

PORTFOLIO COMMITTEE NO. 3 – EDUCATION

Monday, 4 September 2017

Examination of proposed expenditure for the portfolio area

TOURISM AND MAJOR EVENTS, AND SKILLS

UNCORRECTED PROOF

The Committee met at 4.00 p.m.

MEMBERS

The Hon. Lou Amato (Chair)

The Hon. J. Graham

The Hon. Natasha Maclaren-Jones

The Hon. T. Martin

Reverend the Hon. Fred Nile

The Hon. Penny Sharpe

Ms D. Walker

PRESENT

The Hon. A. Marshall, *Minister for Tourism and Major Events, and Assistant Minister for Skills*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

**Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000**

The CHAIR: Welcome to the inquiry of Portfolio Committee No. 3 into the 2017-2018 budget estimates. Before I commence, I would like to acknowledge the Gadigal people, who are the traditional custodians of this land. I would also like to pay respect to elders past and present of the Eora nation, and extend our respect to other Aborigines present. I welcome Minister Marshall and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolios of Tourism and Major Events and Assistant Minister for Skills. Today's hearing is open to the public and is being broadcast live on the Parliament's website. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I would also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that witnesses could only answer if they had more time, or with certain documents to hand. In these circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisers or members of staff seated in the public gallery should be delivered through the Committee secretariat. Minister, I remind you and the officers accompanying you that you are free to pass notes and to refer directly to your advisers seated at the table behind you. Transcripts of this hearing will be available on the web from tomorrow morning. Finally, would everyone turn their mobile phones to silent for the duration of the hearing. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to office as a member of Parliament. I also remind Mr Simon Smith and Ms Zoe de Saram from the Department of Industry that they do not need to be sworn as they have been sworn at an earlier budget estimates hearing.

SANDRA CHIPCHASE, Chief Executive Officer, Destination NSW, sworn and examined

JON BLACK, Managing Director, TAFE NSW, sworn and examined

ZOE DE SARAM, Deputy Secretary, Skills and Economic Development, Department of Industry, on former oath

SIMON SMITH, Secretary, Department of Industry, on former oath

The CHAIR: I declare the proposed expenditure for the portfolios of Tourism and Major Events and Assistant Minister for Skills open for examination. Questions on the portfolios of Tourism and Major Events and Assistant Minister for Skills will run from 4 o'clock to 4.20 p.m. As there is no provision for a Minister to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

The Hon. PENNY SHARPE: Good afternoon, Minister. Would you be able to tell the Committee the split of time that you spend between your three portfolios, approximately?

Mr ADAM MARSHALL: It is a good question. I think it probably varies from day to day and week to week, depending on what is occurring. But it is fair to say I probably try to allocate roughly the same amount of time, depending on the issues of the day and the demands on me between TAFE and Destination NSW. Like all Ministers, my diary is publicly available for everyone to see.

The Hon. PENNY SHARPE: Are you saying that it is roughly 30 per cent, 30 per cent, 30 per cent for each of the portfolios or are you saying that about half the time is Tourism and Major Events and the other half is TAFE?

Mr ADAM MARSHALL: Yes. I have only two portfolios.

The Hon. PENNY SHARPE: Yes, I am just clarifying. Major Events and Tourism is one.

Mr ADAM MARSHALL: I could not put a figure on it right now; I would have to go back and trawl through my diaries which are publicly available. But it varies from week to week and month to month, depending on what is happening at that time, what the demands are, what activities are going on and what events are on, et cetera.

The Hon. PENNY SHARPE: It is interesting that you mention your diaries. I have had a look at them, Minister and I am interested in the ones that are public. Obviously the last quarter is not currently available but to June this year you have had 71 meetings placed in your diary. It appears that only nine of those meetings are skills related and only one of them mentions TAFE specifically. What do you have to say about that?

Mr ADAM MARSHALL: I meet regularly with the managing director of TAFE, with TAFE senior management. I have travelled a lot right throughout the State visiting TAFE campuses, as you will see from my diary.

The Hon. PENNY SHARPE: Your diary does not tell us where you visit.

Mr ADAM MARSHALL: I have visited multiple campuses right around the State.

The Hon. PENNY SHARPE: Would you be able to provide a copy of those to the Committee? You can take it on notice; you do not need to do it now.

Mr ADAM MARSHALL: I can do that; that is fine. I have visited extensively and my door is always open to meet with various stakeholders who are critical to either of my portfolio responsibilities.

The Hon. PENNY SHARPE: TAFE is obviously very important. There has been a lot of public interest in relation to the changes to TAFE. Do you feel as though you have had enough meetings to hear from the community in relation to TAFE?

Mr ADAM MARSHALL: Yes, I meet with a multitude of stakeholders.

The Hon. PENNY SHARPE: You do not meet very often. You met in nine out of 71 meetings in the first five months, so it is not that many.

Mr ADAM MARSHALL: I assess meeting requests as they come in. I can not recall, off the top of my head, declining a meeting request relating to TAFE. But again I am happy to check that.

The Hon. PENNY SHARPE: I understand that the graduation ceremonies for TAFE in 2016 were held in April this year. Is that correct?

Mr ADAM MARSHALL: Mr Black?

Mr BLACK: Yes, the timings vary from institute to institute but generally in the first quarter of the year, that is correct.

The Hon. PENNY SHARPE: Minister, would you be able to tell me how many TAFE graduation ceremonies you have been to?

Mr ADAM MARSHALL: Since being appointed Minister?

The Hon. PENNY SHARPE: Yes, not the ones in your electorate.

Mr ADAM MARSHALL: Or in the region around my electorate? There is one that sticks in my mind at Ultimo—the bachelor degree and diploma degree. I would have to take that question on notice.

