying for it, not the taxpayers of Western Australia. Our money should be going into the benchmark for training, and that is TAFE. The minister is a big supporter of TAFE, or I hope she is!

Mrs L.M. Harvey: Of course I am.

Mr F.M. LOGAN: I do not know why the living flower essence academy of Australia—member for Fremantle!—received 18 260 hours of training in 2014, and 14 640 hours of training in 2015, paid for by the taxpayers of Western Australia. If members visit the website of Living Essences of Australia, based in Joondalup—I am sure the member for Joondalup has been there many times for his holistic treatments—I am still at a loss to know why Western Australians have to pay for that academy. As good as the academy is—I am not criticising the academy and what it does; it can do whatever it likes—why do Western Australian taxpayers pick up the funding in that holistic training area when people can undertake holistic improvement through the essence of flowers?

Several members interjected.

Mr F.M. LOGAN: I will point out to the minister that Logan Workforce Solutions Pty Ltd is not a training company that I own.

Mrs L.M. Harvey: Very good. Just as Harvey Fresh milk does not belong to me!

Mr F.M. LOGAN: Yes. It is not one of those companies I forgot—like the house!

The diminishing pool of funding that we are getting in Western Australia, that has been made available by Treasury through the Department of Training and Workforce Development, is now being skewed further and further to private RTOs.

Mrs L.M. Harvey: Do you think we should fund any private RTOs or should public funding only go to TAFE? What is your view?

Mr F.M. LOGAN: In my view the funding of private RTOs should be when that type of training cannot be delivered by TAFE and adds to the economic benefit of the state. It has to be serious training and of economic benefit to the state. It should be tightly regulated and controlled. At the end of the day it is taxpayers' money. It should not just be frittered away. That is my view of it.

Mrs L.M. Harvey: I agree with most of that sentiment.

Mr F.M. LOGAN: I will continue. As I have pointed out, there is less and less oversight of training. I pointed out earlier, during the capital appropriation discussion in the house, the issues related to RTOs and the recommendations from the 2015 audit by the Auditor General of the "Regulation of Training Organisations". The recommendations that I pointed out to the house were as follows: firstly, the Training Accreditation Council should, within 12 months, fully implement its revised approach to regulating RTOs; secondly, consider legislative or policy change to allow the council to check RTO compliance without prior notice; and, thirdly, consider and document the risk to students and industry of training provided by noncompliant RTOs and find ways to reduce time frames before sanctioning an RTO. We are 12 months down the track and that has not been done.

The reason I raised it during debate on the capital appropriation bill was there was no mention of it in the budget papers and there certainly was no funding available for it in the budget papers either. As the minister knows, that was a significant audit of a number of RTOs in Western Australia by the Auditor General. The Auditor General conducted checks on 323 RTOs and found that 35 per cent were either significantly or critically noncompliant with national standards. This was a scathing report by the Auditor General into the delivery of training by private RTOs in Western Australia. None of the recommendations that came out of that report were mentioned in the budget, nor was funding available in the budget and nor has any action been taken. That is reflective of what has been happening nationally as well.

Mrs L.M. Harvey: Do you realise that the TAC is funded through the Department of Education Services, not through the Department of Training and Workforce Development?

Mr F.M. LOGAN: That is irrelevant, minister. You are the minister and can ensure that that funding is increased towards it, particularly after what has happened federally as well—the Senate inquiry into the role of private RTOs. The Senate produced a scathing report into RTOs, which was acknowledged by both sides of the house federally. I point out that not much has been undertaken by the Liberals. For example, earlier this year the Australian Careers Network—another private RTO—filed for voluntary administration. It took \$160 million worth of taxpayers' money with it into bankruptcy and left 15 000 students and 500 staff in the lurch. That is an example of a giant, national private RTO that basically went straight into bankruptcy. It was not as though the Australian Skills Quality Authority, the ministers—of course there have been a number of ministers federally as well as in this state—and others were not aware of the dangers of continuously funding private RTOs.

Mrs L.M. Harvey: The vast majority of that has been on the east coast, you will acknowledge, member, where they have poorer regulatory systems than we have here.

Mr F.M. LOGAN: I will not acknowledge that, minister. Although the scale of the collapses has been bigger on the east coast—Australian Careers Network is a classic example of the rip-offs and scams undertaken by private registered training organisations—I again draw the minister's attention to the Auditor General's inquiry. That is the reason the Auditor General did the inquiry in the first place.

Mrs L.M. Harvey: Four of the five recommendations have been achieved, member.

Mr F.M. LOGAN: I have no idea. She is the minister; she can tell me.

Mrs L.M. Harvey: I will update the house shortly.

Mr F.M. LOGAN: That is good; she can update the house. She knows what the Auditor General's report stated, and he did the report on the basis of what was happening in the eastern states. He was concerned that the same thing was going to happen here, and what he found was just as bad.

Mrs L.M. Harvey: No.

Mr F.M. LOGAN: Remember, I brought to the minister's attention in writing, and I again asked her during the estimates committee about, a shonky training deliverer in Malaga. I have talked about the College of Climate Change in the house. It basically ripped people off. Did the minister send in the Training Accreditation Council? Did she oversee the organisation? Were any of the matters that were referred to in the Auditor General's report, which would have helped in that investigation had the recommendations been picked up, applied? No, they were not. The minister wrote to me and said, "These guys are federally funded and therefore it comes under the Australian Skills Quality Authority. What can we do?" She flicked it off to ASQA. ASQA eventually got off its butt and did an investigation into that organisation and it has now closed, as we found out during the estimates committee hearing. But that is what we have to go to in this state to get a shonky company closed down. That had been going on for months and months, and the industry and I had been telling the minister that before the company was closed down. There is no point in the minister referring to what has been happening in the eastern states when it has been happening right under her nose in this state as well, and she knows about it because we brought it to her attention.

I will summarise once again for the benefit of the house. From 2008 to 2011, we had rounds of funding cuts and job losses without any philosophical direction for how students would pay for things. In 2011–12, we had the introduction of the student-centred funding model of Future Skills WA and the real destruction of vocational education and training got underway. We had higher fees; fewer students; fewer apprentices and trainees; a continuous pattern of funding cuts to TAFE colleges; a continuous pattern of shifting more of the funding to the private sector than to the public sector; continuous rounds of redundancies, particularly of highly skilled and much-needed people in TAFE; the cancellation of craft trades; fewer student contact hours; less oversight of private RTOs and less regulation of training providers in Western Australia, particularly with the eradication of ApprentiCentre; the failure to pick up the recommendations of the Auditor General's report; and, consequently, an increase in the ripping off of vulnerable WA students by shonky RTOs with, as I said, little or no oversight by the Department of Training and Workforce Development or the minister. While all this has been going on, we have had a massive increase in youth unemployment in Western Australia. I referred to that earlier in the speech I made on the Appropriation (Capital 2016–17) Bill. Youth unemployment in Western Australia, particularly in Perth, has jumped from 5.6 per cent to over 11 per cent. Those are not my figures; they are the figures from the right-wing think tank the Centre for Independent Studies. It is not a series of crazy, left-wing-manipulated figures that I am throwing about in the house; those figures come from the minister's side of politics.

Faced with increasing youth unemployment, what should a government do? Should it simply ignore it and carry on cutting funding for the vocational education and training system and reducing the availability of training to people who are falling through the gaps, are failing to get the skills to get into employment and are the most vulnerable in our society? Is that the right approach, because that is the approach that has been taken by this government since 2008? As we have seen youth unemployment continue to increase, so we have seen a decrease

in both funding and staffing for the vocational education and training system and for the delivery of the critical skills that those people need to get into employment. This has been reflected federally as well. In the last three years of the Abbott and Turnbull governments, \$1 billion worth of cuts were made to apprenticeship training. In 2013, 417 700 apprentices were in training in Australia. Because of the cuts by the Abbott and Turnbull Liberal governments, there were 295 300 apprentices in training as of September last year. That is 122 400 fewer apprentices in training than there were in 2013. There has been \$1 billion worth of cuts to the federal training budget in that time, and that included abolishing apprentice programs such as the Apprentice to Business Owner program. Apprentice support was replaced with apprentice debt by abolishing the Tools for Your Trade program. Remember when that was done by Tony Abbott. Why he would get rid of the Tools for Your Trade program and turn it into debt is beyond me. Now the poor old apprentice is carrying debt rather than getting some funding to pay for the tools for their trade. While I am talking about the debt that is being accrued by apprentices, I point out that when a tiny increase in apprentice pay was handed down by Fair Work Australia—the first increase in apprentice pay in 30 years—the then Minister for Training and Workforce Development, Hon Terry Redman, got up in this house and condemned it. It was an increase for first-year apprentices from \$6 an hour to just over \$7 an hour and he got up and objected to it. But, at the same time, he is scratching his head wondering why there are fewer apprentices. People can earn twice as much working at McDonald's—the minister knows this because she has a friend who works at McDonald's—as they would earn as a first-year apprentice. Yet the then Minister for Training and Workforce Development condemned Fair Work Australia for a tiny increase for apprentices—the first in 30 years.

