

EVIDENCE TAKEN BEFORE

GENERAL PURPOSE STANDING COMMITTEE NO. 1

INQUIRY INTO THE PROPOSED CLOSURE OF SEAFORTH TAFE

—

At Sydney on Friday, 26 November 1999

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The Committee met at 10.00 a.m.

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PRESENT

Reverend the Hon. F. J. Nile (Chairman)

The Hon. P. Forsythe
The Hon. A. Kelly
The Hon. D. Moppett

The Hon. P. Primrose
The Hon. H. Tsang
The Hon. Dr P. Wong

TERRY BURKE, Deputy Director-General (Operations), TAFE New South Wales, on former oath,

ROBERT JAMES PUFFETT, Assistant Director-General, TAFE, of 35 Bridge Street, Sydney, and

KUMARASAMY SIVAKUMAR, Relieving Director, TAFE Commission, Northern Sydney Institute, 213 Pacific Highway, Gore Hill, sworn and examined:

CHAIR: Mr Puffett, in what capacity are you appearing before the Committee?

Mr PUFFETT: I have been subpoenaed in my capacity with TAFE as the Assistant Director-General.

CHAIR: Did you receive a summons issued under my hand in accordance with the provisions of the Parliamentary Evidence Act 1901?

Mr PUFFETT: Yes.

CHAIR: Are you familiar with the terms of reference of this inquiry?

Mr PUFFETT: Yes.

CHAIR: In what capacity are you appearing before the Committee?

Mr SIVAKUMAR: I am appearing here as the Relieving Director of the Northern Sydney Institute of TAFE.

CHAIR: Did you receive a summons issued under my hand in accordance with the provisions of the Parliamentary Evidence Act 1901?

Mr SIVAKUMAR: Yes.

CHAIR: Are you familiar with the terms of reference of this inquiry?

Mr SIVAKUMAR: Yes.

CHAIR: I need to advise both of you that under the rules of these hearings if you should consider at any time during your evidence that in the public interest certain evidence or documents you wish to present should be heard or seen only by the Committee, the Committee would be willing to accede to your request. I understand, Mr Puffett, that you have an opening statement you would like to make?

Mr PUFFETT: Thank you, Chair, and Committee members. I am certainly aware that the Committee has had a number of issues explained to it about funding. I thought I should briefly describe TAFE's situation with regard to our community service obligation and the provision of programs for the community and industry.

TAFE is, and will continue to be, for many people their only avenue to reach their full potential. These matters were primary considerations in the decision to close Seaforth. I have recently spoken to Dr Susan Holland, who was the previous institute director, and to Ms Ann Moffatt, who is currently the Chair of the North Sydney Institute of TAFE Advisory Council about the closure.

Dr Holland clearly remains steadfast on her decision and Ms Moffatt has advised that she was aware of and supports the decision to close Seaforth. And the reason for that was the impact on the budget and the North Sydney charter to maximise student numbers undertaking TAFE programs.

TAFE is a dynamic organisation. It has to respond to the demands of students and industry, the community and government, at, sometimes, very short notice.

Institute directors have to balance the delicate issues of provision of programs and resources. There have been numerous occasions on which institutes have had to make decisions about relocating programs, closing buildings and rationalising the conduct of programs in order to meet those challenges, and Seaforth is an example of this.

Seaforth, in my view, is a site with limited potential for expansion and improvement, whereas Brookvale is a much larger site with potential for expansion and improvement of TAFE services for the northern beaches. It was for those reasons that I just needed to make that statement. Thank you, Chair.

CHAIR: Mr Sivakumar, would you like to make a statement?

Mr SIVAKUMAR: Mr Chairman, I thought it might be a good idea, with your permission and that of the Committee, if I were to give a slight background on my own background as relieving director and to set the scene from where I come from so that the Committee might have a better picture of some of the issues that have been raised in the past hearings and in the media and elsewhere.

CHAIR: Thank you.

Mr SIVAKUMAR: Mr Chairman, I have had a long career in TAFE. I started in School Education in 1966 and in TAFE in 1968, and in that time I have travelled the state of New South Wales in middle management positions as Head Teacher in Wollongong; Head of Branch of the whole of the Illawarra; Head of Branch at Granville; Deputy Principal, Granville; Principal, Cessnock TAFE; Principal, Seaforth TAFE; principal of a supergrade college, the North Sydney College; Acting Institute Manager, Northern Suburbs Network; Director of the North Sydney College; and, more recently, from 1995 I have been the Deputy Director of the Northern Sydney Institute of TAFE.

As the deputy director, if I may go on, in my capacity in middle management, and also as the director and deputy director, I have had the pleasure of working with various members of Parliament closely, including Ministers, with a desire to promote TAFE.

In that capacity I think I have worked with most Ministers - Jack Ferguson; Ron Mulock; Rodney Cavalier; Kerry Chikarovski, my local member and formerly a Minister; the Hon. Virginia Chadwick; and now our Minister, John Aquilina - together with a whole host of members of Parliament with whom I have had the pleasure of working directly on TAFE issues.

In this capacity, always as a TAFE official I have had the mission and the stewardship, and that mission is to make a change and make a difference, whether it is in the Illawarra, where we made significant provision for migrant communities and broke new ground, and the same went with Cessnock.

When I was there as principal in 1987 and 1988 we made significant changes to an ailing campus, the Cessnock campus, and in that regard I worked very closely not only with our Minister and the department but also the local member and the community, Stan Neilly and Eric Fitzgibbon, the Federal member, to make a difference, and it is in this context that I was very fortunate to be promoted to Seaforth college, where I was principal, and we made some significant changes in the short period I was there - October 1988 to July 1990 - and it was at that time I had the opportunity to meet with the former Minister for Education, Dr Terry Metherell.

In this context, I might say, some issues have been raised. I remember the Minister coming with the Director of Properties and saying to me as principal, "We are giving you \$250,000 to \$300,000 and we want you to co-locate Seaforth students at Balgowlah Boys High." This was 15 December.

CHAIR: Which year?

Mr SIVAKUMAR: 1989. "Your brief is to get it up and running by February 1990," which was done. We co-located students from Seaforth to bring a better provision, and we had business studies students, pre-vocational students and fine arts students located at Balgowlah Boys High, across the road.

Since then, of course, I was fortunate again in being promoted to be director of a supergrade college, North Sydney college, and within a short period I was asked to be the Acting Network Manager for the whole of the north. In that context I was responsible for overseeing the final works for Block M, the new facility at Brookvale college, Mr Chairman, that I believe you and your Committee saw the other day.

Subsequently, I returned to North Sydney campus and I was again fortunate in meeting with various members of Parliament, and we made significant changes. We introduced new programs at North Sydney campus for the unemployed, dramatic changes. In fact, some people opposed those at that time. We brought in international students. We brought in, as part of government policy, commercial initiatives.

All these were achieved at a cost, Mr Chairman, a cost to myself as a human being and a cost to others who had to work hard as a part of the team. I work in a team.

Subsequently, I remember Mrs Chikarovski was the Minister who opened the first English language centre, the second, I might say, in the whole of the north, a commercial venture. Moneys earned from that go back into providing the best facilities and provision we can for our students.

Every dollar earned goes back to the students. There might be a belief amongst some here that as soon as we save money we hand it back to the director-general and say, "Hey, here I am. I am a good boy." The truth is every dollar we save goes back into the teaching and learning effort.

We want to make a change under diminishing resources. Everybody knows, Mr Chairman, you work under continuing diminishing resources. This is a fact of life. Some may not accept it, but the facts that are we work under diminishing resources, and we need to be productive. This stewardship means we have to deliver more with less. I am not complaining about that. This is how it is.

As deputy director I have been responsible since 1995 for the operational areas of this institute. All the service units report to me - that is, finance, properties, human resources, planning, international, business, all report to me - and I work with these groups in arriving at various decisions or recommendations either for the department or for the Minister.

Increasingly, as it would have become evident to you, TAFE institutes are being devolved so that we can be quick in response. There was a time in the Illawarra when it would take me three months to get an answer because we needed to get an answer from the centre. It is now about quick response. The community expects a quick response.

My Minister expects a quick response. Indeed, I might say that in any matter that our Minister raises with us we may have only 24 to 48 hours to respond, and we do that because the community is more demanding these days, and they have a right to be more demanding. I have no issue with that. I am a public servant. I am here to work, to render unto the public service and the community what is due both of them. It is a tightrope. It is not an easy task.

There are those who may well want to attack us because we are in the public service, and I am prepared to accept the slings and arrows that might come because that is part of the position I am in.