The Hon. JOHN GRAHAM: Happy birthday, Minister; I understand congratulations are in order.

Mr ADAM MARSHALL: Thank you. There is no other place I would rather be on my birthday than here.

The Hon. JOHN GRAHAM: I want to ask you about the new One TAFE organisational structure—some of the job descriptions. What is a new knowledge toolbox specialist?

Mr ADAM MARSHALL: I will ask Mr Black to comment on that.

Mr BLACK: The One TAFE organisation is currently undergoing consultation.

The Hon. JOHN GRAHAM: I am asking about the specific position. What do they do? What on earth is this role?

Mr BLACK: I would need to look at the context of the role and whether it is in the teaching side or the skills development side.

The Hon. JOHN GRAHAM: What is a learning bank officer?

Mr BLACK: Those roles are specifically designed for the new design related to SkillsPoints and the undertaking of the preparation of the curriculum. There are many new roles as we try to respond to industry needs.

The Hon. JOHN GRAHAM: That does not leave me a lot clearer. I might ask, Minister, what is a manager ideation?

Mr ADAM MARSHALL: A manager ideation?

The Hon. JOHN GRAHAM: Yes, I will give you a clue. It is described as "leading a team specialising in idea management in products, capability services processes and paradigmatic models". I am not suggesting it is a good clue but there is a clue for you.

Mr ADAM MARSHALL: I will ask Mr Black to provide details on that.

Mr BLACK: In the future TAFE NSW will be looking not just a year ahead; our SkillsPoints will be engaging with industry in designing courses up to five years ahead. The role that you are referring to is in the area of future and innovation. I have asked that we establish a capability to work with industry between five and 20 years into the future. So we are investing in the design of courses.

The Hon. JOHN GRAHAM: Minister, I have to say that this is pretty incomprehensible from the outside. Given that you are referring these questions, I take it that these roles are not your idea—you are not naming these jobs along these lines?

Mr ADAM MARSHALL: No. You are asking some operational questions relating to the SkillsPoints and we reform the SkillsPoints that we are constructing.

The Hon. JOHN GRAHAM: Mr Black, is this your idea and are these your job descriptions? Who is responsible?

Mr BLACK: I am solely responsible for the operations of TAFE. The Government provided strategic guidance for the outcomes.

The Hon. JOHN GRAHAM: But are these incomprehensible job descriptions your idea?

Mr BLACK: No, I have very highly competent executives who work with me.

The Hon. JOHN GRAHAM: Has this come from within TAFE, not from the Boston Consulting Group or McKinsey and Company?

Mr BLACK: No, of course not.

The Hon. JOHN GRAHAM: Someone has simply come up with these job titles that may not be particularly comprehensible to the outside world?

Mr BLACK: I am pleased to advise the Committee that TAFE NSW has been able to attract some significant talent from both within the organisation and outside to address our challenges in a highly competitive vocational education and training market. Our intention is to be the best, and we will be. I am pleased to report that many of the ideas have been implemented and much of the innovation designed to modernise the organisation is well underway.

The Hon. JOHN GRAHAM: It has been reported that Boston Consulting Group has been paid \$1.74 million by TAFE. Are you guaranteeing that this is not its idea? McKinsey and Company might also have been given a significant amount of money.

Mr BLACK: No, the McKinsey work involved establishing the foundations of our portfolio management office. We went to the market to get some assistance with that when I commenced at the beginning of last year.

The Hon. JOHN GRAHAM: Are you saying that the consultants are in the clear for this management psychobabble; it is not their fault?

Mr BLACK: With due respect to you as a member of Parliament, that is not the case. We want to attract the best and brightest for these roles, and we use contemporary terminology to do so.

The Hon. JOHN GRAHAM: How much money has TAFE spent on consultants in the past year?

Mr ADAM MARSHALL: In the past financial year?

The Hon. JOHN GRAHAM: Yes.

Mr ADAM MARSHALL: I will defer to Mr Black to provide the precise figure. I have a number of figures in front of me.

The Hon. JOHN GRAHAM: I would appreciate it if you would take that question on notice or provide the figure shortly.

Mr ADAM MARSHALL: We will provide it shortly.

The Hon. JOHN GRAHAM: A development application [DA] is awaiting consent for the Ultimo TAFE office building. Can you confirm what the DA is for?

Mr ADAM MARSHALL: My understanding is that it relates to the refurbishment of a building on that campus to house TAFE corporate head office functions.

The Hon. JOHN GRAHAM: It is a head office refurbishment. What is the cost of that refurbishment?

Mr BLACK: We are in the tender process for that function. That site was chosen through a full business case analysis. Less than one-tenth of the corporate office will go to Ultimo.

The Hon. JOHN GRAHAM: What is the cost of the refurbishment?

Mr BLACK: I am conscious that the tenderers are listening to this hearing.

Mr ADAM MARSHALL: He is testing the market.

Mr BLACK: Yes, I am testing the market at the moment and I do not want to provide that information to the Committee now. However, I am happy to take the question on notice and to provide it in the appropriate manner.

The Hon. JOHN GRAHAM: I will put a number to you and you can tell me if I am getting warm. Is the estimated cost about \$3,895,649? Is that getting warm?

Mr BLACK: That is a very precise number. I would not say it is warm. I have not seen any tender response. It would be a number in that order. As I said, we went to the market to test it. It is a heritage building and we are taking great care to ensure that we maintain its integrity while optimising space.

The Hon. JOHN GRAHAM: Minister, do you think it is appropriate to be upgrading TAFE headquarters in this way when enrolments are falling, staff numbers are being cut and courses are unaffordable?