Mr P.B. Watson: Can an apprentice have a day off without permission?

Mr F.M. LOGAN: No.

Mr P.B. Watson: The minister can.

Mr F.M. LOGAN: The minister can. The minister does not have to get permission to not turn up to work but, unfortunately, apprentices cannot do that.

On top of being condemned for getting a tiny increase in pay, the Abbott government took away the Tools for Your Trade program, which was funding available to encourage apprentices to complete their trade. That was the whole point of it; it was that the apprentice will get their tools at the end of their trade, so it was an incentive for an apprentice to hang in there and complete their trade. The Abbott government took that away and converted it into debt. Apprentices will get the equivalent amount of money, but they have to pay it back. This is the approach that has been taken federally to vocational education and training. The Abbott–Turnbull government rebadged and cut funding to the Australian Apprenticeship Centres. We know that, because without a whimper the minister dismantled the ApprentiCentre services in this state. I do not know what the minister was doing in Canberra. She should have jumped across that table and grabbed that idiot VET minister by the throat and told him that she is not going to cop that, instead of just walking out and going, “Oh, we haven't got the funding anymore, that is going to go.” As a minister in those Council of Australian Governments meetings—I have been there—a minister is supposed to get in there and fight for their state, because those other ministers do it, and they will do the minister over too. Whilst the minister was walking in to that meeting, Queensland had already been in there, because its minister got into the meeting and did the deal with the federal minister. That is how it goes. Ministers have to fight for every single thing when they walk into those COAG meetings and cannot let the federal ministers off the hook.

Mrs L.M. Harvey: That is what I do at those COAG meetings.

Mr F.M. LOGAN: The minister copped the funding cuts of the apprenticeship centre program and she just applied it; she just sacked 20 people and got rid of both Perth and regional ApprentiCentres. As I pointed out to the minister, the problem now is that no-one is out there promoting apprenticeships and the actual on-the-ground delivery of support services to the apprentices and the industry I might add—the employers—has gone backwards.

Mrs L.M. Harvey: Member, do you understand the context of the previous minister for training's comments about the apprenticeship pay increases? His concern was about the higher cost to employers with the increase in wages and the value of the tools and all those sorts of things then acting as a disincentive to employers taking on apprentices. That was what his concern was about.

Mr F.M. LOGAN: I know that, yes.

Mrs L.M. Harvey: Because those increases occurred without the appropriate kind of consultation on incentive to employers, so that was what the concern was.

Mr F.M. LOGAN: That is just not right.

Mrs L.M. Harvey: That was his concern at the time, because he relayed it to me.

Mr F.M. LOGAN: I know, and that is because he is an idiot and because he did not understand what he was talking about in that the discussions about the increase had been going on for ages. If he thought it was that bad, as the Minister for Training and Workforce Development, he could have intervened in the Fair Work case and put that point of view and he chose not to; he came in here and grizzled afterwards. That argument that the minister outlined for the former Minister for Training and Workforce Development, is the same argument that we on this side of the house hear constantly from employer organisations about penalty rates and any increase in pay. That argument the minister just put forward was exactly the same argument that the Chamber of Commerce and Industry of Western Australia put at the last state wage case. Its position was that workers in Western Australia should get nothing because if wages are increased, people will not be employed; it will be a disincentive for employing people. Whether it relates to penalty rates, wage increases, or higher rates for apprentices, all those arguments have all been destroyed as rubbish. All those arguments have been taken apart over the years because it is just not true.

Ms J.M. Freeman interjected.

Mr F.M. LOGAN: Absolutely, it is just not true. When we look at the lowest paid of all people in the economy—that is, apprentices—the lowest paid people in the community, we cannot possibly say a \$1 an hour increase or less will stop employers taking on apprentices, particularly when most of the funding of apprentices is picked up by the federal government. Most of the funding is picked up by the federal government, so the minister can hardly say that that increase will deliver fewer apprentices. I was involved in a program in Queensland in which all the costs of the apprentices were paid for. Employers paid nothing. No training, no wages, nothing, and still employers did not take them on because they saw that as a burden for their business and they did not want to be bothered. They just did not want to be bothered, so it is not anything to do with wage rates. It is to do with the culture, the attitude and the dynamics of a particular company in a particular industry, as to whether employers take those apprentices on. The role of the Department of Training and Workforce Development is to encourage those employers to take apprentices on.

Just finally, apart from \$1 billion in cuts by the Liberal federal government to apprenticeships and training overall, and 122 400 fewer apprentices in training, group training funding has been abolished. In this state, of course, there is now funding for only one group trainer and, as the minister knows, all those other group training organisations out there are not happy about that. I know they have told the minister, they have certainly told me about what has happened, and they are beside themselves about what the federal Liberal–National government has done to them in abolishing group training funding. Of course, for some reason only known to the federal Minister for Education and Training, the federal government cut funding support to adult apprentices. Why? It is absolutely beyond me. The government has made a \$1 billion cut to apprentices and apprenticeship support, and it has had, over two years, a total cut to the federal VET budget of \$2.5 billion. Even peak groups such as the Australian Industry Group have basically had enough. On 14 April this year, chief executive of the Ai Group, Innes Willox stated —

“Apprentices provide vital skills to key parts of our economy. Without urgent and meaningful intervention, the apprenticeship system in Australia will continue to underperform and fail to deliver for business and the community.”

That is the view of the Ai Group, probably one of the largest employer organisations that has apprentices employed by its members. It has basically had a gutful of the federal government’s continual cuts to the apprenticeship system. That is reflected here in this state and, as I said, in the motion before the house about how the house condemns the government for the continued changes to and destruction of the vocational education and training system. The sector has been under attack since 2008. As I pointed out to the house, people in the minister’s own department, within her own training system, have simply had enough. They have had enough and they are leaving. When they see those packages, they just run and pick them up because they have had a gutful and it is no wonder. If we think back to the litany of attacks and cuts that have been undertaken that I have referred to in this speech today, it is no wonder people have had enough and walk away from the system. As I point out, the only people paying for this at the end of the day are those people out there looking for a job and there are more and more people now looking for a job, as the minister knows, as unemployment continues to increase in this state and the mining industry continues to shed labour. More and more people are looking for work and are looking for changes in the nature of their work. They might be looking to undertake different types of work and jobs and they need skills to make that transition. That is aside from the massive increase in youth unemployment. Cutting training now and undermining the TAFE system is not going to help those people. They are going to be the victims of what this Liberal–National government has done to the vocational education and training system over the last eight years.

MS J.M. FREEMAN (Mirrabooka) [5.20 pm]: I, too, rise speak on this motion. I support the member for Cockburn’s motion that this house condemns the Liberal–National government for its mismanagement of state

training providers resulting in significant job losses, fee increases, reductions in student contact hours and the increasing privatisation of the training sector.

It is little wonder that the member for Cockburn could speak on this motion for such an extended period, always with new information and detail; it shows his passion for the training and education sector. His passion is generally reflected in the Labor Party's views on training and public education, and its importance for the opportunities in the communities that we represent. Those opportunities have been undermined. In a recent report, the Auditor General states that there are 100 000 students in the TAFE sector. Given the youth unemployment and schooling levels, that number does not seem to be as many students as I think there should be in the TAFE system, especially in the general training sector. However, given that figure, it is even harder to understand how the government is not growing the sector when it will make \$53.6 million worth of cuts to the training sector over the next four years. There will be a four per cent increase in TAFE fees, which is in addition to the 650 per cent increase over the last four years and the staff redundancies. The idea that there will be savings from staff redundancies means that we are getting rid of qualified staff who add value to the training system and TAFEs. The government's cuts are basically saying that it would prefer if students left; it does not want to value them. The government does not want to say, "Let's build your skills or give you better opportunities." It wants to tell the students to go; it does not value them or think what they offer is what the community needs and so students do leave. It is worse that this is all happening in the state when we are also under attack from the federal Liberal Party that wants to entirely deregulate the system. We have seen absolute shemozzle, scandal and outrage in the private training sector whereby students have been exploited. They have taken up courses and received no training at all. Government money has been wasted. Fraudulent behaviour has occurred in the sector and, even when there was no fraudulent behaviour, there was unscrupulous behaviour and behaviour that went close to the line in delivering services.

Mrs L.M. Harvey: It was federal Labor's appalling VET FEE-HELP services.

Ms J.M. FREEMAN: That was not federal Labor being appalling; the federal Liberal government did not manage the program. The VET FEE-HELP system is a good system, and it was a good system for many people.

The Edmund Rice Centre gave evidence to the Senate inquiry that came here that the system enabled many people from culturally and linguistically diverse and lower socioeconomic backgrounds to gain access to the system. The system was deregulated so that private bodies could exploit it and those workers under the Liberal government's watch. The fact that the government does not regulate it, does not police it, does not make sure that its capacity and delivery is up to what is expected is not the fee help system's fault. It is not the fault of a good system; it is the fault of a government that was lax and loved the private sector. It said, "Come on in, private sector; exploit us!" So the private sector did.