Now, as deputy director I have taken a lot of decisions, and every time I use the expression "When one door closes another door opens for the students and the community".

When we closed fashion we refurbished premises. When we closed a building at Hornsby we converted it into general purpose classrooms and laboratories. When we rationalised panel beating we provided other facilities for students.

It is not a question of diminishing provision, as some might have you believe; it is a question of providing a provision that will serve the evolving needs of the community. This is a difficult task.

We use demographic data; we speak to industry. The director-general may say, "I spoke to someone in industry who said this. Chase this up," and we do all of that. It is in this context that we have been progressively consolidating and building - optimising is the word I would like to use - our position, whether it is at Meadowbank, Ryde, Hornsby, North Sydney, Northern Beaches, Crows Nest or Bradfield, where there is a major provision for pre-vocational students and youth at risk.

Now, we have continued this on a progressive basis, and it is in this context we moved students from Seaforth progressively to the Brookvale college. The idea and the plan over a period of years was to provide better facilities and a wider range of opportunities.

Now, in between all of that, as you may well gather and have seen, subsequent governments, both Labor and Liberal, both national and State, have introduced competition policy and user choice.

TAFE, as a public service organisation, have in many instances to fight for contestable funds, Mr Chairman. We are out there with the private provider on a daily basis competing. He who is competitive wins. He who chooses wrings his hands and says, "Let us go back to the halcyon days of the 1970s," will go the way of those who are not competitive, and that goes for all of us. That includes the TAFE Commission of New South Wales, and we are competing with people.

I am tendering on a regular basis. In 1995 when we first went in for tendering - I am the deputy director in charge of commercial and business development - and we put in our tenders, not one program in tourism and hospitality was accepted by tender. The reason: too expensive, Sivakumar; you are not competing." So we have progressively improved our course.

One of our budget strategy was voluntary redundancies. Why voluntary redundancies? Industries have moved out. Result: there are fewer mechanical engineers; there are fewer fitters; there are fewer metal fabricators; and, regrettably, very few teachers of fashion. Every time we have located and repositioned TAFE for the future.

Now, in this competitive arena we have taken these difficult decisions. So when it came to the tendering the subsequent year we became a bit more competitive. We won more tenders. Even now, as late as last year, 1998, we tendered for Commonwealth funds to assist the people of the Northern Sydney Institute in special programs. It is called "special intervention programs".

We are competing with other TAFE colleges, even from Victoria. TAFE colleges from Victoria are here competing with the TAFE Commission of New South Wales.

I welcome competition. This is not the old TAFE of the 1970s. We will perish if we cannot provide meaningful employment for those who are shouting the loudest if we are not competitive. Some 80 per cent of our cost is salaries, so where are am I making the savings?

One of our budget strategies is optimised class sizes. I have not said to the New South Wales Teachers Federation to enrol 35 students when they should be having 25. I said to them, "Please, in this institute try to be 80 per cent full, next year 82 per cent". Every time we increase student contact hours and reduce teacher costs in the institute we save millions of dollars. This is what I call victimless. The pursuit of excellence is indivisible and our Director-General expects no less of us.

So we took the decision to close the Seaforth centre. It is semantic whether it is a centre, a campus or a site. What we are saying is that in completely relocating students from the centre to Brookvale, which is 3.8 kilometres, it is within the same community, the northern beaches community, and the benefits have already been explained. So I am saying to this Committee and

those who choose to listen that this is for the long haul and the success of the northern beaches community and the TAFE Commission.

We have not diminished provision. We have given an assurance to the Government that within this diminishing budget we are going to provide more student contact hours. You cannot be idle because if we are not able to provide the student contact hours, we are going to turn students away. And let me say this for the record, and others know this, from 1995 to the present, Mr Chairman, no course provision in this institute has been cutback where there was a demand - none; an unenviable record, achieved not easily but with a great deal of pain and hard work by a whole team.

I do not tell people how to do it. It is the job of the director, Dr Susan Holland who was there and I as the lieutenant and the team to say what we need to do to position ourselves. So when the director left in August - she was appointed to Perth in April - some say I was given the poison chalice. I say I was given the chance to make a difference, to make a change for the better. The past few months have not been easy, Mr Chairman, but we must go on.

We cannot say that the easiest thing for me, as one of those fat bureaucrats, to do would have been to say to my Director-General, "I am only relieving. Let me sit on my hands. Let them make an appointment. Let us run back a budget to deficit and let the new director, whoever that might be, cutback on course provision". How long do you think we will last? We have a responsibility. To those who choose to throw stones at us I say pause and think with your head, and that is, we are providing a better deal. Thank you, Mr Chairman.

CHAIR: Thank you very much for that explanation. It does help the Committee.

Mr KELLY: The Hon. Doug Moppett and I have always had serious concerns about implementation of natural competition policy and its effects right across Australia, and you have given us a very depressing view of how it is affecting metropolitan New South Wales as well. Do you see any advantage in implementing the national competition policy? You do not have to answer that.

Mr SIVAKUMAR: No, there are no secrets here. I think the more people in Parliament who understand the better. I would not call it a depressing view. I think that Nick Greiner when he first became Premier here said that the public service ought to be accountable. We welcome that. We are not hiding behind anybody. I would have been here last Friday, Mr Chairman, but for the sadness. Some people think I am hiding somewhere. Our process is transparent.

So, coming back to your question, the competition policy has worked both ways. Those who pursue excellence are getting their act together. Those who do not are going to the wall. We are competing every day and it is helping up deliver the goods. Let me say this: a lot of private providers are there competing with us.

CHAIR: So it drives efficiency?

Mr SIVAKUMAR: It drives efficiency and the pursuit of excellence.

Mr KELLY: But with that efficiency comes, in some instances, a loss of service, particularly in areas where you can optimise your reduction of costs. In other words, as you say, get full classes. So you are not able to offer a class in a country situation where you have very small numbers.

Mr SIVAKUMAR: Can I answer it this way. The commission is very concerned about country areas, so we have differential funding. There is no way you could have an accounting class at Boggabri with 25 students, so we have flexible learning. The western institute is a leading provider in flexible learning to cater for this sort of thing. We are running classes in the country with three and four students because we have a mission.

Mr KELLY: But you cannot do that in the city?

Mr SIVAKUMAR: No, because what we have done is share resources. Even within my institute it is not easy because there are head teachers who will fight you because they think, "This is my patch, my fiefdom and I would rather run nine students here at this campus than merge nine senior students who are travelling from Sydney or somewhere with another 11 students, make it 20 and run a stage 4 class". You spread the raft you have available of courses. So there is a down size to competition where there is cut throat competition, and those go to the wall. We are committed to excellence.

Mrs FORSYTHE: Will the budget savings that TAFE alleges that come from the closure of Seaforth be directed to the statewide budget or will they only impact on Northern Sydney TAFE's budget?

Dr BURKE: Basically northern Sydney because northern Sydney was given a global amount of budget and it was expected to come up with plans to operate within that. So basically it has been directed to that institute. Now I think you asked a question before about sales of sites, and I am not including that in my comment.

Mrs FORSYTHE: Yes, that is a separate question.

CHAIR: So the savings are simply by shifting the courses to Brookvale, not through selling the site?

Dr BURKE: I think the question was asked before about what happens in regard to sale of sites and my comment there was in relationship to operating costs and savings that might relate to buildings and so on.

Dr WONG: Since the roof seems to be one of the major questions, how much will it cost to fix the roof?

Mr SIVAKUMAR: Well, you are referring to the Seaforth campus?

Dr WONG: Yes.

Mr SIVAKUMAR: Normally when we are looking at maintenance, we look at schedules, short-term maintenance, long term maintenance, OH&S issues, and we look at those sorts of issues.

OH&S would be the priority issue for the commission. In this regard we looked at various campuses, and Seaforth was one, and my properties manager when we discussed this issue said yes, there is a continuing problem with a leaking roof at Seaforth. That has gone on since I was principal there. In 1988 we had a leaking roof although it had been refurbished in 1985. So our original estimate from my properties manager, Dr Wong, was about \$250,000 and we subsequently went back to Public Works and I think they gave us a figure of about \$220,000 or \$225,000, around that.