Mr ADAM MARSHALL: When creating One TAFE NSW and extracting it from the Department of Education there is a need to build corporate capacity, particularly when each of the 10 institutes no longer exists. All of that administration is now done corporately for the entire State and we need to refurbish a building to house some of the staff, certainly in the interim.

The Hon. JOHN GRAHAM: But the public is worried about what is happening with TAFE. How do they feel when they see the corporate headquarters being refurbished at a significant cost? It is not yet confirmed, but I suggest that the estimate I gave you is warm.

Mr ADAM MARSHALL: We are testing the market. As the managing director said, we are calling for tenders.

The Hon. JOHN GRAHAM: I am happy to be contradicted if you think the figure is lower. However, I have put a figure to you, and I suggest that it is pretty accurate.

Mr ADAM MARSHALL: We are in the process of going out to tender and testing the market. The figure could be higher or lower. TAFE must assess the market and where it is now. In terms of the corporate functions, when TAFE was extracted from the Department of Education we needed to build capacity within the organisation, particularly in the procurement, creditor, debtor and payroll functions and so on that had been performed by the Department of Education.

The Hon. PENNY SHARPE: So you are duplicating your corporate services?

Mr ADAM MARSHALL: No, there was no such function prior to the separation because it was done by the Department of Education. Now that TAFE is a separate entity it must provide those services.

The Hon. PENNY SHARPE: A whole new set of corporates.

Mr ADAM MARSHALL: Yes. However, to achieve that we removed the 10 institutes, which all duplicated those services. We went from having 11 chief financial officers to having one and so on.

The Hon. PENNY SHARPE: But you are now recruiting 14 new managers.

Mr ADAM MARSHALL: We are also recruiting more than 400 new frontline educators.

The Hon. PENNY SHARPE: What was the building being used for before the refurbishment?

Mr BLACK: It was used for the City Institute corporate office. It also housed some other peripheral functions, including Department of Education functions. As I said, it is a heritage building, but we are trying to make best use of what we have.

The Hon. PENNY SHARPE: It has already been used for corporate functions and you are doing a \$3 million refurbishment.

Mr BLACK: If you look at the detail, in the main the refurbishment is dealing with workplace health and safety aspects and increasing the capacity of the building. Regrettably, decisions were made in the past which meant there was no access to toilets and so on. We must ensure that the building is compliant. As I said, we had other options, but this was the most cost-effective.

Mr ADAM MARSHALL: Whatever the figure for the refurbishment might be, it is a very small portion of a \$131 million capital works budget for TAFE this year.

The Hon. JOHN GRAHAM: Last week at a budget estimates hearing I presented an internal TAFE document entitled, "TAFE NSW Enrolments (Preliminary Counts) 2016/17 Year to Date". Have you seen that document?

Mr ADAM MARSHALL: Is it the same document that you presented and tabled?

The Hon. JOHN GRAHAM: Yes.

Mr ADAM MARSHALL: Yes, I have.

The Hon. JOHN GRAHAM: Can you confirm its authenticity?

Mr ADAM MARSHALL: Yes, I can.

The Hon. JOHN GRAHAM: It is a TAFE NSW document?

Mr ADAM MARSHALL: Yes, it is an internal working document from TAFE.

The Hon. JOHN GRAHAM: I understand that it is an internal document. It is now public, but it would not normally be.

Mr ADAM MARSHALL: That is correct. We would not normally publish such a document because we rely on the National Centre for Vocational Education Research [NCVER] figures on a calendar-year basis.

The Hon. JOHN GRAHAM: The Deputy Premier said that you would be able to clear up this issue.

Mr ADAM MARSHALL: Yes. That was nice of him.

The Hon. JOHN GRAHAM: He pointed the finger at you and said that you would clarify the record. Why does the State budget show the 2016 enrolment figures going up if this TAFE internal document shows them in freefall?

Mr ADAM MARSHALL: I appreciate the question and the chance to clarify this issue. The budget papers show the annual enrolment figures on a calendar-year basis as produced and published by the NCVER. They are the figures which are published and which we use. In fact, all the States and Territories and the Commonwealth use them to benchmark the vocational education and training sector. The centre is responsible for collecting the data from the various registered training organisations [RTO]. It audits it and then it publishes the official figures, which are used to benchmark. TAFE internally tracks the number of enrolments from week to week, from month to month and so on. I must make two important points for the Committee. The document you produced in no way contradicts the budget papers because—

The Hon. JOHN GRAHAM: Other than the fact that it is heading in the other direction.

Mr ADAM MARSHALL: No. The budget papers present 2016 figures. That is an end of calendar year figure. We have forecast in this financial year that we expect enrolments for the 2017 calendar year to decrease.

The Hon. JOHN GRAHAM: You think they will fall?

Mr ADAM MARSHALL: Yes, we say that in the budget papers. Enrolments in 2017 will fall. That is what we are forecasting. What we have been tracking within TAFE shows two things: the figures that you have presented are not different to the budget figures in that we present on a calendar year basis according to the National Centre for Vocational Education Research [NCVER] and these are internal TAFE figures that are done on a week-to-week, month-to-month, year-to-date basis. They are different datasets. It does show two important things: one, our bread-and-butter enrolments for Smart and Skilled, which is what TAFE is here to do, to meet the skills needs of the State, are rocketing. We are over 25 per cent above year to date, over 93,000 extra enrolments.

The Hon. PENNY SHARPE: Minister, your own documents say enrolments are down by 11 per cent. That is 50,000 fewer students.