TAFE viability has been undermined through ongoing instability. One minute there were polytechnics and then there were not and now we have a decrease in apprenticeships and we do not have funding. It is no wonder that staff feel like they do not know whether they are coming or going. There is no stability, no security and no valuing. It is no wonder the system is creaking under the bearing weight of this government's instability, which has no capacity to steer this great, historically rich system of delivering education. The government has no capacity to steer this great ship of our public post-secondary TAFE system of education into the future because it is creaking under the weight of constant attack from all sides. Despite that, staff upheld their best efforts to deliver a good system. I know that because I have heard from staff who are concerned about the ongoing service delivery beyond 30 June 2016 when about 100 voluntary severances should take effect and another 130 full-time equivalent positions will be cut. That is 230 jobs that will go. The minister gave supplementary information so we know that North Metropolitan Central Institute of Technology will lose 50 staff through severance schemes and West Coast Institute of Technology will lose another 20 staff; Polytechnic West will lose 51 staff; Challenger Institute of Technology will lose 24 staff and Pilbara Institute will lose 21 staff. In an area where there has been a downturn in the mining industry, I would think that is the last thing they needed. South West Institute of Technology will lose 21 staff. Staff cannot be lost in those numbers without expecting a major impact. Some of the staff members in regional areas are really worried about being displaced and the effect it will have on their community, families, and financial stabilities. Fixed-term contracts are not being renewed, which causes workload issues whereby there is pressure from all sides. Casualisation is a big issue in TAFEs, as I understand it. How can a public sector rely on casual staff? Ongoing, permanent staff are needed to grow the sector and grow the commitment to the workplace and permanency that ensures a good curriculum is developed and delivered. Do members know that a number of libraries and bookshops have closed throughout the TAFE system? If a tradie had to go there to get their gear and their books, they now have to do it online. Out at Balga TAFE, the bookshop that delivered the required manuals closed; there is no-one there. The library also had closures; it closes at lunchtime in places like that so staff can go off and have lunch. They have a library, but the fact that it closes when all students need to access it is an issue.

Mrs L.M. Harvey: The students want online tools though; that is what they are asking for.

Ms J.M. FREEMAN: Online tools are fine if students have the capacity to use online tools. Online tools are fine if staff are there to help students access them and assist students to use them. If staff numbers are being cut and cuts are being made in the areas where there are administrative staff to help with that, for students who come from low socioeconomic or CALD backgrounds, or mature-aged students who are re-entering the labour market, online tools are not what they are looking for. They want to be able to get to the nitty-gritty. The reality is that that is often the case. For example, when I went to university, my father who was a tradie—a metalworker and a TAFE teacher at the time—and my brother, who was a tradie and a boilermaker, and the rest of my family who were tradies said, “Why would you want to go to university? What are you going to learn there that’s useful?” Their line was that they were hands-on, doing stuff, creating stuff and building stuff. They would not sit down and use online resources if they could have a book next to their equipment—whether it is a turning machine or that sort of equipment—to assist them and a good teacher who is able to help them, and notes they can write in a book instead of in an online tour. That is what delivers quality education and good outcomes for people and it makes them feel like they have control over their learning environment. It should not be just dismissed and said that that is not needed. I am not suggesting that we do not have online tools for some people, but a learning institution needs a broad spectrum of learning tools. To shut the shop and shut the libraries borders on negligence in terms of educating people. I understand—the member for Geraldton might be able to confirm this—that the main campus of Central Regional TAFE at Geraldton has now lost its switchboard operator and that the Northam campus will effectively become a call centre for the Geraldton campus. All these resources are being depleted. People in those middle-line administration positions have lost their jobs before the customer services area has even been scrutinised. Once that has occurred, further cuts will be made in that area. It will definitely impact on frontline services and lecturer support services. It is an issue. It is little surprise that the cost per student curriculum hour in the sector has fallen to between five per cent and 13 per cent over the last two years.

We all know that vocational education and training funding is shared between federal and state governments. Therefore, there is tension around that funding and how it operates. Recently a Council of Australian Governments’ document was leaked. I assume that the document was given to the minister when he went to the COAG meeting. It basically suggested that the commonwealth would be fully responsible for mainstream funding of vocational education and training and regulation, except for school-like programs. It said that the state government would still fund its public providers, but only on the basis of competitive neutrality. This was because it wanted to deregulate the market. It wanted to have this single funding model based on this human capital idea that education is simply about adding to an individual’s capacity, and not the capacity of the community as a whole. Labor has always held very strongly to the fact that public education is something that benefits not only the individual, but also the community as a whole. This whole idea of having subsidies that reflect the private benefit to someone, and not that concept of public benefit, is anathema to Labor. It is an anathema to the concept of delivering something that benefits the community. I looked at the leaked COAG document and saw that the reforms had a basis of driving competition. It was all about pitting education providers against education providers. It was not about best outcomes for students or best outcomes for the community. Point 18 of the document states —

While prices will be deregulated, basing subsidies on analysis of the cost of delivery will increase competition and improve choice in the sector and see all providers competing on value for money and on the quality of their learning and training product.

We have seen that and we have seen what it delivers. It does not deliver quality education. It does not deliver what students need. Students need a centred public education system in the TAFE system, and Labor believes that the market finds stability through a dominant and strong public provider that caters for the needs of the community, the needs of business and the needs of students. It can be complemented by quality private sector providers but, as the member for Cockburn says, those are the things that are on the borders or the edges of the strong foundation of public TAFE education that is needed.

Mrs L.M. Harvey: Does the member realise that TAFE has nearly 70 per cent of the training delivery in this state?

Ms J.M. FREEMAN: It should have more. It is decreasing and the minister is decreasing it.

Mrs L.M. Harvey: I would say that it is predominantly publicly funded.

Ms J.M. FREEMAN: And we should fund it as that. I think training delivery has decreased from about 85 per cent over the time this government has been in power. The minister should not suddenly champion herself on this point because under this government’s watch, 15 per cent of public education has been lost. If the minister wants to champion herself on the fact that she has undermined the strength of the TAFE system, she should please feel free to do so.

A fully funded TAFE system is basically crucial for strong training outcomes, particularly in the technical and trade occupations. We need to ensure that we are up to the task in that area. Why is it important? It is important because post-secondary vocational training has been vital in the economic development of this state and country. It is vital in the development of skills in our community but it is also really important in meeting the needs of a changing workforce—for example, being able to teach people skills on new equipment. The member for Cockburn has said that TAFE has not been the best at going out and selling its students and apprentices into that area. My father was a TAFE lecturer. He was a fitter machinist—I have put that on the record before—which is a bit of a dying trade now. His job was to work with employers and apprentices. He was made redundant about seven or eight years ago because that role was no longer necessary. I think it was said: businesses would come to us.

Mrs L.M. Harvey: What year was that?

Ms J.M. FREEMAN: Some years ago. It was while I have been a member of Parliament, so since 2008. It was not before then; it was not in our time. It was definitely under the minister's government.

Mrs L.M. Harvey: I was just curious.

Ms J.M. FREEMAN: It happened while I have been a member of Parliament.

[Member's time extended.]

Ms J.M. FREEMAN: It happened a couple of years after my election. In fact, he did not get a redundancy because he was too old; he just retired. It was increasingly made clear that the role of getting out and working with apprentices, stabilising apprentices in businesses, and working with businesses to take on more apprentices had less and less priority for the TAFE he worked for.

We are so committed to vocational education and training and TAFE because it has to, and should, enable effective retraining and capacity to meet the needs of industry facing skill shortages. It should also meet community needs in terms of reskilling. The commitment made yesterday by Labor in the federal election campaign to a pilot program to help 5 000 mature-age retrenched workers turn their work experience into formal qualifications is absolutely welcomed and should be taken up as a bipartisan policy. In this current downturn, people need to feel valued as they become redundant from one sector of employment and they need to get that confidence back through retraining. TAFE, the public system, can provide that service, so this program should receive bipartisan support. Unfortunately, under this government's watch in steering the TAFE and vocational education and training ship generally and federally it has suffered a continual decline in funding and subsidies. Student numbers have reduced significantly, and disadvantaged students face upfront fees. I have talked to people in the community that I represent who have suffered hardships around meeting those fees. It is clear that the issues around changes proposed by the commonwealth were not about quality education, but about increasing competition, as I said, between private and public providers.

The whole concept of how vocational education training is funded between the commonwealth and the states is vitally important. It is a conversation we need to have and progress. It is a bipartisan conversation, but we need to start on a foundation that is not based on a human capital theory. It should be a conversation on a foundation of a public education system of TAFE, like we would do for the general public education system. It is a flowthrough from that, and I think it is really important we have that conversation. If we look at 2014 and 2015, we can see that the states spent around \$4 billion a year and the commonwealth spent about \$3 billion a year. But when we add VEE FEE-HELP, we can see that the commonwealth spent more in that area. I have read about some of the discussion around the deregulation of TAFE and the commentary I have seen so far absolutely cautions against it. It says absolutely that that is not the path we should be taking. On 8 February 2016, Peter Noonan, Mitchell Professorial Fellow of Victoria University, had an article posted online titled "VET funding can't be fixed by sidelining TAFE", which states —

How VET is funded under a national system then becomes an important policy and design issue. It is therefore disappointing that the Commonwealth paper defaults to a simplistic, market-driven VET funding model based primarily on lowering costs and increasing efficiency, including competition through fee deregulation.