Dr WONG: Mr Chairman, I want to make a comment. There seem to be different figures, \$400,000, \$250,000 as mentioned by Sivakumar in an article in a newspaper dated Friday, 28 August, and now he mentions \$225,000. We heard Dr Burke mention \$175,000. The architect, Mr Moller, said it would cost no more than \$30,000. To be objective and to benefit the Committee, I have brought along today a document from an architect. The architect's name is Mr Phil Stanton of Stanton & Associates. He confirmed several things, that a metal deck roof is an acceptable architecture, be it flat roof or pitch, to be used in all areas, including education. The fall of the deck can be as low as one and a half to two degrees and he is willing to give this information freely to TAFE and the Committee with the information by John Lysaght. He reaffirms his opinion that it is not expensive to repair or to replace metal deck roofing.

CHAIR: Did he give a round figure?

Dr WONG: He has not seen the site but he can assure the Committee that it is not expensive and a metal deck roof is accepted architecturally and in fact over a large span it is economic to use a metal deck roof.

CHAIR: I suppose the confusion comes where you, Dr Burke, are saying in the budget you are going to save so much by closing Seaforth - forget the selling of the site. What was the gross amount you estimate you would save?

Dr BURKE: I would have to go back to my document, but we did put it in our original submission to you in writing. What I would like to say is that at the last hearing there was a request for a definite quote as to what the roof would cost to fix, and I undertook to get that to you. I have not given it to you at this point because I still do not have a copy of the transcript for Monday. I do not see that as a complaint. I see it as important that I check exactly what I was asked to provide.

I want to also make the point that I have spoken to Mr Burkhardt this morning and he disputes that he ever said the roof would cost \$400,000. That was quoted in one of the other hearings, that at a delegation to the Minister it is alleged he said that. He said he was talking in global terms of both the roof and other upgrades that were required in regard to the fine arts area, as I understand it.

CHAIR: So the figure was correct, but it was for the total restoration and repair of the Seaforth site?

Dr BURKE: Yes. He disputes he ever said it was \$400,000 for the roof. We have undertaken to get you the Public Works estimate of what it will cost, and I emphasise once again that we dispute the last document that Dr Wong provided that said it would cost \$30,000. We do not accept that at all and Public Works will not accept that either. If Dr Wong would like to provide this other document we will be quite happy to put it to Public Works, but at this stage we have all

sorts of conjecture about this. Frankly, as a government instrumentality, we are obliged to follow the guidance of Public Works in regard to it.

Dr WONG: Mr Chair, I am obliged to make a statement. If Dr Burke makes a statement that it cost \$175,000 to repair the roof and at the same time cannot table the document to the Committee at the time of the inquiry, it confirms the suspicion that the whole process has not been thought through properly.

Dr BURKE: Can I just make the point again that on the first day of the hearing we provided a written document that said what we understood would be the cost to repairs to the roof. That document has been provided in good faith and we will provide the Public Works estimate, but I want to emphasise, and I think I was told this on the first day of the hearing, that I should wait until I get the transcript to make sure that any documents that were being asked for were as per the record, and that is why I have not provided it today. I did explain that to the Chairman before the meeting started.

CHAIR: Yes, as you said in your original submission, savings may be consolidated by consolidating the two sites to pay for this refurbishment within five years. This is based on a minimum saving of 240,000 per year in maintenance and duplicated operating costs at Seaforth plus a one-off essential expense of \$400,000 for roofing and ventilation repairs.

Dr BURKE: I think on page 22 of our original submission it talks about Public Works advises that the estimated cost of this work is \$175,377. Quite frankly, we are not prepared to put that in writing if we do not have the backing of Public Works in regard to this, and we have a document, but rather than provide you with documents at this stage, I repeat that I was waiting on the transcript to make sure I provided you with exactly what you asked for.

CHAIR: What is going through my mind now, and I would like you to consider providing this, is that you and Dr Sivakumar have emphasised that he is trying to save money through efficiencies and so on and you feel there will be a substantial saving by closing Seaforth and it appears that the estimated net saving per annum will be \$240,000. Could you give us a break down of that \$240,000 as to the savings? When it says roofing and ventilation it is very vague. Roofing and ventilation is \$400,000.

Dr BURKE: Can I just go back to --

Mr KELLY: The 240,000 a year I think was recurrent expenditure as opposed to the capital costs of the roofing and ventilation.

Dr BURKE: Could I refer you to our original submission on page 22? It says that the cost of ventilation is estimated by Public Works at \$175,375 which is very similar to the roof cost just by chance, but then it also talks about other repair work requirements such as concrete spalling and painting at an additional estimated cost of \$50,000. In the section above it talks about recurrent expenditure in maintenance, cleaning, water rates, electricity, gas, phone, et cetera. I just need clarification. Do you need an expansion of that? Is that what you are asking for?

CHAIR: I suppose the first one would be what is the total estimated cost of the repairs and maintenance of Seaforth broken down into the different sections, so roofing is so much, ventilation

in a room is so much, just to give us an idea of how that figure has been calculated. Is that in another document?

Mrs FORSYTHE: Page 11, table 6 of the Hawkless Consultants document.

Dr BURKE: We did undertake to get you a document from public works in regard to roof repairs, and we will do that.

CHAIR: Public Works has given you quotes for those various items. Would it be possible for you to provide copies of those quotes?

Dr BURKE: Yes. That was my understanding of what you asked for last time.

Dr WONG: Mr Chair, my request was to get a quote dated prior to the announcement of the closure, not afterwards.

CHAIR: That is right, the dates on those quotes would be prior to the --

Dr BURKE: I do not know. I would have to check that.

Dr WONG: Mr Chair, I am obliged to make another statement. Mr Sivakumar has confirmed to us that the Department of Public Works, in which I have great faith, often can give a service in 24 to 48 hours. I have found up to this stage a simple question on a quote of the roof cannot be tabled after two or three weeks. I just do not understand that. I have to make that clear.

Dr BURKE: Could I make the point, we were asked for this on Monday --

Dr WONG: It has been raised many times, since the first meeting.

Mr BURKE: We were asked for the quote on Monday, I repeat, and if you would like to go back to the transcript, we were asked for the quote on Monday of this week. I think your executive officer told me on the first hearing day that I should wait until I got the transcript to see exactly what was being asked for, what documents and questions on notice, and that was my understanding of what I was to do.

CHAIR: So you are providing an accurate document that fits the question. What is going through my mind is when it says ventilation for fine arts, if that could be identified to the room. We inspected the fine arts section and someone said it would need an extractor fan and so on. I am not sure whether the quotes are for a simple fan or some expensive ventilation systems that are in the science laboratories. Obviously that did cost many thousands of dollars, which is another thing that has puzzled us, as to why such a huge amount - \$20,000 - for ventilation in each room was paid, and I am not criticising the quality, to me it looked very professional, very expensive, and then to close down the building. That is another puzzle to us. I am trying to get an accurate list of the rooms and what has been recommended by the properties people to be done.

Dr BURKE: We will give you what we have and if it is not adequate we will endeavour to get you what you require.

Mrs FORSYTHE: Page 22 of the department's submission refers to areas where there is duplication in recurrent expenditure such as normal building maintenance, cleaning, water rates, electricity, gas, and it then says, "While not all these costs will be eradicated by the transfer to Brookvale, the estimated net savings per annum will be \$240,000". Could I ask whether in the analysis of the figures that the cost of the termination of contracts such as in relation to security, catering, cleaning, has been factored into the savings that would be made by the closure of Seaforth and, if so, what is the cost in the termination of such contracts?

Dr BURKE: I think we would have to take that question on notice.

Mr SIVAKUMAR: I can answer that. The catering contractor is the same person as the one for the Brookvale college.

Mrs FORSYTHE: But he would have a separate contract, surely?

Mr SIVAKUMAR: We are negotiating with him and we do not anticipate any extra cost. Because the clientele is going to be increased at Brookvale, he is not losing out, so we are negotiating that. Now the security staff at Brookvale and Seaforth have always been interchangeable. We move them about. They are not outside contractors. They are employed by the college and, in fact, that security person will now go on to the Brookvale college to expand the security service.

Mrs FORSYTHE: So TAFE does not use contract security?

Mr KELLY: A wise decision.

Mr PUFFETT: In some places we do.

Mr SIVAKUMAR: We do supplement contractors in times of peak demand. We have a core plus others.

Mrs FORSYTHE: The other one I quoted was cleaning.

Mr SIVAKUMAR: Cleaning, yes, of course the Seaforth cleaning is I think in the documentation, about \$100,000.

Mrs FORSYTHE: Not actually the cost but the termination of any contract.

Mr SIVAKUMAR: It is the same contract and the same contractor.

Mrs FORSYTHE: Yes, but it is still a variation on the contract.