Mr ADAM MARSHALL: There were two components to give a full answer to that question. The point you raise I will cover in the second component. One issue is Smart and Skilled, and we are up over 25 per cent on where we thought we would be year to date and over 93,000 for entitled enrolment in Smart and Skilled, which is our primary focus. Second, we forecast a drop in enrolment because of changes at the Commonwealth level to policy, particularly around VET FEE-HELP. Unfortunately, we certainly underestimated the negative impact that would have, and that is reflected in those figures.

The Hon. PENNY SHARPE: You are blaming dropping enrolments in New South Wales on the Federal Government? You take no responsibility for the drop in enrolments in TAFE in New South Wales as a result of the decisions your Government has made?

Mr ADAM MARSHALL: The Smart and Skilled enrolments are up over 25 per cent.

The Hon. PENNY SHARPE: The figures here show there are 50,000 fewer kids who are enrolled, commencing enrolments are down and continuing enrolments are down, which means people are starting but not completing. There are incomplete enrolments, again people dropping out altogether. These figures are pretty damning and you are saying, "It is the Feds fault and the numbers get fixed nationally at the end of the year"?

Mr ADAM MARSHALL: The numbers do not get fixed at all. The numbers are produced and published by the NCVER on a calendar year basis.

The Hon. PENNY SHARPE: You are 50,000 students down. Are you going to make that up before the end of the year?

Mr ADAM MARSHALL: We forecast, as you will see in the budget papers, that the enrolments would drop this year largely on the basis of changes at a policy level by the Commonwealth.

The Hon. JOHN GRAHAM: How badly have these Federal policies hit us?

Mr ADAM MARSHALL: Very badly. As TAFE is the largest public vocational education and training [VET] provider in the country, they hit TAFE the hardest.

The Hon. JOHN GRAHAM: What is your message to your Federal counterparts?

Mr ADAM MARSHALL: Those changes that were made to prevent some of the robbing we have seen are proper and important to make, but TAFE NSW has publicly stated that it has suffered a 51 per cent drop in enrolments in diplomas and advanced diplomas in 2017 due to the introduction of a VET student loans scheme. We warned that it would happen, and it appears at this point through this calendar year that we underestimated the negative impact that would have.

The Hon. NATASHA MACLAREN-JONES: Point of order: Opposition time has expired.

The Hon. JOHN GRAHAM: It is worse than you thought?

Mr ADAM MARSHALL: It is worse than we thought.

The CHAIR: Mr Black has the answer to a previous question.

Mr BLACK: The expenditure on consultants, I have a figure from the chief financial officer [CFO] of \$600,000, subject to audit.

The Hon. JOHN GRAHAM: For this financial year?

Mr BLACK: For the previous financial year.

Ms DAWN WALKER: Minister, you and your Government have repeatedly said that where there is a TAFE today there will be a TAFE tomorrow. I have been to visit Dapto TAFE, which was previously a thriving campus of 650 students. Can you confirm that this TAFE campus has been replaced with a shopfront, a bank of computer terminals, a reception desk, no library and no toilet facilities?

Mr ADAM MARSHALL: No, I cannot confirm that. I will ask Mr Black to provide details.

Ms DAWN WALKER: Have you been to Dapto TAFE, Minister?

Mr ADAM MARSHALL: No, I have not. There are 134 TAFE campuses in the State and I am working through them, but I have not been to that one.

Ms DAWN WALKER: This is the first connected learning centre, the first shopfront, at the expense of a thriving TAFE college that has been shut down and you have not visited Dapto TAFE?

Mr ADAM MARSHALL: The first four connected learning centres are being built at the moment and I will ask Mr Black to talk to that.

Mr BLACK: The Dapto facility was established by the Illawarra institute of TAFE at the beginning of last year and it was called a connected learning centre. It was opened as such. As you are aware, I was appointed at the beginning of last year. It became clear that after the opening of the connected learning centre in Dapto, as it was then called, in line with the strategy to create the new TAFE, the Government asked me to produce a strategy for future learning to provide greater access and reach to all areas of New South Wales so we could provide the skills that are in demand. I provided such advice to the Government, and the Government endorsed a strategy in late November which defined a connected learning centre. The facility at Dapto did not meet the requirements of a connected learning centre and I directed it to be renamed accordingly. I can say on the record that when I took over and saw the business case required there were only nine enrolments at Dapto TAFE.

Ms DAWN WALKER: How many students are currently enrolled at the Dapto shopfront?

Mr ADAM MARSHALL: It is TAFE policy not to provide individual student numbers for each campus because they fluctuate so frequently.

Mr BLACK: Can you tell me the capacity of the Dapto shopfront? How many students can you fit in the Dapto shopfront?

Mr ADAM MARSHALL: Do you mean the Dapto TAFE facility?

Ms DAWN WALKER: Which is a shopfront, correct.

Mr ADAM MARSHALL: I will ask Mr Black to respond.

Mr BLACK: Under the new policy it is referred to as an "access point".

Ms DAWN WALKER: How many students who would have gone to Dapto TAFE can fit into the shopfront?

Mr BLACK: In terms of the capacity, I was there for a training exercise on first aid training and there were 22 students in the room at the time when I was there.

Ms DAWN WALKER: Was that at capacity?

Mr BLACK: I think it would be fair to say that.

Ms DAWN WALKER: Can you confirm that there are no on-site toilets for students at the Dapto shopfront?

Mr ADAM MARSHALL: No, I cannot confirm that. Mr Black?

Mr BLACK: I do recall going out through the back door where there are cooking facilities and turning left and there was a toilet. I did not avail myself of the facilities.

Ms DAWN WALKER: Your actual TAFE website directs students to the railway station or the shopping mall to use the toilet facilities. Do you think that is an acceptable standard for a TAFE facility, Minister?