There is now ample evidence of the damage simplistic VET market funding models have done to the quality and reputation of the VET system—and to individuals' lives.

Experience has shown that, given the opportunity, unethical and opportunistic providers driven by the chance to access public subsidies at minimal cost will do so—most recently in relation to VET FEE HELP.

He goes on to state that it is absolutely important we have a contemporary national vision of TAFE and how that should operate between parties.

The member for Cockburn and I had a conversation prior to coming into this place. I said, “We have this system and we now have national accredited trades that deliver services. Don’t we have a problem with all these differing systems?” He certainly put me right and pointed out that there has been no demonstrated indication of a federal department being able to run any program on the ground such as vocational education in a manner that actually benefits the community. He did not say it quite like that; he said it with a greater strength and —

Mr F.M. Logan: Expression.

Ms J.M. FREEMAN: Yes, that is right. He used deeply expressive terminology to say that he did not think the commonwealth had the capacity to do that, but we agreed that there needs to be a national conversation about a nationally consistent and beneficial system. It is not beyond us; we do it in consumer affairs and we do it in areas of health. It is not beyond us to be able to deliver a coordinated vocational education training system, but we cannot do that if we are coming from a base of it being all about competition, deregulation and the lowest common denominator.

Mrs L.M. Harvey: We’re not deregulating the sector, though.

Ms J.M. FREEMAN: No, that is the commonwealth. I was talking about the commonwealth.

Mrs L.M. Harvey: You seem to be running on this theme as if we are going to deregulate it, and that is not at all our intention.

Ms J.M. FREEMAN: The minister has not been listening to my speech.

Mrs L.M. Harvey: I have been listening.

Ms J.M. FREEMAN: My speech was about the commonwealth and the commonwealth push and the Council of Australian Governments paper that was very much about deregulation.

Mrs L.M. Harvey: Yes. It has changed significantly since the original discussion paper. There has been further work on that, and it has changed significantly.

Ms J.M. FREEMAN: That came out prior to the election being called, and I have not heard about anything that has changed it significantly.

Mrs L.M. Harvey interjected.

Ms J.M. FREEMAN: Anyway, this is my speech. We do not have to have a debate across the floor. If I was the Chair, I would give me back the call!

It is significant that since that paper came out the Labor opposition, during the lead-up to the election, has made some significant commitments to the TAFE and vocational education training sectors. I was really interested to read that the commitment to TAFE is actually long-held and that our Labor icon Gough Whitlam instituted the Kangan report. I did not know about the Kangan report, but he seemed like a very nice bloke if he did that. The Kangan report led to TAFE receiving additional commonwealth investment for infrastructure, staff development and an equity program. The minister would be interested to know that a friend we have in common, Doolann Leisha Eatts, often talks about Gough Whitlam making TAFE and qualifications available to her through an equity program, and that was an agent of change for her. I read her book, as the minister probably has, and she did it tough. In fact, she probably lived the life that many people in the community stigmatise in some way. She did it really tough with her family and relationships and all those things. But for her that line in the sand was such an agent of change; I am sure there were other points as well. I cannot tell her story; it is her story, and I am happy to make available her book for anyone who wants to buy it. She says very strongly that the capacity to enter into education and the TAFE system through the equity program was an important point for her.

Mr F.M. Logan: And for many, many people.

Ms J.M. FREEMAN: Yes, it was for many, many people. That came through Gough Whitlam and the increased funding of those equity programs and TAFE, and the whole idea that TAFE could fulfil another role in the community that was really important. I am not sure whether it was as welcomed in my family, because my mother did the New Opportunities for Women certificate and decided my father had to cook a few meals. He found that a bit confronting; he would not say that now, but I am sure it was at the time!

It is really great that the Labor Party has released a policy that if it wins the 2 July federal election, it will create 10 000 places in a pre-apprenticeship training program to tackle the higher dropout rates amongst young apprentices. It has also promised TAFE-based student industry liaison officers to connect participants with employers and provide mentoring in the first year of apprenticeships, which is really important for retention; and that employers will receive an extra \$1 000 incentive payment to hire apprentices who have completed the program. That is a great step forward.

I will finish with the comments of Shirley Jackson—a PhD Candidate in Political Economy at the University of Melbourne. Her article, titled “Deregulating TAFE is a big risk to the labour market”, states —

Research shows that countries with strong regulatory frameworks and heavy costs for non-compliance typically have higher quality VET sectors.

The commonwealth government’s proposed policy will go in the opposite direction. Her article states that areas with good labour markets, good teacher wages and numbers of teachers produce results. She states —

For every 1% increase in starting salary, there was an associated increase 0.6% in the aptitude of students entering teaching degrees.

I want to finish on unemployment figures. I have looked at the Brotherhood of St Laurence report that included the March 2016 unemployment figures. Although there is something to be positive about—the north west of Perth has come down from 16.5 per cent youth unemployment to 14.5 per cent youth unemployment—it is still a major issue in the area. That is particularly so, as I have pointed out to this house, because that north west area takes into account some really low unemployment areas such as Hillarys, Ocean Reef and other areas. The figure is predominantly made up of the areas of really high unemployment around the Mirrabooka–Balgā area. I have raised that in this house before. It is a serious concern that one in four people are, effectively, unemployed in the community I represent. Those one in four need good, accessible public programs that can be flexible around the delivery needs and do not have to meet private funding outcomes.

MR M.H. TAYLOR (Bateman — Parliamentary Secretary) [5.51 pm]: I would like to mention at the start that I am not the government’s lead speaker on this motion. Earlier this year I was promoted to Parliamentary Secretary to the Minister for Training and Workforce Development, and it was a real privilege to work with the Deputy Premier. I must admit that I did not know much about this sector prior to that promotion, so it was a steep learning curve in the time that I was there, but I thoroughly enjoyed it.

Mrs L.M. Harvey: You picked it up very quickly.

Mr M.H. TAYLOR: I really enjoyed it. It is a fascinating area, to be honest. It is full of opportunity and optimism, and I think the reforms that the Liberal–National government is undertaking in this sector, driven by the Deputy Premier, are really quite impressive. Fundamentally, it is taking the sector from around 11 competing TAFEs to five collaborative TAFEs and having a common branding for TAFE, which I think is a great initiative. I think it will have great outputs. Also, a student-centred model is a great way of doing it. There is a new focus and I am glad that today’s discussion gives us an opportunity to talk about some of the issues.

I was also fortunate enough to chair one of the governing council meetings, and people on that governing council have been selected as the chairs of the regions, handpicked by the minister because of their ability to deliver change in those areas. They have embraced the concept of reform as put to them by the minister. Professor Bryant Stokes, the former director general of the Department of Health, demonstrates the calibre of the people involved. They are high-profile, very intelligent people and I was very impressed with the way they were engaging in this reform process and how eager they were to quickly embrace a culture of collaboration from what was traditionally 11 competing TAFEs, as I mentioned.

Also in my role as parliamentary secretary, I was able to attend a few functions. One function that really stood out in Perth was the opening of Le Cordon Bleu in Central Institute of Technology. This is essentially a global organisation of very high repute that has chosen to partner with TAFE in Western Australia because of its industry engagement. They have produced this partnership that is delivering amazing outcomes. The CEO of Le Cordon Bleu said that the facilities in Perth Central Institute of Technology were the envy of other people in that program from around the world. He said that they were really world-class facilities, and they were looking forward to a long partnership with the state government through Central TAFE in particular and servicing the hospitality sector. We also have a lot of international students coming down to do that training course because it is of such high repute.

I was also fortunate enough to travel to Geraldton with the director general and an adviser and we visited the Mid West Development Commission and the City of Greater Geraldton and had some meetings about training in that region. Of more interest to this conversation is our visit to Durack Central Regional TAFE’s campus, which I was amazed by. I could not believe the calibre of the campus. The government has spent a great deal of money on producing really fantastic facilities for people to undertake training in regional Geraldton. In particular, three centres impressed me. The first one of note was for beauty training; the facility was amazing. It had really contemporary equipment and it is probably better than going into any beauty salon in Geraldton.

Mrs L.M. Harvey: It has been made to be like one of the top salons that we could get anywhere in Australia. It is just fantastic.

Mr M.H. TAYLOR: It was absolutely incredible. It had the full range of equipment, allowing people in regional Western Australia to undertake training that builds their competencies and ability to use equipment anywhere in Australia.

Mr D.A. Templeman: Is this a salon?

Mr M.H. TAYLOR: It is for training in beauty therapy.

Mr D.A. Templeman: Did you get a bit of a snip?

Mr M.H. TAYLOR: No, but the policy adviser, who is well groomed, took a particular interest and was very impressed by the facility. It was hard to get him out of there. Then we travelled to the nursing centre.

Mr D.A. Templeman: I thought you'd had a bit of work done!

Mr M.H. TAYLOR: No, I learned a lot about manscaping that day but all as an observer I would say. Unfortunately, it was just a day visit.