Mr SIVAKUMAR: We will negotiate that and we do not expect any additional costs, except for the cleaning of the premises at Brookvale now, so we have factored that in.

CHAIR: It looks as though most of the contractors are servicing both buildings.

Mr SIVAKUMAR: Absolutely, and we factored that in in our documentation here.

CHAIR: I think when we did the inspection at Brookvale someone said it may be cheaper for the contractor because the more students with one selling point, the more efficient than - -

Mr SIVAKUMAR: Yes, there are economies of scale. If you are in block M and you go upstairs and do it with your equipment or you go to Seaforth and do something else and it was costing us \$100,000. It is clearly going to cost us money here, let us not pretend otherwise, but we have factored that in.

Mrs FORSYTHE: Obviously there are some additional costs at, say, Brookvale, because there are additional students. Have you also factored in additional students at North Sydney, Hornsby and Meadowbank?

Mr SIVAKUMAR: At this time there are no plans to send additional students to other campuses except for photography and print making, and there are a few students in that group. I think there are about 24 students in the diploma who may choose to - we are explaining other options to them.

Mrs FORSYTHE: Even if you had plans, what are you going to do with your lousy HSC offer? Surely students are going to have to go elsewhere?

Mr SIVAKUMAR: I will answer the first one first and then come back to the second one. In every campus we are in the business of optimising numbers. If you have printmaking students, we have budgeted for printmaking at Seaforth. If that printmaking class of students now goes to Hornsby, those funds will be transferred to Hornsby. Never will you find this institute saying, "There are no funds and, therefore, we will not run this," because we have given those students an iron-clad guarantee that they will be looked after.

Now, with your permission, Mr Chairman, if it is your wish, I will answer the question on the HSC. With the HSC I noticed you mentioned the lousy HSC.

Mrs FORSYTHE: No, the HSC is fine; it is just what you are offering.

CHAIR: A lousy offer, not a lousy HSC?

Mr SIVAKUMAR: Thank you. We will in fact be offering the higher school certificate at the Brookvale college. In the higher school certificate, as indeed with any other course in TAFE, apart from apprentices, where we are bound by law, we are demand led.

One year we could have 160 students flooding in; another year it may be 90 students. So any course, including the HSC, is demand led.

In the year 2000 we will be offering the higher school certificate at the Brookvale college. The main core subjects will be offered subject to demand. Clearly, if I have four students wanting to do physics, or to do 3-unit mathematics, or whatever, as we have done now, we will advise those students to work with us at the North Sydney facility. We are doing that now.

We have able counselling staff. We advise people. We just do not cast people aside and say, "Find yourself." This is not TAFE. I know there have been allegations of that, but this is clearly not

TAFE. We have programmed counselling, and there is also an information day we have set for all HSC students, not just because of the Seaforth issue.

Every year we advertise in the press the Northern Sydney Institute, invite parents and friends to come and ask all the questions they would like to ask, and for as long as it takes. Some may need personal counselling. Mr Chairman, you may not be aware of this, but I can no longer tell someone, "You cannot do this course." We can say, "Have you thought about adult literacy? Have you thought about Bradfield college? Have you thought about some other options in this articulation process?"

Mr TSANG: I would like to ask a question of Mr Puffett. I have known and respected Mr Puffett for over 10 years, so I can ask him a very frank question. The fact that we have not seen you for the last few weeks, were you hiding away or were you overseas?

Mr PUFFETT: Thank, Mr Tsang. I was in Canada. As one of the other activities that I undertake as part of my role in TAFE as Assistant Director-General, I also serve as a board member with the Workskill Australia group. Australia took a team of 25 young Australians to Canada to compete in the international Workskill Olympics, as it is commonly referred to. So I was in Canada as a board member of Workskill and also with my TAFE hat on.

The 25 young people we took competed against 40 other nations in about 25 categories. I can proudly say that we brought home four medals, three gold medals and one bronze medal. It really positions Australia about ninth in the world in that competition. I am involved in that because I have a strong belief in skill development and in the status of trades.

We won a gold medal in automotive. We won gold in graphic communication and in refrigeration. When you think that we are competing against all of the European nations, the South-East Asian nations, and America, we did very well. So that is where I was. I was over there attending general assemblies of the IVTO or at the Workskill competition.

Mr TSANG: Mr Chairman, I would like to ask your guidance on raising the following questions and I ask the Committee's indulgence to let me ask all the questions in one go and then perhaps any one of the panel here could answer the questions.

CHAIR: It will depend whether they can keep in mind all the questions. Can you not do them one by one?

Mr TSANG: It is actually easy. It is not hard. Just give me the indulgence. The reason we are holding this hearing today is, is it not, that honourable members need to realise the importance of restructuring the whole of TAFE? Should this Committee be aware that changes to the Australian industry economic base are putting new pressures on the nation's education and training infrastructure? Does the shifting base of Australian industry, together with technological changes in the community and economic climate, give renewed urgency for TAFE to raise its skill base for the work force?

As the largest State, is there a need to meet this challenge? Is this challenge the most pressing one for New South Wales?

In such an environment, must education and industrial boundaries be reassessed to allow for greater freedom of movement between the education sector and the community and between the workplace and educational and training institutions?

Mr PUFFETT: Indeed, we are really at a threshold in the history of TAFE in Australia and certainly in this State. As was indicated earlier, the competition policy has impacted enormously on New South Wales TAFE.

Some might debate our structure and the structure of other States. In New South Wales, TAFE has a history of over 120 years of sound quality provision. What we have been doing in more recent times is to restructure our operation from that of a centralised operation to that of a decentralised operation, and my colleague Sivakumar referred to that.

The reason behind that is that we need to give our institutes, which are our main focus of provision for the community and industry, the flexibility and the delegated authority to be able to make decisions and respond to the needs of community members, students, government and industry, but we have learned from the operations of Queensland TAFE and from TAFE in Victoria.

We believe we have a stronger system by maintaining what is loosely referred to as a collaborative independent model, whereby institutes have a high degree of independence.

Part of my job and part of the job of the centre is to bring that collaboration together so that as a whole-of-government organisation we can look at the bigger picture and make sure that we provide strategic advice to government, both State and Federal, on the provision of programs.

In the restructuring, the effect of competition policy has been quite large. There are now in excess of 1,200 registered private providers in this State alone which are competing for the same students that we for many years had a monopoly on. We compete against them on a dollar basis. We have to be able to perform.

There was a question earlier about competition - what has that done for you? What it has done for TAFE New South Wales is to cause us to focus on our costs; caused us to focus on how we improve the quality of our provision and to do so within a tight fiscal framework. These bring about enormous pressures. These are some of the pressures, incidentally, that institute directors and acting institute directors like Mr Sivakumar have to focus on on a daily basis.

I mentioned earlier the balance between the provision of programs being everything to everybody at every location versus how do we do that to maximise student numbers and to do that efficiently. The pressure on the infrastructure that you raised is one about the centre.

I indicated, I believe, that the strength of New South Wales, which does provide in excess of 40 per cent of this nation's education and training, is that we have kept the collaborative nature of having a government commission, the New South Wales TAFE Commission, as part of the larger Department of Education and Training.

That enables us to be more strategic about meeting the demands of industry and of government, and by being able to get institutes like North Sydney, which is not only concerned

about Seaforth but concerned about a major part of the metropolitan area from Hornsby down to the peninsula, to move programs around.

We went through a long history in TAFE trying to be everything to everybody, and we found that we failed in doing that because we simply could not afford to do it. We have been, over a number of years now, rationalising programs, closing down buildings, moving courses from one location to another and, in essence, trying to meet our budget figures and at the same time maximise students.

In this State we are providing programs for well in excess of 420,000 students. By any stretch, that is a large number of students. In fact, there would not be a person in this State, and I suggest in Australia, who does not have a friend or a relative or know of somebody who is a TAFE student, and that is fantastic because our target has been to increase the status of TAFE.

For too long in this country, and I have been part of this too - I have children and grandchildren - we have hoped for our children to all go to university at the expense of TAFE. That has to change, and we are on about changing that.

There is urgency facing the work force. Every day in the Sydney papers we read about the shortages of skilled tradespeople. We have complaints about banks closing in communities and there not being sufficient tradespeople to service the community. Part of our role is to make sure that we can meet that. As I said, we cannot do it in every location, so we have been rationalising and, in doing that, improving the quality.

The example of Seaforth is, in my view, that Brookvale provides greater potential for expansion and improvement of quality whereas Seaforth was a limited site - in fact, one building.