Mr ADAM MARSHALL: No, I do not.

Ms DAWN WALKER: Do you have any plans to make it more acceptable?

Mr ADAM MARSHALL: There will be a number of discussions about that facility. As you have identified, I am working my way around the State to visit a number of TAFE facilities and it is something I would like to see for myself before I canvass what steps may or may not be taken.

Ms DAWN WALKER: Can I take it, Minister, that you have not factored in feasibility for students with a disability accessing toilet facilities at the shopping mall or railway station?

Mr ADAM MARSHALL: Any discussion about the Dapto facility and changes that were made were made well before my appointment to this portfolio. I do not know whether Mr Black has any detail on that.

Mr BLACK: As previously advised, the TAFE access point at Dapto does not provide for what is required under a connected learning centre. I am currently reviewing the commercial arrangements made in that particular circumstance. It needs to be said that when I recall reading the business case and the situation there, there are three campuses in close proximity to that area. It is important that we provide access, as you said, to all and, moreover, when a student enters TAFE, that we ensure they have a successful training outcome.

Ms DAWN WALKER: Minister, are there any practical trade courses being offered at Dapto?

Mr ADAM MARSHALL: At the Dapto facility—Mr Black, do you have anything to say?

Mr BLACK: There is no physical training for trade courses there but we do provide them particularly at Wollongong, Wollongong West, Yallah and Shellharbour.

Ms DAWN WALKER: Finally, on Dapto I take it that you will be taking immediate steps to track the performance of that shopfront—is that what you are suggesting, Minister?

Mr ADAM MARSHALL: No. I am suggesting that, like all of our TAFE facilities and TAFE NSW as a whole, we are continuing to make TAFE more efficient and trying to grow our presence and the quality of training that we offer to help meet the skills needs in this State.

Ms DAWN WALKER: Given the practical, hands-on nature of many TAFE courses, can you explain how connected learning centres [CLCs] are going to be able to provide necessary practical skills?

Mr ADAM MARSHALL: Sure. The first four connected learning centres, as I said earlier, are being constructed at the moment in Tenterfield, Glen Innes, Coonabarabran and Quirindi—that is tranche 1. Those

facilities will offer expanded course selection to students in those areas—a mixture of blended learning, of face-to-face, hands-on teaching through mobile education units that are already at those campuses and some online components as well, where appropriate. The idea of these CLCs is to ensure that students, particularly in regional areas, have more study opportunities for more courses that meet the skills needs of their particular communities rather than having to travel hundreds and sometimes thousands of kilometres to access that course through a campus that could be—

Ms DAWN WALKER: Sorry to interrupt you but can we take Quirindi as an example? Can we hone it down to, say, Quirindi? Have you visited the Quirindi site?

Mr ADAM MARSHALL: Yes, I have—the campus site and the site for the CLC.

Ms DAWN WALKER: Will practical trades be offered at Quirindi?

Mr ADAM MARSHALL: Yes, there will.

Ms DAWN WALKER: What will those be?

Mr ADAM MARSHALL: Quirindi CLC is expected to provide additional training opportunities. At the moment at Quirindi the courses provided are business administration, community services, retail and community pharmacy. They are at the existing campus. Once the CLC is built, in addition to those courses the CLC will also offer agribusiness management, tourism and hospitality, early childhood education and care, foundation skills, customer service, building and construction, wool classing, health and disability, and Aboriginal languages, more than doubling the courses that are currently available to students in Quirindi.

Ms DAWN WALKER: For trade training there is no motor mechanics, no sheet metal, no carpentry, no building—

Mr ADAM MARSHALL: There is provision for those courses to be offered there, should there be the demand and should business and industry in their discussions with TAFE ask for that to be provided. There is certainly capacity to do that.

Ms DAWN WALKER: Given Quirindi is a shopfront—

Mr ADAM MARSHALL: It is not a shopfront, but go on.

Ms DAWN WALKER: —it is a connected learning centre with a bank of computers—how are those practical trades' hands-on skills going to be taught to students at Quirindi?

Mr ADAM MARSHALL: There are mobile education units, which I might get Mr Black to provide the details of. I have seen them in action. They are vehicles with large trailers and mobile buses as well with all of the gear and equipment that students can work in or around with the teachers at TAFE. They are a very high standard.

Ms DAWN WALKER: Like a sort of a caravan—*[Time expired.]*

Reverend the Hon. FRED NILE: Following up those questions on TAFE, student numbers and so on, there seems to be some confusion about the number of students who are doing a number of courses. If one student is doing four courses, are they shown as four people? You should have documented figures for enrolment of actual students so that 1,000 enrolments is 1,000 students, not one student who is doing three courses.

Mr ADAM MARSHALL: That is correct and I am advised that that was the way that enrolments used to be counted before we moved to the One TAFE system in which students could be counted twice, three times and sometimes even four times in the extreme case, even though they were still one student. That is certainly not the case now. Mr Black may want to provide some details.

Mr BLACK: That is correct. The advice I have received is that up to 2012 the accounting was as the Minister described, and since the implementation of the Smart and Skilled requirements it is very strictly advised that it is a single enrolment only. If a student undertaking, for instance, a certificate 3 in carpentry would benefit from some English second language type skills, which is very important for us, that enrolment in the sub-course is still counted as one, when previously it was counted as two. I would say for the Committee that as the managing director I am concerned about the focus on the number of enrolments.

