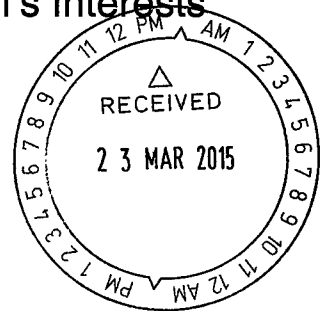




Minister for Police; Road Safety;
Training and Workforce Development; Women's Interests

Our ref: 45-13602



Hon Simon O'Brien MLC
Chairman
Standing Committee on Environment and Public Affairs
Parliament House
PERTH WA 6000

Dear Mr O'Brien *Simon*

Thank you for your correspondence dated 19 February 2015, regarding Petition No 75 – Pilbara Institute (TAFE) funding cuts. Please refer to my comments below on the terms of the petition and the submission from the Community and Public Sector Union/Civil Service Association.

1. Immediately call a halt to the budget cuts imposed at the Pilbara Institute

Comments

- State Training Providers receive funding from the State Government in the form of Delivery and Performance Agreement (DPA) grants which are based on their projected level of training delivery. I am advised that the changing economic conditions in the Pilbara region have resulted in a decline in demand for training in 2014.
- I note that the \$6.7 million referred to was not a decision forcing Pilbara Institute to cut funding from their 2014-15 budget as described.
- The \$6.7 million reflected a forecast deficit based on the anticipated level of training demand. It should be noted that the deficit includes approximately \$3.5 million of non-cash expenses such as depreciation.
- Pilbara Institute's actual financial performance will be reported in its 2014 Annual Report, due to be tabled in Parliament by 31 March 2015. I understand that the actual result will represent a significant improvement on the described financial position.

2. Provide additional support to the Pilbara Institute to assist with the transition of the local economy and to reflect the costs of providing education across a vast and strategically important region of WA

Comments

- The State Government, through the Future Skills WA policy, is committed to investing in training that equips people to take up jobs that are, or will be in high demand in Western Australia.

- To reflect the additional costs of providing training in regional Western Australia and the reduced economies of scale in which regional State Training Providers operate, support is provided to Pilbara Institute by way of a regional loading that is factored into its State Government DPA grants funding.
- Pilbara Institute is currently adjusting its activities to meet the current level of training demand. I have requested that the Department of Training and Workforce Development support the Institute through this process.

3. To ensure TAFE course fees do not increase further in 2015 and to lower TAFE course fees to 2013 levels

Comments

- The State Government's decision to increase course fees for vocational education and training (VET) was not taken lightly.
- The change in the course fee structure was necessary to maintain the sustainability of the State's VET system. Prior to this, students contributed only about 7 per cent of the total cost of government subsidised training through their course fees. While course fees have increased under Future Skills WA, the State Government continues to subsidise (on average) over 80 per cent of training costs in 2015.
- A range of fee assistance measures are available to assist eligible students with course fees, including fee caps, concession arrangements and the availability of income contingent loans (VET FEE-HELP) for State funded Diploma, Advanced Diploma and selected Certificate IV qualifications with approved training providers.
- Students may also pay their course fees by instalment through a payment plan with their training provider and training providers have the ability to waive fees for those students who experience severe financial hardship.
- Further information on the reforms associated with Future Skills WA is available at futureskillswa.wa.gov.au.

I trust this information is of assistance.

Yours sincerely



**LIZA HARVEY MLA
MINISTER FOR POLICE; ROAD SAFETY;
TRAINING AND WORKFORCE DEVELOPMENT; WOMEN'S INTERESTS**

20 MAR 2015