I know it is difficult and that there are some hard questions and answers to be given, but we have had to take those in the full knowledge that what we are trying to do is to increase access, to maintain quality and also to meet our community service obligation within the industrial boundaries, and how we do that is through an enormous network of our TAFE staff.

People have argued about consultation and communication. Part of the role of TAFE teachers is to keep in touch with their industry, and they do that, both formally and informally. We have a large division of staff known as the Educational Services Division, whose prime responsibility is curriculum development, to put the training packages into some context.

We believe it is not simply good enough to say that somebody has achieved a sum of some competencies. The sum of the competencies does not mean a tradesperson. It is the context, it is the glue that holds all those things together. That is what our staff are doing, and they are doing that in full consultation with industry and the community. We have a commitment to literacy and numeracy. My colleague Sivakumar said we are proudly doing that.

We have an enormous community service obligation that many of the private providers, our competitors, do not have. This puts enormous pressure on us in trying to provide that and at the same time be cost effective.

Part of the greater freedom that we have delegated to institutes in making these decisions is so that they can gauge the local demand, move their resources around, and sometimes at short notice but in accordance with our policies.

I understand that the Committee has been apprised that in the TAFE handbook and when students enrol in TAFE they are made aware that the course might change or its location might change because of numbers or resources. That is a delicate balance that people like Sivakumar have every day. We do that so that we can maximise students places, because TAFE has a proud history of maintaining what is commonly referred to as second-chance education. I would argue there is nothing second about it. In some case it is the first chance that people have of reaching their full potential. In trying to maximise that we sometimes make some hard decisions.

They are the pressures that are placed on all TAFE, not just at North Sydney. In this budget exercise every institute in this State is making those sorts of decisions and maximising student places so that in the year 2000 our target is to increase, as we are required to do, the student numbers.

CHAIR: I just wish to clarify something. You have mentioned the size of the operation and the improvement that you feel in these regional institutes that you have developed. A letter from Dr David Kemp, the Federal Minister for Education, Training and Youth Affairs to the Hon. John Aquilina, which has been supplied to us, I assume by the Minister, dated 18 November 1999, is very critical of New South Wales, which is part of what you are arguing. This is why you are closing Seaforth. In the second-last paragraph Dr Kemp said:

It is of great concern to me that potential students in New South Wales have been denied training opportunities due to the relative inefficiency of the New South Wales system. The Director-General of your Department has admitted that New South Wales TAFE "is clearly inefficient in comparison with other states" in his statement of 1 November on the context for the proposed award for employees of your Department.

If that is a fact, and apparently you agree it is a fact that there is inefficiency, is the inefficiency all at the bottom, so to speak, at Seaforth TAFE, or is the inefficiency caused by having so many institutes? Our inquiry is really focusing on Seaforth. Your defence for Seaforth is to quote the big picture. Maybe we should have an inquiry into TAFE, full stop.

Dr WONG: What a good idea.

CHAIR: Are there inefficiencies in TAFE - the letter says that there are - but are they maybe in the bureaucracy? Are there too many people in the administration and so on? You are trying to keep the bureaucracy and cutting down at, you might say, the street level, the grassroots level, where the students are. We do not know the answer.

Mr PUFFETT: On the contrary, Chairman, and members of the Committee --

CHAIR: There are 12 TAFE institutes in New South Wales and they must all have a bureaucracy?

Mr PUFFETT: They have.

CHAIR: Does that create, then, duplication of 13 directors, 13 people doing the same type of work? Is there any great efficiency in streamlining that administration?

Mr PUFFETT: It is my belief that it is more efficient. I did not tell you my background, but I have been in TAFE for over 30 years. I have had a lifetime of commitment to this State and the people in it for training. I have been through all the previous restructures and I can say, and I am under oath, this is a better system. It is more responsive.

Certainly there are additional costs that come with decentralisation. I admit that. It is a common fact. But if you are driven by improving service, then you have to weigh that up. What has been happening in the current round of budget is that we have not just targeted the teacher level, as you suggest, the bottom level. We have been on a campaign, you might say, with our voluntary redundancies. There are many middle managers who have been made redundant in this campaign. In fact, at North Sydney they have gone from, I think, 7 or 8 institute managers down to four. So it has not been a target.

CHAIR: What was the saving there? Was that \$250,000 or \$500,000?

Mr SIVAKUMAR: Conservatively, it will be more than that.

CHAIR: More than that? \$1 million?

Mr SIVAKUMAR: We are working on a total budget strategy. If I may take up where Bob left off, we have had the Office of the Council for the Cost of Government, set up by the Premier's Department, since 1992 actively monitoring. Every institute is cutting what we call the corporate level cost, that is, the bureaucratic costs. We are doing all sorts of things to bring down the bureaucratic costs. I will give you an example.

Just-in-time purchasing is part of our scene now. Contract cleaning is another. There is much talk about the bureaucracy. In this institute, for example, we have gone through three restructures. I am at the moment, as part of this, undertaking a further restructure even as we speak.

In 1990 there were 24 networks set up by the previous government as part of the restructure. We have restructured and brought it down now to 12, and in that we have reduced administration costs. In the Northern Sydney Institute in 1992, when I was in charge, we had 42 institute managers, 42 human beings. By the time I am finished with this restructure now we will have 23 people as institute managers from 42.

Someone has to do the work. I still have to talk to the institute consultative committee, I still have to talk to the Teachers Federation and I still have to balance the competition policy that Mr Tsang spoke about. So these are not easy choices. Neither are they taken capriciously or in an arbitrary manner. They are very difficult. Voluntary redundancies are difficult. There are no forced redundancies?

Mr PUFFETT: Mr Chairman, if I can finish your question in relation to that second-last paragraph of Dr Kemp's letter, I suggest that in TAFE New South Wales we do not accept that we are the most inefficient. Interestingly enough, you raised a question about decentralisation and the costs.

We are often told that Victoria is the most efficient in this country. Victoria has a system of 18 independent autonomous institutes, and they are able to be quoted as efficient. What we are doing with our collaborative model is driving the efficiencies down. Certainly our salaries contribute to the costs, so do class sizes, and so do a whole host of other things, and we are addressing those. I would suggest that New South Wales is, on an equal footing, not considered to be the worst.

CHAIR: Just a quick comparison. The information we have had is that management costs are increasing and that teacher costs are decreasing?

Mr PUFFETT: I would dispute that on numbers. You have probably been given figures. There has been a decline over a number of years at the middle and higher management levels. That is a fact. We have been promoting a team approach, and certainly head teachers have been promoted. We have teachers there.

As Mr Sivakumar has just said, in his own institute he has nearly reduced by half the institute managers, and they are the level of people above senior head teacher, what is commonly referred to as senior head teacher and above. In every institute we still need an institute director. There has to be a campus manager. We have a large number of staff and students to cater for. We can't manage that without anybody, but I think, responsibly, we have been working through that and reducing that.

Mr TSANG: With the support of my colleague can I ask one last question? Is the closure of Seaforth TAFE in fact the fourth restructuring of TAFE started from 1 September 1992 when the Parliament, the Legislative Assembly, debated in a matter of public importance TAFE management restructuring? Are you, in fact, following the directive of the then Minister for Consumer Affairs and Assistant Minister for Education, Mrs Chikarovski, member of Parliament for Lane Cove, who said:

The reason we are debating this matter today is that the honourable member has failed to realise the importance of the restructuring of the whole TAFE system. As this House is aware, changes to Australia's industrial and economic base are putting new pressures on the nation's education and training infrastructure. The shifting base of Australian industry, together with technological change and the current economic climate gives renewed urgency to the need to raise the skills base of the work force. As the largest State, the need to meet this charge is most pressing in New South Wales. In such an environment, educational and institutional boundaries must be revisited, allowing for greater freedom of movement between educational sectors and indeed between the workplace and education and training institutions.

Mr KELLY: Are not they the same words you read out a moment ago?

CHAIR: That may be a good argument to keep Seaforth open.

Mr TSANG: I was asking the question almost on behalf of the then Minister for Education and TAFE.

Mr MOPPETT: I raise a point of order. I am very concerned that most of the time we have spent today has really been in asking questions relevant to an inquiry into TAFE administration. I do not think, with due respect to my colleague over here, that that has really a great deal to do with the pressing matter of the decision to close Seaforth. I would like to get back to that. I do not want to cut him off unreasonably.

CHAIR: I think he has finished.

Mr PRIMROSE: I would like to talk to that point of order.

CHAIR: I do not think it is a point of order.