For instance, a three-hour course on the responsible serving of alcohol counts as one enrolment, as does a three-year diploma. We all understand the resource commitments between the two. I am pleased that this year, for instance, the data in the Newcastle areas tells me we have a lift in apprenticeship numbers by 25 per cent and in the north coast by 29 per cent. I am seeing that benefit because those are three-year certificate III or IV

apprenticeship courses, compared with the requirement to do a three-hour commercial-type activity that perhaps other providers might provide.

Reverend the Hon. FRED NILE: In future you will break up the figures and show the number of students doing diploma courses as opposed to doing short-term courses?

Mr ADAM MARSHALL: That is correct. I am led to believe that as part of its audit process, The National Centre for Vocational Education Research [NCVER] looks at that precise issue when it collects data from the Registered Training Organisations [RTOs].

Reverend the Hon. FRED NILE: Mr Black, you said there were challenges because of the competitive training market. Is the reason for that that the Government has been encouraging private enterprise in the TAFE area?

Mr BLACK: It is not appropriate for me to comment on Government policy. TAFE NSW finds itself today in a highly competitive market. However, I believe that we have the resources, particularly the people, to effectively compete. One of the designs of the One TAFE organisation is that instead of trying to develop courseware, if you like, products to meet industry demands in 10, 11, or 12 places, we are doing it in one place and are sharing it across New South Wales. It also enables a student to commence a course in one location and finish it in another, providing us with far more flexibility and reach. I feel confident that whilst we have some disadvantage with some of the private sector competitors, I believe that TAFE NSW is in a very strong position to move forward into the future as the primary provider and also, importantly, as the public provider. We are in receipt of a pretty significant Community Service Obligation (CSO) payment to support those with disadvantage. The design of the organisation is such that we can ensure that we reach all, and that those who enter training will be successful.

Reverend the Hon. FRED NILE: Do you agree that it seems strange for the Government to be encouraging competition with its own TAFE system?

Mr BLACK: I do not think it is appropriate for me to comment on Government policy.

Reverend the Hon. FRED NILE: Minister, is that leading to a weakening of TAFE in New South Wales?

Mr ADAM MARSHALL: Sorry, I cannot really comment on the overall skills policy of the Government. I am the Minister that administers TAFE and the Technical and Further Education Commission Act. I am the Minister, essentially, for TAFE. We have to operate within a broader—

Ms DAWN WALKER: You are in Cabinet.

The Hon. JOHN GRAHAM: You are a member of Cabinet.

The CHAIR: Order!

Mr ADAM MARSHALL: —policy setting and I try, along with the managing director, to operate TAFE as best we can to make it the premier Vocational Education and Training (VET) provider not just in this State but in this country.

Reverend the Hon. FRED NILE: You are the defenders of TAFE. If you do not defend it who in Cabinet will?

Mr ADAM MARSHALL: That is right. I try to do that every day, as well as Mr Black and his team. That is why we are making the reforms that we are making within TAFE—modernising TAFE to make it as competitive as possible in the VET sector. You will appreciate I informed the Committee earlier that our Smart and Skilled enrolment figures have increased by a dramatic volume year to date, which indicates that we are delivering on those policy objectives of skilling people in this State to meet the skills need of business and industry. That is our absolute core focus.

Reverend the Hon. FRED NILE: Have you received any criticism from students about the excessive cost of TAFE courses? There seems to have been a dramatic increase in costs. Maybe you are charging the same as the private sector.

Mr ADAM MARSHALL: Yes, the prices are capped on the Smart and Skilled policy. With our focus on the Smart and Skilled list where the subsidies are, that has been a huge growth area for TAFE. Mr Black, do you want to add any details?

Mr BLACK: It is important to recognise implementation of the policy. I would not be wrong in saying that before I assumed my responsibilities there were difficulties in managing the transition. As I say, if I

look at the enrolment success year to date, particularly the high-priority areas where we have skills shortages, it is a good sign. In respect of the small co-payment when we look at the overall cost of the course as the subsidy comes in, I am concerned because, as the Minister mentioned, with the Federal Government policy for higher education or the university sector, the student would have the ability to have a loan that covers the whole course. Whereas for us, there is a small gap payment. That could be exacerbated if the current reforms before the Senate are passed, which means universities will get access to diplomas and advance diplomas.

TAFE NSW has an important role to play when it comes to skills shortages, particularly with the changing nature of work, such as with robotics and advanced agricultural techniques. They are some of the areas in which we need to develop the courses rapidly. They are coming in because of the type of learning required at that diploma level, but we would need practical hands-on education to prepare people for work, not the theoretical higher education diploma. I am mindful of that. We are looking at all ways to work with industry to be more responsive to their needs.

Reverend the Hon. FRED NILE: It is another area of competition. They are already competing with the private sector. They will have to compete with the universities as well. This could be doomsday for TAFE.

Mr ADAM MARSHALL: Potentially. We have flagged and warned that allowing the university or tertiary sector into what has traditionally been a VET space or TAFE space could have significant consequences, as we have already seen with the changes in policy around student loans.

Reverend the Hon. FRED NILE: Are you engaging the Commonwealth with these concerns?

Mr ADAM MARSHALL: Absolutely we are.

Reverend the Hon. FRED NILE: It would be looking at its own needs, not your needs.

Mr ADAM MARSHALL: Yes. To your earlier question, I advise that the apprenticeship fees have been capped at \$2,000 and trainee fees are capped at \$1,000. They have not been subject to the slight consumer price index [CPI] increase across Smart and Skilled and across the board.

Reverend the Hon. FRED NILE: There are no TAFE fees in the \$5,000, \$6,000 or \$8,000 bracket?

Mr ADAM MARSHALL: There are for some courses, particularly those that are not on the skills list. Mr Black?