Mrs L.M. Harvey: I think we had better send a suitable chaperone next time.

Mr M.H. TAYLOR: Absolutely. It was a really impressive experience, to be honest. Next door to that was a nursing facility, which was equally impressive. It was as though we were in a hospital ward. It has been designed that way so that the training occurs in a work-like situation with the same sort of bed structures and equipment that we would have in a hospital. It had fantastic mannequins or dummies or whatever they call them to create real life situations. It had the supply rooms next to the wards. It gives people in regional WA the ability to train in the highest class training facilities both in nursing and beauty therapy as well. I was really impressed. Then we went to a site out near the airport for heavy vehicle training. Again, a big investment has been made by the state government. The site helps people doing heavy vehicle mechanics and associated training. The facility out there was absolutely fantastic and also had associated office areas and seminar rooms et cetera for all aspects of the training. I could not have been more impressed with the Geraldton site visit. What this government has done in Geraldton in regional training and workforce development is absolutely fantastic.

One of my other roles was to launch the new Aboriginal Workforce Development Centre website and jobs board in the Perth GPO, which is a great example of the WA government innovating and adapting its products to the clients. The site has a new contemporary design. It is compatible for hand-held devices and tablets and smartphones, which are at the entry of the centre. It helps better target young Aboriginal people across Western Australia. It is interesting to note that since 2010 over 750 employers have received help with implementing Aboriginal employment strategies. More than 2 300 Aboriginal job-seekers have been assisted, and more than 1 750 job-seekers have been placed in employment or training. Most people in this room would understand that that is a difficult environment to work in and there are inherent challenges and complexities. To have been able to help 1 750 job-seekers be placed in employment or training since 2010 is a remarkable achievement. We also visited the Geraldton Aboriginal Workforce Development Centre while we were there. The two people who operate that centre are quite incredible people; their connection to the community and their desire to help train and transition people from unemployment into long-term employment and secure employment was really impressive.

That leads me to the outcomes in the sector. Since 2009, the Liberal–National government has invested \$288 million in vocational education and training infrastructure and will spend \$2.3 billion on training and workforce development over the next four years. In 2015, the state heavily subsidised training to the tune of 85 per cent of the total cost of training. Importantly, in the two years since its introduction, publicly funded student curriculum hours in priority qualifications have increased by 26 per cent. This is important because a report from the Committee for Economic Development of Australia that came out late last year included the statistic that 40 per cent of jobs that currently exist have a medium to high likelihood of not existing by 2025 due to digital disruption and the digital economy. It is really important that the state government is putting a greater emphasis on priority qualifications, and that has been realised by that increase of 26 per cent. In WA, 89 per cent of graduates were employed or went onto further study after completing training, which is better than the national average of 85 per cent. Of great note is that student satisfaction with WA TAFEs remains high, with 88 per cent of students satisfied with their course. We heard a fair bit of criticism earlier in the debate around some of the structures or some of the service provisions. I think the fact that 88 per cent of students are satisfied says a lot about the actual impact of change as opposed to the perceived impact. The number of Western Australians employed across WA has increased by more than 182 000 during our time in office, and we have supported almost 90 000 jobs for Western Australia.

I would like to spend a bit of time talking about policies given the federal election campaign that is occurring at the moment. We have seen the release of WA Labor's Plan for Jobs. One of the policies in Plan for Jobs is to reinstate the TAFE brand. I am pleased to announce that it has already been done. This government began this process in early 2015. The strategy was marketed in January this year. We agree with this policy, but it has

already been done. There is also a policy under WA Labor's Plan for Jobs to expand the Priority Start policy. The Auditor General looked at the Priority Start policy and it was widely panned by everyone in the construction industry. It did not work and it was a failure, largely because it did not take into account subconsultants when it gave quotas to do with projects and employment opportunities. Large projects might be awarded but then subconsultants would be taken on, delivering a percentage of that overall work and therefore tasked with providing percentages of an apprenticeship. In March 2015, the state government introduced the government building training policy to replace the failed Priority Start. It should be noted that this government policy has been publicly supported by industry peak bodies such as the Master Builders Association and it addresses all the issues identified by the Office of the Auditor General.

Another policy under WA Labor's Plan for Jobs is to help the regions by focusing regional TAFE delivery on areas for future job growth. This is another great idea. The government agrees with that; in fact, we agreed two years ago when we rolled out Future Skills WA. From 2009 to 2016, \$163.8 million was invested in new industry standard training facilities at regional TAFE college campuses. My previous comments were around Durack Institute of Technology, beauty and nursing courses and the heavy vehicle training centre, which are just three applications of that investment. A total of \$20 million has also been invested in revitalising Muresk Institute, which is a success story for this state. Again, it has come about because of a commitment by the minister and the reform agenda of this state government.

Moving to the federal arena, the Labor Party's Real Skills, Good Jobs policy of a quota on the number of apprentices that must be employed on all government infrastructure, construction and defence projects, with capital expenditure of more than \$10 million, appears to be a replica of WA Labor's defunct Priority Start policy, which did not have the support of WA industry. The extra costs on small businesses that are subcontracting work will be priced into contracts and, therefore, passed on to government.

Another policy is a dedicated apprentice advocate, which is essentially like an ombudsman, to work on issues such as quality of training, portable skills and retention and completion rates for apprentices across the country. All these issues are being dealt with by skills ministers as part of the national reform agenda. Labor is simply seeking to increase regulation and red tape in an already overregulated space. How will adding another layer of bureaucracy motivate employees to take on more apprentices? A final policy worthy of raising here is the national skills recognition entitlement pilot that targets mature-aged and retrenched workers to get their work experience recognised and turned into qualifications or recognition of prior learning. This is an expansion of recognition of prior learning, but it does nothing to increase the number of apprentices. Recognition of prior learning is also rife for exploitation in an unregulated training market.

I listened to comments from the shadow Minister for Training and Workforce Development, the member for Cockburn, who mentioned that the cost for the nursing course was \$14 000. That is simply not true. Costs are capped at \$7 000. It is not correct to say in this chamber that a nursing course costs \$14 000 and is more expensive than a university qualification. That is simply not true. It should be noted that apprenticeship numbers are down because of the economy, not because of policy changes or fee changes.

[Member's time extended.]

Mr M.H. TAYLOR: I wonder whether the shadow minister thinks we should fund every thin market in Western Australia. There needs to be strong industry demand, and, therefore, government should respond to that.

Mrs L.M. Harvey: That is what he said. He said he would fund every thin market.

Mr M.H. TAYLOR: That is right, minister. The shadow minister did mention that thin markets should be funded by government. I think that is highly inappropriate.

Criticism was made that McDonald's and private registered training organisations are undertaking training, but I think it is fine that that occurs. Large organisations like McDonald's, and Crown Perth, which I believe is one of the largest employers in the state and also one of the largest trainers, are exactly where people should be training on the job. It should be noted also that these private RTOs pay, especially for apprenticeships and trainees. The shadow minister suggested that higher wages were necessary. However, that just adds more cost to businesses and, therefore, they are less likely to take on apprentices. The shadow minister mentioned the cancellation of support for tools for the trade, and the criticism around that, but the truth is that that system was being rorted by apprentices who had no receipts, resulting in heavy wastage. There were legitimate reasons for that program to be cancelled. Criticism was also made of the increases in wages for apprenticeships. I would like to note that the increased wages for apprenticeships was 50 per cent, not \$1 as the shadow minister suggested. A 50 per cent increase in wages for apprentices is significant. I note also that Western Australia, unlike the rest of Australia, still funds group training organisations.

The member for Mirrabooka spent a fair bit of time talking about deregulation. I share the concerns of the Minister for Training and Workforce Development through her interjections because I also got the feeling that

the member was talking about WA deregulating the training sector. It was pointed out later that that was a reference to the federal government based on leaked information, which apparently was recent. However, I am informed that that report or leaked information goes back to February this year and that significant changes have been proposed. It is important to note that the Western Australian system will not be totally deregulated, which was mentioned a number of times by the member for Mirrabooka.

Also mentioned was the rationalisation of library services. My understanding is that this has also occurred at the University of Western Australia, for example. I think the way people use libraries now is very different from how people used libraries in the past. I come back to the point that an 88 per cent satisfaction rating suggests that the impacts are significantly less than the perceived impacts suggested by members opposite. In fact, in my current role as Parliamentary Secretary to the Minister for Innovation, I have come across many, many examples of business being done differently. In larger businesses, people have been taken off reception duties and replaced with iPads or similar devices that are able to efficiently direct people to whoever they want to meet with; they will come down very shortly thereafter, and there is a clear process. Traditional customer service roles will not occur in the future; there will be new ways of going about that, and efficiencies will be gained through that.

The member for Mirrabooka put a fair bit of emphasis on the idea that the government should be a major player in the training sector. As the Minister for Training and Workforce Development pointed out, service delivery in this sector is still 70 per cent undertaken by government. Although the member for Mirrabooka might argue about whether that 70 per cent is enough, or that it was higher in the past, the fact is that the government is still the dominant service provider in the sector and still regulates the standards. I think it is really important that private registered training organisations are delivering services to the sector as well. We can argue about the ratio, but this government has maintained a strong and dominant presence in service delivery in this sector.