Mr PRIMROSE: I want to challenge spending any more time on that question.

Mr TSANG: I have no more questions to ask.

Mr PRIMROSE: We are not discussing the context in which Seaforth is to be closed.

CHAIR: I believe we are. It is just a question of the amount of time we spend on it.

Mr PRIMROSE: We can talk about the roof but we can't talk about the economic issues associated with TAFE.

CHAIR: I do not think Mr Moppett is saying that we should not discuss it. It is just the percentage of time for the hearing, and we have covered a fair amount of time.

Mr PRIMROSE: So half-an-hour discussing industry restructuring, TAFE and general budgets is too much?

Dr WONG: Two general questions arise from that. If you are happy to come back for another inquiry, there is no problem.

Mr PRIMROSE: I am happy to come back.

Dr WONG: So am I.

Mr PRIMROSE: You have tabled material, or raised material, from a person, site material.

Mr TSANG: We have spent more time on the roof than I have ever heard of.

Mr PRIMROSE: I think that the roof issue is important. I am not denying that. I think that is why material has been raised. We have had matters from Public Works. I think we should bring those people in and make it very clear. But I also maintain that in the overall context of TAFE, its restructuring - we have been told in the documents presented to us that they are important factors - we should acknowledge that there are important reasons being given for the restructuring. That is all I am saying.

CHAIR: We will move on to questions. I think we have covered the big picture adequately. Let us move on to other questions.

Mr MOPPETT: I think that gives us sufficient introduction. I think we now understand. We are very sympathetic with these broad movements in TAFE and your policy with competitiveness and so on, but the crux of this whole inquiry, in my view, is whether there is

documentary evidence for the nebulous plans that I think, Dr Burke, you spoke about at one stage. There have been discussions over many years, but there seems to be no evidence that that ever reached a stage where it was a formal proposal.

It appears, however, on the evidence that we have received, that a recent budget decision initiated this final decision to close the Seaforth site. Now, is that or is that not correct? Can you produce any evidence that would contradict the assertion that whilst this may have been a long-term plan in consideration, the decision to close Seaforth was precipitated by an initiative of the budget rather than from your own volition within TAFE working to all these platitudinous things we have been talking about all morning?

CHAIR: Perhaps Mr Sivakumar could answer that from his position of being directly related to Seaforth. The question was: when was the decision made to close Seaforth and was it tied into the budget??

Mr SIVAKUMAR: July this year, Mr Chairman, I think, according to a document. It was certainly precipitated by the budget, the decision to close Seaforth at that time, and I used the word "precipitated" advisedly, because in the course of events ultimately we would have closed Seaforth.

CHAIR: That was in your mind? The fact that you had come to that conclusion?

Mr SIVAKUMAR: It was in the thinking of the institute, yes, in the future, yes, but it took the decision having regard --

CHAIR: Sooner than you expected?

Mr SIVAKUMAR: Sooner than we expected and at that point with the budget looming down on us.

Mrs FORSYTHE: I would like to return to the issue that I was talking about earlier of the higher school certificate. In 2001 as a result of the revised HSC, any student who wants to repeat the HSC next year who will have completed year 12 next year, as I understand it, will have to do it at TAFE. Where is it proposed that students on the northern beaches will undertake repeat studies of the HSC?

Dr BURKE: It is not correct that they will have to do it at TAFE. If a student at Collarenebri needs to redo the higher school certificate, they will be able to do it at Collarenebri. They will not have to do it at Collarenebri or Coonamble High School. They will not have to go to TAFE.

Mrs FORSYTHE: So schools on the northern beaches will be offering the HSC? That is proposed?

Dr BURKE: Yes, the Board of Studies has said that it is possible for a person who is in year 12 and decides that they would like to do it again because they did not get a good enough result will be able to do it again. The changes in the syllabus are not of such a major nature that it would mean that they will have to repeat a whole course because there is a great affinity or synergy, consistency, between the old syllabuses and the new syllabuses. They have been repackaged in

terms of 2-unit arrangements, but it is not correct to say, with respect, that they have to go to a TAFE to repeat the HSC.

Mrs FORSYTHE: Can I just clarify that because that is different information from the information we have received. Are you suggesting to me that the only examinations you will be able to do at the end of 2001 will be the courses that commence next year, 2,000?

Dr BURKE: I am saying that you will not be repeating on the basis of the old syllabuses.

Mrs FORSYTHE: You will not be repeating at all?

Dr BURKE: No. I think I have some documents here on the HSC that I am happy to table.

CHAIR: Dr Burke, when you were with us last time, at the end of your evidence you presented a typed statement which refuted some of the previous evidence. I thought it was only correct for the Committee to send your statement to the people involved at Seaforth to verify some of those figures or to question them, and that has happened in a couple of major matters.

I think one of the problems is that you are the Deputy Director-General of Operations and I do not know whether you have every piece of knowledge about the actual classes, but you stated that the youth at risk CGE class was closed in October 1999 after numbers fell dramatically. It appears that in fact this class is still operating, has a coordinator, George Andrew, and 14 students. Maybe the terminology is different.

Dr BURKE: Obviously these figures that I have here were figures that I obtained from Northern Sydney Institute, so perhaps Sivakumar can clarify that.

Mr SIVAKUMAR: I would have to take that on notice. I know there is a certificate of general education still running at Brookvale, but I can check that for you and confirm it.

CHAIR: I am concerned about the one at Seaforth. I will just read the full paragraph so it is on the record:

... that Dr Burke stated that the youth at risk CGE class was closed in October 1999 after numbers fell dramatically. That class is run by outreach and has nothing to do with the pre-vocational section which runs the other CGE class. This class which is still operating as the one referred to in our evidence - this is from the Save Seaforth committee - and its coordinator is George Andrew. Currently 14 students are still attending this class and will continue until the end of this year. Many of these 14 students have indicated their desire to continue with HSC studies at TAFE, hopefully at Seaforth TAFE next year.

Mr SIVAKUMAR: I can answer that at this stage I think, Mr Chairman. I had stated earlier that the certificate of general education will continue and the students who want to continue from Seaforth certificate of general education to the higher school certificate, provision will be made at Brookvale. There will also be a certificate of general education at Brookvale, the same as this one at Seaforth next year plus another one we are running, loosely called youth at risk because both groups are youth at risk. They have left school at some time and there is an age different. Some may be 16, some may be 24. So we discuss, we look at their literacy programs and all sorts of areas. Both of those will run at Brookvale next year, including the one run by George Andrew.

CHAIR: I raised that because, in closing Seaforth TAFE, you have to have a number of factors. One that you have emphasised is the renovation repair cost which does not seem to add up. The second one that does not add up is the dramatic decrease in students and classes closing down. If that is not a fact it undermines your argument to close Seaforth. That is the point I am making. The picture you are painting is that we are going to have an empty building, so let us close it down. It is a live, living institution.

Mr SIVAKUMAR: No, Mr Chairman, if I may answer it this way, we have never said there was an empty building there. There were a large number of students and we provided the data and what we are saying is that this group of students fundamentally, lock, stock and barrel, as it were, are going to be relocated to the Brookvale college. The only two issues are screen printing and photography. The HSC provision is there. The certificate of general education is there and, I might also add, a large number of students who travel to Seaforth, according to our data that we have supplied, in fact go past the Brookvale campus, so it is not a question of this is an empty building.

CHAIR: I was exaggerating, but the point I was making is the arguments for closing Seaforth included an impression that there was a dramatic decline in students, et cetera. Even the classes that have closed, you are now agreeing that TAFE at Seaforth is operating and you are shifting it to Brookvale.

Mr SIVAKUMAR: We have supplied documentation in our original submission of the decline in enrolments on Brookvale and Seaforth campuses. We are looking at optimising the numbers at Brookvale campus and building the numbers up.

CHAIR: It is not as dramatic a decrease in Seaforth as the picture that was painted. In fact there was an increase in students.

Mr SIVAKUMAR: The increase was what one might call a glitch, in that if you look at it, it is largely in the fine arts provision and the single subject provision, and I think my colleague referred to it before where the business of TAFE is providing meaningful courses for students. Embedded in the fine arts provision were large numbers of single subject students, and it jumped. Now we are saying those students, under advice, will be going to adult and community education, but the diploma and the certificate will continue in the integrated fine arts facility.

What is even more significant, we have taken this as a challenge to be even more innovative in that we are providing as part of the fine arts provision digital art, which is using the latest digital technology. We have, in effect, done everything possible to meet both objectives, to meet the needs of the students and also meet our budgetary needs.