Mr BLACK: That is correct. If they are outside of Smart and Skilled, commercial fees are associated with it. Also, the new loan scheme has certain caps, \$5,000, \$10,000 and \$15,000. We sought some dispensation from Canberra for that, particularly for pilot training, which was upwards of \$85,000 for a course. As I said, there are some gaps for those courses at the diploma level because the loans have been capped. As we know, it is important to stop the rotting, but we have to recognise we still have a challenge responding to that.

Reverend the Hon. FRED NILE: Moving on to Tourism, what is New South Wales tourism doing to capitalise on the next Commonwealth Games to be held in Brisbane?

Mr ADAM MARSHALL: We have done a number of things. I have written to my counterpart in Queensland. I had a preliminary discussion with her at the recent tourism meeting for Ministers—

The Hon. PENNY SHARPE: You managed to get to that one?

Mr ADAM MARSHALL: Ask me a question about it, please—about the opportunities that will exist. Yes, we are trying to maximise as much as possible, which was another reason that we recently announced a \$300,000 promotional campaign boost—

The Hon. JOHN GRAHAM: Point of order—

Mr ADAM MARSHALL: —for the North Coast to capitalise on that coming up.

Reverend the Hon. FRED NILE: He was answering the question.

The Hon. JOHN GRAHAM: Yes, it was a good answer. I want to go back to TAFE enrolments. These enrolments are bad, particularly for new enrolments. I appreciate you being frank in front of the Committee and saying they are worse than expected. They are concerning. Certificate I and Certificate II enrolments are down by 23 per cent. Diploma and Advanced Diploma enrolments are down by 46 per cent, graduate certificate and graduate diploma enrolments are down by 41 per cent. These are big drops in new enrolments. How much worse than the budget figures could these be if it carries on until the end of the year?

Mr ADAM MARSHALL: I cannot answer that until the end of the calendar year and we see where the figures finally finish and when the NCVER publish those figures.

The Hon. JOHN GRAHAM: I want to go to the detail of those figures. This internal document shows that despite the fact that you have said we are counting students, these figures count you multiple times if you do one course. It states, "Operational count is based on the number of enrolments in courses. If a student has multiple enrolments in a course across different campuses, each enrolment is counted."

Mr ADAM MARSHALL: Mr Black?

Mr BLACK: That internal document was trying to point out the fact that the current structure of the 10 institutes where we are still running the old enrolment system behind the scenes, regrettably, is not interacted. We have different students in different locations. We would have to count them separately. That is a different issue to what we described before.

The Hon. JOHN GRAHAM: This one is not counting students, it is counting enrolments. It could be worse than those figures?

Mr BLACK: No, I do not think we would have—

The Hon. JOHN GRAHAM: It means fewer students, surely?

Mr BLACK: We have very few in that situation. As you can appreciate, in the Greater Metropolitan area of Sydney, we have four institutes and we have a couple of students—I would not like to put a number on it—who enrol in St George but also run one course in Ultimo and they may then have to be in two different enrolment systems.

The Hon. JOHN GRAHAM: That is useful information, Mr Black. I agree with your concern about the three-hour courses. These figures count you if you enrol in a short course or in one unit. Obviously that is inflating these figures. This document shows that some of the figures count incomplete enrolments that relate to community service obligations, even if the system knows they will not be converted to actual enrolments. Is that correct?

Mr ADAM MARSHALL: I will have ask Mr Black to confirm that. Would you be able to repeat the question?

The Hon. JOHN GRAHAM: Some of these figures count incomplete enrolments relating to community service obligations. You know and the student knows they will never be converted to actual enrolments. Those numbers are in these figures, are they not? That is what this document says?

Mr BLACK: No, that is not correct.

The Hon. JOHN GRAHAM: It is what it says in black and white. Do you want me to read it to you?

Mr BLACK: I think we need to—

The Hon. JOHN GRAHAM: It states, "Enrolments include enrolments used for tracking community service obligation funding in one region. These enrolments inflate the total enrolment figure as they will not be converted to valid enrolments." It is pretty clear.

Mr BLACK: With all due respect, I am happy to take you through the internal document in detail. I am disappointed that such a document has leaked into the public arena, understanding it is on a number of websites now. I am conscious that that information is strategically commercially sensitive to our competitors, but the community service obligation [CSO] funding—

The Hon. JOHN GRAHAM: I will get you to take the detail on notice because of the time, Mr Black.

Mr BLACK: I am happy to. The CSO is important to us.

The Hon. JOHN GRAHAM: This document also reveals, "The counting rules have changed between years. 2016 enrolments are potentially overstated as a result of limitations to systems." It goes on. Again, it might be worse. Minister, what do you say to the fact that 2016 enrolments are potentially overstated?

Mr ADAM MARSHALL: They are not, because they have been validated by the National Centre for Vocational Education Research.

The Hon. JOHN GRAHAM: What do you say to this document saying 2016 enrolments are potentially overstated?

Mr ADAM MARSHALL: Before I ask Mr Black to comment on that, I would say that the official figures that we use and that every other State and Territory in the Commonwealth uses is the NCVER because they collect all the data, they audit them and then they publish.

The Hon. JOHN GRAHAM: I appreciate your honesty saying these figures are worse on new enrolments, but what this document shows is that it might be worse again, based on what is in black and white in front of the Committee, and that is doubly concerning.

Mr ADAM MARSHALL: It certainly does not say that for 2016, but we will not know the full 2017 calendar year enrolments until the end of the year and the NCVAR audit and publish those figures.

The Hon. PENNY SHARPE: Minister, can you rule out the sale of further TAFE campuses across the State?

Mr ADAM MARSHALL: What I can say on that point is that, wherever there is a TAFE presence today, there will continue to be in the future.