I would like to finish on some of the outcomes in the sector and some of the important points that should be noted. A reform is underway, and that reform will convert 11 competing TAFEs into five collaborative TAFEs, which is a good thing. The people driving the change, the regional chairs, are extremely high calibre Western Australians, and they have embraced the reform process and are really committed to it. I have a great deal of optimism about this transition and the reform process. I think the TAFE sector is going to become a better and improved sector. Yes, there will be some redundancies in that space, but it is my understanding—I am sure the minister will elaborate on this—that anybody who wants to stay in the sector will be able to and that transitions will be identified. Those reductions in excess full-time equivalents, usually around corporate services and administration, for example, will happen as natural attrition, so we will see a slow transition towards the desired outcome, with minimal impact on individuals. I think the overall reform process is a very good process and it is being conducted by excellent individuals, so I have a great deal of optimism about the process.

I want to finish on the points I mentioned at the start around the outcomes in the sector. Since 2009, the Liberal–National government has invested \$288 million in vocational education and training infrastructure and will spend \$2.3 billion on training and workforce development over the next four years. In 2015 the state heavily subsidised training to the tune of 85 per cent of the total cost of training. In the two years since its introduction, publicly funded student curriculum hours in priority qualifications have increased by 26 per cent, which is a significant increase in two years, and it is important for the state that we realign the skills from where they are currently to skills for the jobs of the future. Eighty-nine per cent of WA graduates were employed or went into further study after completing training, which is better than the national average of 85 per cent. As I have mentioned a few times, student satisfaction at WA TAFEs remained high, with 88 per cent of students satisfied with their course. The number of Western Australians employed across WA has increased by more than 182 000 during our time in office, and we have supported almost 90 000 jobs. I congratulate the minister on her agenda for reform and look forward to supporting her however I can.

MR P.C. TINLEY (Willagee) [6.15 pm]: We broke out in bipartisanship there for a second, but let us close that off and move on!

A member interjected.

MR P.C. TINLEY: Stand by! No, minister; far be it for me to want to spray.

MR R.H. Cook: You'll feel the spit from there.

MR P.C. TINLEY: Hansard is blanching now!

I want to take the debate in a slightly different direction in my contribution on this issue, and in particular talk about the future, rather than the past, and the absolute importance of it. I will not delay the house any longer than necessary to impart my wisdom on the whole process about how the importance of what I call transitional learning is to diversify the economy into an economy that is anticipating, with a significant amount of evidence, a world of substantial change. The change I am busy talking about is the advent of disruptive technologies and

science and innovation generally—as a broad now clichéd sort of topic. “Innovation” is a word I try not to use, but when it relates to the title of my shadow portfolio, I sort of have to. I think things like TAFE and the skills and training system are fundamentally important parts of the architecture to ensure that we have a flexible and agile workforce—again a much overused term—with this idea of an agile economy being able to adjust. When I use the word “agile”, I am talking about the economy as a system of systems that can reorientate itself to take advantage of opportunity or seal off a threat, and they come in many forms. Opportunities and threats are found both at the macro level regionally and internationally, and certainly at the small level internally within the state and the nation, with, of course, everything having a consequential impact on it, not least of which is the general undertone of the current federal government’s intent—maybe not the intent, but the actual facts—in relation to its emphasis on the TAFE sector and the skills and training programs.

When I was researching this speech, I was alarmed to learn that since the Abbott–Turnbull government has come to power, apprenticeships, skills and training are at their lowest level since 2001. Other members have talked about this and it is a fundamental point I pivot around in relation to what we should be doing as opposed to what we have done. The Abbott–Turnbull government has cut over \$2.5 billion from skills and training programs and has seen apprentice numbers fall by more than 122 000 since the last election. For the purposes of balance, if we say that there are 122 000 fewer apprentices, we also need to understand the changing nature of apprentices, the way they undertake their training and the way they approach their trades and craft. It is not exactly as it was in the early years when there was indentured labour and people were working for a master. People pick up these skills in many different ways and then convert them, as the member for Bateman said, into recognition of prior learning and the various other methods under the national skills framework that allows that to occur. But if we strip \$2.5 billion from that resource out of skills and training programs, we are fundamentally attacking the agility, and capacity for agility, of this economy. When we look at the trade terms and bilateral and multilateral trade agreements that this country has signed and entered into—never more so in our history than we do now—we see that we are falling foul of a problem that is enshrined in most of the modern trade agreements, and that is the labour market test. The China–Australia free trade agreement is a very good example of that. If the labour market test is met and proven through various mechanisms—I will not go through the formula—and the skills cannot be acquired from the resident workforce in Australia, employers are entitled, almost as of right, to apply for 457 visas to fill their positions using a migrated workforce. That works the other way as well. The problem is that if we are attacking the support mechanisms that deliver those skills, whether or not they are required by the economy at that particular point in time, we are fundamentally losing future flexibility. One might ask: why would we train somebody in a particular skill that there is no immediate job for? One would apply the same logic to the tertiary sector. If 300 more engineers than we need were to graduate out of the tertiary sector in Western Australia, it would not necessarily be a bad thing. Engineers have proven to be very adaptable people, have they not, minister?

Mr W.R. Marmion: We are. I am a wonderful example!

Mr P.C. TINLEY: They can end up in all sorts of places, typically running big projects, a long time after they last picked up a slide rule.

Mr W.R. Marmion: I have still got one.

Mr P.C. TINLEY: Or they keep one for posterity!

I make the same point about that: good skills are good skills, and good people who have learnt how to learn will find a place to adapt. If people have limited skills because of various issues related to the way they have come out of the education system, or they are disadvantaged or come from a low socioeconomic area or some other forms of dysfunction that a lot of us typically come into contact with in our roles, they will absolutely require an incremental addition to their skill set regardless of what they are. I do not care if it is landscape gardening, salon management, console operations, or software or code writing; all courses are offered within the TAFE system at various degrees. I will stand corrected, but I think there would be no more flexible public education skills and training system than the TAFE system itself. It has withstood the test of time.

The TAFE system also has significant support across the political spectrum and across various industry groups. The role of apprentices has not necessarily gone away; they are still needed, despite my point about how the nature of their training and the nature by which they came to gain their qualifications has changed. No less a group than the Australian Industry Group, through its chief executive, Innis Willox, said as early as April this year —

“Apprentices provide vital skills to key parts of our economy. Without urgent and meaningful intervention, the apprenticeship system in Australia will continue to underperform and fail to deliver for business and the community.

It will also leave us globally exposed to having to import the workforce we need to deliver the sort of economy that we want.

Another point I would make about the lack of flexibility in the system is that the rest of the nation seems to be leaning towards a more privatised model. I am not suggesting for a second that we are heading wholesale down that road, although we have seen a slow movement towards the private sector taking up more and more of the delivery options. Our problem is that the affordability for those skills improvements prices out a lot of people. We are creating systemic dysfunctionality in our community. We will have an under-skilled workforce that will not be able to get on the ladder of opportunity that the future economy will present, which I will talk about in a second. The cost to the citizen is fundamentally important. In a commercial, or customer-centric, model, we need to understand what it is like for people to enter the training and skills improvement escalator to improve their lot in life. The New South Wales example is a very good one. We can learn from the experience in other jurisdictions, with the introduction of private providers to deliver some of the training, and that is mostly in the cost area. Right now, students in private colleges in New South Wales are paying approximately \$32 000 for a course in salon management, \$29 000 for a project management course and \$28 000 for a marketing diploma. The equivalent course provided by the New South Wales TAFE system costs about \$6 330. We can see the cost differential for the delivery of the same skills and qualifications and who would be priced out of those situations. It is fundamentally important to understand the cost.

Then there is the opportunity cost. If people need to skill up or transition because they are over 45 years old and their industry sector is in a downturn and they need to add more skills to ensure that they have future employability, we should not be heaping more burden on them. We cannot have just a cost-reflective model; we must have a cost-benefit model that takes into account the multiplying effects on the economy of having people working at the right end of the skills spectrum. Why, at a time of fundamental global change in the way economies are adjusting themselves, and when workforces are changing and there is super mobility in some of these workforces and super mobility of capital compared with where it was 10 years ago, would we be wanting to cut resources out of an institution that has stood the test of time?

Underscoring my point about this is the rapid rate of change that has gone on. We often look at areas like manufacturing as being traditional workplaces where we see rows and rows of white boxes or cars being made by workers, but it is fundamentally different now. To get a sense of what is happening in the workplace, we must look at some of the good work on the pace of change that is being done by organisations such as PricewaterhouseCoopers, Swinburne University of Technology, the University of Sydney, the University of New South Wales and the Committee for Economic Development of Australia. I refer to the CEDA report of last year, which stated that 40 per cent of existing jobs would not exist in the next 10 to 15 years. A very solid base of research has gone into this. This is not to suggest that there will be a 40 per cent reduction in employment. That is not the case at all. It means that 40 per cent of the jobs that currently exist will not exist, because they are moving up the technical spectrum. They will move away from the current skills base that we have. We need to be very clear about the impact that will have on the citizens of Western Australia. It will impose significant downward pressure on the standard of living enjoyed by the people of Western Australia. We as public policy setters should be providing for them. Forty per cent of Australian jobs will be replaced by technology by 2025. As I said, that figure came from the Committee for Economic Development of Australia. It highlights the need for more funding and a cooperative approach to prepare for these huge changes in our workforce.