Dr WONG: I suppose the three gentlemen virtually all agree in telling the Committee there is a decrease in the number of students. I would like to read a press statement by the Assistant Director-General of TAFE. I do not need to table it as it is in the file, *Manly Daily*, Wednesday, 18 November, 1998, saying that declining enrolments at Seaforth TAFE have been proved a lie by the institute's own figures, showing in 1998 there was 1,697 students and in 1999 there were 1,787 students.

That press statement was given by the Assistant Director-General of TAFE, calling it a lie.

Dr BURKE: I do not have a copy of what you are referring to. I am not quite sure what you are talking about here.

CHAIR: You quoted from an article in the *Manly Daily*?

Dr BURKE: Could we have a look at that?

CHAIR: Yes.

Mr PUFFETT: I do not know the status of these comments. It is headed, "Misleading and obscure divisionary statements". It is not a press release. There are statements made by somebody else. I dispute that that has been said.

CHAIR: You need to find the source document, Dr Wong. You might defer that matter so that you can find out the source and put that question on notice.

Mrs FORSYTHE: Could I return to the issues of the number of students that travel past Brookvale apparently to attend TAFE at Seaforth? Could I get a clarification of that number?

Dr BURKE: In relationship to the document we tabled last time?

Mrs FORSYTHE: Yes, probably.

Dr BURKE: The document we tabled and this was taken --

Mrs FORSYTHE: It was quoted a few minutes ago as well.

Mr PUFFETT: The figure is 934, which is 51 per cent of enrolled students travelling past Brookvale campus.

Mrs FORSYTHE: Can you indicate to me why they would choose to travel past Brookvale to attend Seaforth?

Mr SIVAKUMAR: If I may, students travel past Brookvale to Seaforth because the courses at that time are being run at Seaforth. If the courses were run at Brookvale, clearly the bus will stop at Brookvale.

CHAIR: They had no real choice.

Mr SIVAKUMAR: Yes, that is right. If, for example, we had offered, say, business studies at both campuses, I would think students would have chosen the Brookvale college because of its better facilities. Seaforth is a further 3.8 kilometres and you are driving up for nothing.

Mrs FORSYTHE: But in talking to students last week, some of them suggested to us that they chose courses because they were at Seaforth, not that they particularly chose the courses. They looked at what was at Seaforth and the reasons they were talking to us were issues of accessibility, if they had a disability or, more particularly, if they were women they found it to be a safer college.

Has anybody sat down and talked to the students about their needs and wants before making the decision to close the TAFE?

Mr SIVAKUMAR: We have an extensive counselling set up at both campuses. The head teachers talk to the students. I appreciate that people would be concerned. I am not saying, "look, I can guarantee the safety of every student". None of us can, but we, as an organisation, have a duty of care and when we relocate, clearly some say - look let us not mince words here. There are fewer students and smaller classes at Seaforth. Now this is about optimising numbers. I mean, we are not saying break every rule. We are saying, please, to those listening, 80 per cent. Now that might be a task for some. It is happening. We have given you data about the other campuses.

I take your point, we are doing every thing we can. I know some people would be concerned about it, yes, but we will do everything possible as we are doing at every campus. We are putting in lights, additional - it is standard for every campus because campuses are huge and of course they say this is a homely place, everybody knows everybody, this is wonderful, yes, but unfortunately, Mr Chairman, this is a luxury that the taxpayers of this community cannot afford. I and my children would like to go to campuses with small groups. The report speaks for itself but I take your point, there will be people, I am sure.

CHAIR: That is one of the basic concerns with the closure of the Seaforth campus as Mrs Forsythe was saying. Was there adequate consultation with the students, with the community, with the parents, because you said in your earlier presentation, that you work closely with the local community? It seems in this particular case, because of the decision to close Seaforth sooner than later, that consultation with the community did not take place. In fact, the exact opposite which is the reason for this inquiry, the anger and distress that has been caused in the Seaforth area. It is not sufficient to say there is a counsellor at the school who spoke to the students. The counsellor herself has given evidence. She felt she was giving false information to the students when she was telling them it was not going to close.

Mr SIVAKUMAR: That was the position last year, but this year because of the urgent demand we did close and there have been a number of public meetings, not organised by myself but I have addressed them, and I took on board the concerns and we put on additional programs. But, yes, normally in the course of events in TAFE where there is consultation, if there are employers, we often talk to employers and their apprentices.

When we were downsizing and rationalising fashion at one stage, we talked to everybody. We spoke to Ian Lin who is on our institute council from the manufacturing area. We do all of those things, Mr Chairman. This was necessitated by budget constraints and, therefore, we took a step and then we had to explain what we were doing.

CHAIR: So the consultation was post decision which is not what you would normally choose to do.

Mr SIVAKUMAR: Rarely do we do it this way, Mr Chairman, but let me say where we are closing and opening classes, we do not consult the community at all but if there are apprentices, of course, we do because the employer might be put out or his schedule might be put out.

This is the sort of decision that none of us welcome, but it was a decision that was taken and, as you said, we have gone through the process. As I have indicated, I have had to speak to various people. I have spoken to members of Parliament. All these are not easy issues. I might say that everybody has severely beaten me, but this is a task that had to be implemented.

Dr WONG: Mr Sivakumar, I understand your situation, do not get me wrong. However, you have made many announcements in 1998 assuring the community that the TAFE would not close. If you need three to five years planning, in view of what happened, in view of the budgetary constraints and a decision made forcing you to make such a recommendation or follow it, did you not think that you had a moral duty to write to the department of TAFE and say, "This is not an ordinary event, you need consultation first to get community support before we announce it?"

Mr SIVAKUMAR: At this stage?

Dr WONG: No, when you heard about it. Did it not occur to you that you had an obligation to advise the department to ask for consultation first to tell them that the situation has changed? If you do all these processes perhaps it would not have been so bad.

CHAIR: Before the final decision was made.

Mr SIVAKUMAR: Dr Wong, we are always concerned about the community. It is not easy in any of these things. Individuals have a moral obligation and I think organisations have a moral obligation to be straight and up front with the public. Now, in 1998 when my director made the comments, they were absolutely right - no plans to close until the twenty-first century.

History is replete with examples where people have spoken in all honesty and in good faith. In fact, I consulted my director before speaking to the Manly Daily. When we were faced with this, we took a decision and subsequently we are doing everything possible.

The other point that has not come through clearly, I believe, is this: the community we are looking at is the northern beaches community. It extends from perhaps Cremorne or Neutral Bay right through to Manly Vale. That is the community. Some 90 per cent of the students come from Manly, Warringah shire and Pittwater. This is the community, and all we have done, difficult as it might be, is to say this group of students still remain in this community in a facility, purpose-built new campus.

Mr PUFFETT: It is an interesting question but in this particular case, the decision was taken in July August to close all operations next year, not next week but several months before we would be asking staff and students to move, in fact, you might argue, a whole semester of information prior to the closure having to be effected. There are many decisions in TAFE because of the dynamic nature of what is happening with the provision of programs where decisions will be taken even next week that some programs will not run because of student numbers, the availability of staff, equipment and a whole host of things.

TAFE is a very dynamic organisation. Unlike schools, we do not have a regular population. We need to gauge things as we go along and decisions have to be taken. We cannot fly in the face of that. In this particular case, there had been a history of relocation of programs from Seaforth to Brookvale, a long history, from 1992. I would suggest that there would probably be a degree of

expectation of many staff and students that Seaforth ultimately would have closed down. Sivakumar has indicated that was brought forward because of the budget and that was a responsible decision, but TAFE is a business. Our core business is to maximise student places. Decisions have to be made.

You very well might have had a debate had we closed Seaforth next week. That has not been the case. The decision was taken and there will be many months before this occurs. During that period of time there is certainly consultation after the decision. That is often the way it works. We will consult with staff, students and the community. When institutes start their program up next year they will do so based on their expectations of what the student enrolments will be. At the enrolment time, if we do not realise those expectations to the extent of maximising places, we will not run the class. There could be some students who fully wanted that class, but we cannot run a business like that and continue to be everything with everybody with small numbers.

In this particular instance we had many months in which to advise, talk to people and effect the closure from the time of the decision that Sivakumar spoke about.

Mrs FORSYTHE: One of the things that has been obvious to the Committee is from the initial announcement to where we are at now, there has been a movable feast particularly in relation to the HSC and the fine arts courses. What has been the process of consultation of keeping staff informed about the nature of the changes?