The 40 per cent figure does not really matter. It does not really matter that, according to the Committee for Economic Development of Australia report, almost five million jobs face a high probability of being replaced in the next two decades, while a further 18.4 per cent of the workforce has a medium probability of their jobs being eliminated. The actual number does not matter—whether it is 40 per cent or 33 per cent. The trend is already set and we are going to see further disruptive technologies impacting on the way we do what we do. I will give an example. Often we cite China as a low wage base in which manufacturing can be undertaken. I mentioned the traditional view of a production line with a series of robot-like workers doing one monotonous task after another. That has changed. The advent of robot technology, autonomous vehicles and autonomous activity, and the software that that is delivered through, is here and now. One good example is the Adidas company. It is a massive sportswear company. By 2017, it will have removed all its shoe production from China and taken it to Germany and the United States. This massive global company is lifting all its manufacturing production out of what was supposedly a low wage base economy, which is now less so because it has as much as 20 per cent wages growth monthly—obviously it is from a low base—and is taking it to Europe. How can it do that? How can this company, which was founded in 1949, suddenly decide that it is in its interests to do that? The reason it can do that is technology, obviously. It is now 3D printing the soles of its various footwear and it is using robots to assemble the shoes in markets. What skill sets does the company need? It does not need monotonous patience from individual worker units; it needs technical people who can work consoles and information and communications technology uplinks, who can develop software, and who have end-to-end supply chain management expertise. That is why it is picking up its production facility in China and moving it to where the

skills base is. We need to take a clear look at that and understand the impacts of that on us. If we keep looking to our traditional industries—the resources sector and the iron ore industry—to be our saviour, we are on a short road, in relative terms, to a long period of misery. I am talking about the fact that the iron ore industry in particular has a declining direct employment role as it moves to between six and 6.5 per cent of direct employment and there is a greater use of disruptive technology as it comes along.

[Member's time extended.]

Mr P.C. TINLEY: I make the point that our traditional markets have fundamentally changed. I have made the point previously in this chamber that the proximity that used to be a disadvantage to Vale, the Brazilian iron ore miner, is now diminishing. The differential price to ship a tonne of iron ore from Brazil to the southern China markets that we enjoy the proximity benefit for has gone from \$21 to \$4, so it is just \$4 more expensive to deliver a tonne of iron ore that has a higher Fe rate than ours. That is a trend.

The other trend within the iron ore industry that is fundamentally important to understand is the advent of technology and its impact on global steel production and supply. I am talking about carbon fibre. Members might think this is a long bow to draw from TAFE skills and the TAFE college system, but I make the point that it is a fundamentally important pillar of our ability to change the nature of the workforce very quickly, because it can deliver flexible training through various methods, as have been described by others in this place, and not necessarily through a face-to-face model. I get that. If we do not do it, we will not be able to look at and accept the challenges presented by things such as carbon fibre and changes in technology. My point about carbon fibre is that there is a growing body of knowledge around carbon fibre, how it might be used and bringing the cost of it down. That also has an environmental impact. When carbon is sequestered into carbon fibre it serves a purpose, and, as people might be aware, carbon fibre is a by-product of the petrochemical industry. Ten years ago the price for a pound of carbon fibre was \$US120 and that is why it ended up only underneath the bums of the lycra-clad rich people of the western suburbs of Western Australia. In the last 10 years the price of carbon fibre has reduced from \$US120 a pound to around \$US10 to \$US12 a pound. That is a massive decrease. The industry and the experts are telling me that if it were to get to \$US5 a pound, carbon fibre would become cost competitive with steel. We need to understand that fundamental concept. Over 10 years the price of carbon fibre has declined by around four per cent a year. That has obviously not been a smooth glide plane; it has been lumpy. I am not saying that it will get to \$US5 a pound price very quickly. It might take a long time to get to that price differential; but, if it does, it will potentially have a 50 per cent impact on global steel production. It does not matter that that is a too wildly big number. The point is that that trend exists. We need to consider the products that can be made with carbon fibre and the consequential impact of that on the economy of Western Australia, which will be profound, not least of which is the revenue hit we might experience from a significant decline in the price of iron ore.

I make those comments about that and the importance of the TAFE system to ensure that we actually support an agile economy, one that is future-focussed and not historically-focussed and one that reinvents itself to deliver the sort of economy that our children expect us to deliver.

MRS L.M. HARVEY (Scarborough — Minister for Training and Workforce Development) [6.35 pm]: I rise to oppose this motion and to address some of the issues raised by members during the debate. I would like to clear up a couple of things: many of the issues that members have referred to belong within the federal sphere and are commonwealth responsibilities. I would like to put on the record some of the issues around VET FEE-HELP that have been talked about at length. VET FEE-HELP was introduced around 2009, during the Gillard-Rudd era, and was set up initially to provide a funding pathway for students who wanted to move through to higher education. The intention of VET FEE-HELP was sound. I believe that the program had potential in the training sector, but not in its current form.

In 2012, the ministers who were responsible for the VET FEE-HELP program were Mr Peter Garrett and Bill Shorten. In 2012 the program was subject to dramatic expansion that removed the link to higher education and opened up broad access to VET FEE-HELP to a wider proportion of the training sector—the vocational education and training sector. Those changes did not have sufficient checks and balances. The program had a sound intent but sufficient safeguards were not built into the system so that when those changes were implemented in 2012 it provided incentives and rewards for unethical behaviour, particularly unethical behaviour by rogue training operators. The commonwealth is still investigating a number of those rogue operators but with the changes, effectively the rogue operators very, very quickly worked out how to rort the system. The fallout from that is that the system was oversubscribed. It has certainly become a bit of an out-of-control beast, in fact. It is one issue that is on the agenda every time the ministers of each state get together with the federal ministers. Some changes were implemented in 2015, right at the end of last year, to try to bring VET FEE-HELP into a manageable framework, both financially, and to try to repair the damage that the rogue operators caused to the industry as a result of the rorting, and the lack of management systems that were built into the changes that were implemented in 2012. A discussion paper on VET FEE-HELP was released

recently—I think it was in April 2016. I believe Hon Scott Ryan now has the responsibility of trying to fix the system, obviously pending a result in July. There have certainly been a lot of discussion papers about the vocational education and training system. The rorting of VET FEE-HELP was most prevalent in the states that had fully deregulated training systems.

Some failings in the Australian Skills Quality Authority registration—the national system for training operators to register their organisations—fell out of the VET FEE-HELP issues. There was pretty much an inability for any of the federal bodies to effectively sanction operators that were doing the wrong thing. The fallout of the VET FEE-HELP catastrophe with the expansion from 2012 is that a large number of students have VET FEE-HELP loans that they will never repay and the states are responsible for 50 per cent of the unresolved debt—the recalcitrant debt—so that is a big issue. Students have also enrolled in programs through VET FEE HELP loans with a training organisation that has provided either no training at all or substandard training, so their qualifications are worthless and they will not lead to future employment opportunities. That in itself is a failed policy initiative—I should say a failed policy implementation because as a policy initiative, it allowed access to loans for students who wanted training opportunities, which is a very sound policy initiative, but it needs to be implemented appropriately. The level of VET FEE-HELP loans needs to match the cost of training delivery and not necessarily be linked to a university cost of training, but to a vocational education and training cost of training. As a collective of states and the commonwealth, we now need to unravel and mend these things to restore some confidence in the training sector.

I hasten to add that, in Western Australia, we had far less rorting of the VET FEE-HELP system than any other state. That was because we have a regulated system here. As I have alluded to, 70 per cent of our training in Western Australia is delivered through our public training providers and we obviously have strict controls over the management of any VET FEE-HELP loans through those public training providers. There has therefore been less opportunity for registered rogue training organisations to come into Western Australia and take advantage of students who want to be trained so they can get jobs or move into higher education. Because of our Training Accreditation Council and our State Training Board, we had an effective system to sanction operators that were delivering substandard training or were doing the wrong thing by students and because the Western Australian government has contracts with a large number of training providers, we had the ability to cut off the flow of funding, in any event, should we have found an operator that was doing the wrong thing by students. I am pleased that our state training sector in Western Australia has remained robust through the VET FEE-HELP catastrophe for the sector. It has remained robust because the state has kept that state training registration system in place and we have managed our system more effectively than have other states. We will continue to do that. The assertions by members that there is some government policy to deregulate training in Western Australia is completely incorrect.

Ms J.M. Freeman: Federally.

Mrs L.M. HARVEY: Federally, there has been discussion, member for Mirrabooka. Thank you for that; I was going to come to the member's comments about that. There has been discussion federally about moving to a more deregulated system in the training sector. However, the federal government is very aware of the lessons learnt from the Victorian example where the move to deregulation was swift—too swift, in fact—and its system has been completely decimated as a result of the rapid move to deregulation. Now that state has a very significant job on its hands trying to rebuild its training sector. The commonwealth government and state ministers are well of the problems.

Mr F.M. Logan: Where is that?

Mrs L.M. HARVEY: It is in Victoria. We are well aware of the problems and we have all learnt those lessons as a result of Victoria's experience. The discussion paper the member for Mirrabooka was referring to was a draft discussion paper of the Council of Australian Governments that was released in February this year, I believe. Since then there has been considerable discussion around how that regulation could look. I would say that it has changed significantly from that leaked draft discussion paper that was circulated from February onwards into a more robust discussion focused on a student-centred model. We want students moving through the systems with a high satisfaction rating as occurs here in Western Australia—88 per cent student satisfaction rating. The rate of 89 per cent of students moving into further education or employment is the kind of benchmark we need right across Australia and that is what we work together on as ministers when we go to our COAG meetings.

I need to address the comments the member for Cockburn made about university costs being lower than TAFE costs.

Mr F.M. Logan interjected.

Mrs L.M. HARVEY: That is incorrect.

Mr F.M. Logan: It's true.

Mrs L.M. HARVEY: That is incorrect. No nursing degree costs \$14 000 a year. The maximum cost that can be charged to a student in our sector is \$7 000 a year.

Mr F.M. Logan: Add the administration costs as well.

Mrs L.M. HARVEY: But \$7 000 a year is the maximum cost and a university degree is significantly more expensive than that.

Mr F.M. Logan: No it's not.

Mrs L.M. HARVEY: We will have to beg to differ on that.

Mr F.M. Logan: It's \$8 000 and the federal VET loan cost as well.

Mrs L.M. HARVEY: I am talking about the cost to students, which is capped at \$7 000 a year. The member's assertion that a nursing course costs \$14 000 a year is wrong. He needs to provide me with the detail of where that is being charged because my advice is that that is completely incorrect. There is no charge of \$14 000 for one year's nursing training through the TAFE sector.

Apprentice numbers are down. Obviously, that is of concern to the government and to governments across Australia. I have talked a lot in this place about apprentice numbers in Western Australia holding firmer than in other states. Even though our numbers are down, there has been a far more rapid decline of apprentice take-ups across other states. That is not to say that I accept the current scenario but it is spurious to link apprenticeships to fees because most apprentices do not pay a fee for their training. The changes to apprenticeship fees have been minimal, in fact, next to nothing. Apprenticeship numbers are down for a range of other reasons, partly because wages went up by 50 per cent and partly due to the economic circumstances in which we in Western Australia find ourselves. If businesses cannot see a consistent pipeline of work ahead of them, they are reluctant to take on apprentices because they want to take on an apprentice they know they can keep employed for the four-year apprenticeship course. They do not want to be releasing apprentices because they do not have the work for them. The other problem we had was with the tools for trade. Unfortunately, this was another commonwealth program that was very poorly managed, but it was a great policy initiative to provide tools for apprentices. Apprentices were not required to show receipts for the purchase of tools. The program was hopelessly rorted. Many apprentices used that program to purchase tools that they did not require and it was a wasted expense, which is why the program was wound up. As I said, I see the potential for VET FEE-HELP to be rolled out across the training sector and to be of benefit to everybody who wants to access our system, but we need robust controls around the management of a loan system like that, which is what the current federal government is attempting to do.

There has been much talk about drastic cuts to the training budget. I draw the attention of members to the out years from next year where the National Partnership Agreement has not been factored into the budget. That is not to say that we will not be entering into a National Partnership Agreement with the commonwealth government, but the fact remains that that \$50-odd million a year that we normally received from the commonwealth government that would ordinarily appear in the out years does not appear there yet because the negotiations for that contract are not finalised and we have not settled on the amount. Every state is in the same situation. I expect that shortly after the federal caretaker period is over a high priority for the incumbent Minister for Education and Training will be to settle these national partnership arrangements so that the states know in the out years what the quantum of that federal funding to their system will be. Western Australia's contract has always been around the \$200 million mark over four years, but as a government we cannot put an untested figure into the forward estimates if we do not know the value of that funding arrangement. It does not make sense and it is not a good way to do business. That is why the \$50-odd million that we ordinarily would receive from the national partnership arrangement does not appear in the budget papers. It makes it look as if \$200 million in the out years has been lost to the training sector. It is my hope that we will negotiate a National Partnership Agreement that will fill that gap. However, until it is finalised and we have signed the contract it cannot appear in the budget papers.

The assertion that TAFE does not communicate well with the industry has been taken on board. In fact, one of the drivers for my TAFE reform project was to get better collaboration between all our TAFE colleges and better communication and collaboration with industry. The member for Cockburn referred to thin markets. If there had been more robust collaboration with industry, it may be that industry could have provided students to be trained in some of these areas where we might have only one student wishing to enrol in a training program. It is not sustainable to hold a program for a small number of students. However, one of the key components of the instructions that I have given to the governing council chairs and also the interim managing directors of the five newly formed TAFEs is that I expect them to collaborate and communicate with industry and to understand the

needs of industry for all the local areas within the catchments of our 70 TAFE campuses across the state. I expect our TAFEs to be linked into industry and to provide training opportunities and the skill set for the people that industry wants to employ. That has not happened as well as it could have. It is often dependent on the skill set of the managing directors of the individual TAFEs, but that will form part of the performance management measures of our new managing directors to ensure that we have good integration and collaboration with industry so that our training sector remains contemporary and relevant. It is a very good sector, and it is really important that we maintain the standard.

Throughout this and the budget appropriations debate, the member for Cockburn referred to the August 2015 Auditor General report on the Training Accreditation Council. TAC is funded through the Department of Education Services, not through the Department of Training and Workforce Development. The budget for TAC does not appear as part of my budget consideration because I am not responsible for its budget. That said, four of the five recommendations of that OAG report have already been actioned or completed.

Mr F.M. Logan: Where is the legislation?

Mrs L.M. HARVEY: No funding was allocated to the DES budget to achieve those recommendations, because the recommendations were basically that the TAC do its core business more effectively. That is what it has done. It did not need additional funding for that. That is why additional funding was not shown in the Department of Education Services' budget. It was not part of my budget estimates process, but it certainly formed part of the estimates process when I represented my colleague from the other place, Hon Peter Collier.

Through the national reform agenda, there was talk about the issues around the Australian Skills Quality Authority and the management of rogue operators and the College of Climate Change, which, as the member for Cockburn said, is no longer allowed to deliver the specific qualification it was not qualified to deliver. I understand that ASQA is still investigating that. Through the national reform agenda, all state ministers are working with the Feds to try to improve the quality and outcomes in the training sector through the ASQA registration system. There is no point having a registration system that does not have a strong auditing compliance and consequence regime around it.

Mr F.M. Logan interjected.

Mrs L.M. HARVEY: Some work is occurring in that space, and it has certainly been on the Council of Australian Governments' agenda when all national training ministers come together.

With respect to the College of Climate Change, yes, there were complaints. Although the view of some people is that ASQA was slow to react, it needed to investigate the claims. As it happens, this business was not entitled to deliver that training program or qualification; however, ASQA needed to investigate appropriately as regulator to ensure that claims made against that business operator were sound. In this case the claims were upheld, and a sanction was made that basically disallowed that operator from delivering the qualification.

Mr F.M. Logan: Minister, they would have set up an operation without any regulation—this is the problem.

Mrs L.M. HARVEY: Member for Cockburn, we are actually in furious agreement on this matter. Western Australia has not shifted over to a national registration system under ASQA because I am not satisfied that ASQA has a robust body, such as our TAC and training board, that keeps track of rogue operators and can pull them into line. Until I see a system like that at the commonwealth level, I will not be transferring our state regulatory system to commonwealth responsibility. The future of our training sector is too important. We are currently the envy of the nation because we have kept our state registration system and Training Accreditation Council, and as a result of that we still have very tight controls. For operators registered with the state system, we are able to sanction them effectively if they are doing the wrong thing or delivering training they are not registered to deliver or substandard training. We can act quickly and effectively, and we do. TAC's role at the moment is alerting ASQA to operators registered under that national framework that are found wanting with respect to the quality of their training or other aspects. TAC plays an important role, but until ASQA can perform that role to the standard I expect for the training sector in Western Australia I will not be moving to a commonwealth registration system or abandoning our state processes that have held the standard and quality of training to the highest level that is the envy of other states. Our TAFE sector is of a very high standard and we have tremendous results from students who graduate from our TAFE colleges. Those students have an 88 per cent satisfaction rating with the programs they receive through our TAFE system.

Debate adjourned, pursuant to standing orders.

House adjourned at 7.00 pm

Extract from *Hansard*

[ASSEMBLY — Wednesday, 15 June 2016]

p3536b-3558a

Mr Fran Logan; Ms Janine Freeman; Mr Matt Taylor; Mr Peter Tinley; Mrs Liza Harvey