Mr PUFFETT: My understanding is that the HSC was continuing. When I found it was not, I spoke to my colleague who said it would continue. There were a couple of meetings with staff in a union environment with the Teachers Federation present. They were told there. I announced that there will be an HSC. I do not control all of the classes and I could not give any details about that. They raised the issue of the science laboratories and I said, yes, we would discuss that with Freshwater High School. TAFE and high schools have been working together for many years and sharing resources, and that was a responsible thing to do. We did that and now that decision was taken because I believed and so did my colleague that we had a responsibility to provide the HSC and we have met that.

With regard to the fine arts, what does not seem to have been put on the table at this stage is that Brookvale has been offering the diploma in ceramics for many years. It has not always been at Seaforth, and students undertaking fine arts for some time have been going to Brookvale. This was a good opportunity for us to amalgamate the fine arts area and to take some of the painting and drawing classes down there. I am advised that 24 students will be disadvantaged because we cannot provide the photography and the print making.

I asked the institute, and I believe they have done it, to inquire locally whether we could use the private sector to offer those classes. We are not able to do that. That is why the teaching staff in fine arts has come up with a new idea of a more innovative art in a multimedia approach. Prior to this decision being taken, the fine art teachers at Seaforth put forward proposals to go to Brookvale. There was a general expectation for many years about the future of Seaforth.

What the institute management has been doing is keeping that going in the best interests of the people in the community. They had to come to a responsible decision. You entrust to them many millions of dollars of taxpayers money and they had to maximise student numbers and still

provide the service to the majority of people. They know very well that if they came to me and said, "We want to run a class of one" I would have said, "You are not doing to do that. Why would we waste resources doing that when we can do some other things?".

Mrs FORSYTHE: In terms of the face-to-face hours available to students in terms of the subject choice, are you prepared to accept that the HSC that will be offered at Brookvale next year will be of a lesser standard or lesser variety? It will offer fewer face-to-face teachers and subject choice available this year. Is that fair to the students?

Mr PUFFETT: I do not accept that because I do not know what the enrolment will be. Many students undertaking the HSC at Brookvale are to do it in a one-year program. Those who are currently studying, some 90 of them who sit for the HSC will complete successfully the courses. Now, the new intake will be given choices. As we have done for many years, the choices will depend on numbers of students seeking that particular subject and the available resources.

If a student comes from Narrabeen and wants to do aeronautical engineering, we do not offer it. "We just say, I am sorry, you will have to choose something else". What we are committed to is making sure the opportunity is there are for mature adults to undertake HSC studies.

CHAIR: You mentioned the fine arts teachers wishing to relocate to Brookvale. Do you have a written proposal by them?

Mr PUFFETT: I would have to take that on notice.

CHAIR: Just to clarify another one, part of the arguments about closing Seaforth is based on certain information. One of those is very critical in the reply that Dr Burke gave us saying there is only one chemistry class at Seaforth and the science laboratories are used for general purpose rooms. We have been advised in fact there are two chemistry classes at Seaforth TAFE in 1999, not one. "A one-day class with 20 enrolled students, and one evening class with 16 enrolled students, 18 physics students all come from the northern beaches area. None came from the North Sydney area. This number exceeds the 15 to 1 student ratio teacher for evening science classes. The reason science laboratories are used for general purpose rooms when not used by science classes is because there are no other classrooms available. Seaforth is full to bursting", which gives a different slant to --

Dr BURKE: That is in contrast with the figures we provided last week about the utilisation of rooms.

CHAIR: That is what I am getting at.

Dr BURKE: These figures came from northern Sydney. They are official figures. If there is an error in chemistry classes, we will go back and fix that up but it is also ignoring what was said in regard to the utilisation of classrooms where it was suggested that the classrooms were not used day and night and they were not full up all the time. That was in 4.2 of the document we tabled last week. I am not sure of the source of your information, but you are getting information from one source that is different to what we have been provided with from the official records. We will go back --

CHAIR: The Committee will have to discuss it but I intend to recommend that we send this reply to your earlier statement you made last appearance for your response to these figures. There is another one that is disturbing, and that is the information you provided to us obviously is all supporting the closure of Seaforth. One of those that took my attention was the business management Seaforth cost per unit of delivery was \$5.92. Meadowbank cost per unit of delivery was only \$2.60. So it looks like Seaforth is very inefficient but apparently they are totally different courses.

The ones run at Seaforth, I suppose, are more expensive type courses than the ones being run at Meadowbank. Meadowbank has purchasing, logistics, human resources and management and Seaforth has none of these courses. In other words, we are not comparing the same course literally with another course to say that one is costing a lot more money than the other. They are different courses even though they are under the heading of business management.

I think we will forward that detail to you so that you can reply. It does slant, you might say, the evidence from your side, which is all in support of closing Seaforth but there seems to be another side to the story.

Dr BURKE: My understanding was that we were looking at apples with apples, not apples with pears. But if we do take that into account, that is an extraordinary difference. We are talking about \$5.94 compared to \$2.60 so we are talking about quite a significant difference. If we can have that, we will certainly go back and investigate further. These figures were the official figures that we were provided with, and there has been no tampering with them, I can assure you.

CHAIR: I appreciate that. They have come from the head office, but it may be the head office has different information from the actual grassroots. I do not know how that could happen. You would think that the head office would consult with Seaforth and get the figures from them and not prepare them in an office in North Sydney. That can happen I suppose. We have run out of time. Any further questions can be put on notice.

Dr WONG: Mr Sivakumar is the person who can answer our questions. Is it true that Seaforth is less efficient or costs more? One quick question. Yes or no? Is Seaforth TAFE more expensive to run or less efficient per unit cost or does it cost more? Maybe you are the person who will know the answer.

Mr SIVAKUMAR: The answer is yes.

Dr WONG: I can quote you quickly what you said in August 1999:

We are not closing Seaforth because it did not measure up.

Maybe you should answer afterwards. I have no other comments.

Mr SIVAKUMAR: I would not want to put it that way. What I would say is that we are closing the Seaforth centre because in the overall picture I think the business is to make the operation more efficient. I would be doing a disservice to all the other people if I were to come out anywhere and say, "I am closing Seaforth because you did not measure up." That is not the name of the game.

The name of the business is to deliver the best we can at the cheapest dollar cost per hour and also to keep increasing student contact hours and reducing teacher cost, which is our problem in TAFE. So I would not be there saying, "You did not measure up." We have other ways of dealing with individual sections. It is the overall picture.

CHAIR: You are looking at the whole northern Sydney institute?

Mr SIVAKUMAR: That's right.

CHAIR: And looking at how to make that more efficient and not focusing on Seaforth?

Mr SIVAKUMAR: And all this, Mr Chairman, is grist to the economic mill. This is all part of the bigger picture of the institute.

CHAIR: Any other questions will have to go on notice. We thank you for your appearance before the Committee and we will have to consider now our final report and recommendations. This will be the last public hearing.

Mr PRIMROSE: Oh, no. We have had matters raised here today and I raised a matter earlier in relation to the issue of the roof. I think it is important that we get to the bottom of it.

Mr KELLY: Public Works plus that other guy.

Mr PRIMROSE: It is a key issue.

CHAIR: We could have that motion for Public Works documented without having to have a hearing.

Dr BURKE: Dr Wong quoted another quote today.

Dr WONG: There was no quote. It was only a statement.

CHAIR: There was another quote tendered at the hearing that we had at the RSL. I am not sure whether that information was conveyed to the Committee.

Mr TSANG: Chairman, there seems to be a lot of discussion on what the *Manly Daily* said. Do we not want to invite the journalist over? There is a lot of discussion based on that.

CHAIR: We will bring the hearing to a close. So far as I understand it, it is the last time you will be here. We thank you for your co-operation and attendance. I know you all have very heavy responsibilities and you are probably thinking of all the things in your basket to be done. We appreciate you being here today?

Dr BURKE: The statement made by Dr Wong - I would like to be able to take that to Public Works and ask for their comment about it, so I presume I am going to get that.

CHAIR: We will put a question on notice, the quotes we have had given to us. We will send all those to you for Public Works to respond to those quotes.

Mr MOPPETT: It was an opinion. What Dr Wong is talking about will be in the transcript.

CHAIR: There is no document. It is only opinion. I am not sure how you can respond to that. The Committee can respond to that later. We will see how Dr Wong wants to put that in a question on notice, then, to you.

Dr BURKE: So we will wait until we get official word from you?

CHAIR: That's right. Thank you again for your attendance

(The witnesses withdrew)

(The Committee adjourned at 12.07 p.m.)