The Hon. PENNY SHARPE: Those are interesting words. Are there any plans to sell Chullora campus? I can give you the whole list—Padstow, Meadowbank, Loftus, Belmont, Singleton, West Wyalong, Scone and Bombala. Are you guaranteeing this Committee that those TAFE campuses will stay in public hands or are there plans for some or any of them to be sold? I am happy for you to take it on notice if you are not sure.

Reverend the Hon. FRED NILE: Why not give the Minister a copy of the list?

Mr ADAM MARSHALL: What I can commit to is, where there is a TAFE presence today, there will continue to be in the future.

The Hon. PENNY SHARPE: That is not my question.

Mr ADAM MARSHALL: I know, and I am coming to your question. What is important in TAFE are the courses, the education and the teaching we provide, not necessarily always the building. Just as the nature of TAFE changes and the way vocational education and training is delivered, so must our asset base change with that. I cannot in good conscience as Minister say if we find a vacant grazing paddock somewhere, as TAFE has historically owned or an empty building somewhere that might be a residential building that is surplus to requirements, of course we are obligated to get best value for the taxpayer dollar. In those circumstances, you would want to look at divesting to then pour those resources back into frontline education.

The Hon. PENNY SHARPE: As you would be aware, the motor racing legislation for Newcastle Supercars was passed in February this year. During that debate in the second reading speech you committed on behalf of the Government to have a Newcastle-based New South Wales Government community liaison officer from March. That commitment was fulfilled, was it not?

Mr ADAM MARSHALL: Yes, we have a unit on the ground there: two staff in Newcastle who are supported by Destination NSW.

The Hon. PENNY SHARPE: Does that include the project manager?

Mr ADAM MARSHALL: Yes, and they work with Newcastle City Council and the race promoter, Supercars Australia, to coordinate that community consultation, which is important.

The Hon. PENNY SHARPE: That commission liaison officer is a full-time position, is that correct?

Mr ADAM MARSHALL: Yes, that is correct.

The Hon. PENNY SHARPE: Its pay scale is around \$112,000 to \$124,000 per annum?

Mr ADAM MARSHALL: I would have to defer to Ms Chipchase on that operational matter.

Ms CHIPCHASE: Pro-rated.

The Hon. PENNY SHARPE: How is it pro-rated if it is full time?

Ms CHIPCHASE: It is full time but it is not a—

The Hon. PENNY SHARPE: For a full year, I understand what you are saying.

Ms CHIPCHASE: Yes, correct.

The Hon. PENNY SHARPE: Can you tell me how many people applied for that job?

Ms CHIPCHASE: No, I cannot, but I can take it as a question on notice.

The Hon. PENNY SHARPE: Where I am coming from, the Labor Party was extremely concerned about Supercars going to Newcastle without having a proper coordinating authority. As you know, we made that case during the debate and there was the commitment to have the community liaison officer. Clearly, it is a very

sensitive issue. I am still receiving many emails every day about concerns in terms of the rollout. I want to confirm that the job that was given to the community liaison officer is held by a man called John Thomson, is that correct?

Ms CHIPCHASE: No, James.

The Hon. PENNY SHARPE: Can you tell the Committee what his experience was in relation to a very sensitive position such as this one?

Ms CHIPCHASE: There was an interview panel and he was tested on a number of scenarios—how he would respond to certain situations. He has worked in other community groups. I do not have his curriculum vitae in front of me, but it was a merit selection process. The applicants had to have writing skills, because obviously there is a lot of correspondence that needs to be dealt with, and also dealing with people who may be emotional and how to be a good listener, to listen to what the concerns are and to try to direct those individuals to the appropriate authority or to get the information.

The Hon. PENNY SHARPE: Minister, are you concerned that the person who is holding that job has only had one other job since university?

Mr ADAM MARSHALL: No, because I was not involved in the appointment of that individual and I am advised by the chief executive officer, as you have just been, that it was a merit-based selection process.

The Hon. PENNY SHARPE: Are you aware that the person holding that position's community experience has been as vice president of the Liberal Club at the University of Wollongong?

Mr ADAM MARSHALL: No, I do not even know that individual.

The Hon. PENNY SHARPE: Are you not concerned that, for a job as sensitive as this, this person has only held a job in a legal firm for 11 months prior to simply being a student at university but he is very well connected with the local Liberal Party in the Newcastle area.

Mr ADAM MARSHALL: I am reliant on Ms Chipchase's advice that it was a merit-based selection process and that person was selected through that process.

The Hon. PENNY SHARPE: You have no concerns about that?

Mr ADAM MARSHALL: I am just concerned that there was a proper due process, a merit-based process, which I am advised there was.

The Hon. PENNY SHARPE: Is this the same person who has had allegations in relation to pulling down election posters previously?

Mr ADAM MARSHALL: As I said, I do not know the individual at all. Having not known that person, having never met the person, I really cannot comment on that.

The Hon. PENNY SHARPE: Ms Chipchase?

Ms CHIPCHASE: No, not to my knowledge.

The Hon. PENNY SHARPE: Are you able to provide to the Committee—and I am happy to do this on notice—how many complaints have been made regarding the Supercars and how many of those have been responded to, and in what time frame?

Ms CHIPCHASE: Sure.

The Hon. PENNY SHARPE: I know there is a 20-day time frame for written questions but I am also interested in emails; some of the issues that have been raised by me have been immediate and urgent. Would you be able to provide that for us?

Ms CHIPCHASE: Sure. We would be able to give you a list of how many emails and letters come in. Also, we respond to requests.

The Hon. PENNY SHARPE: I am happy for you to take it on notice.

Ms CHIPCHASE: There are also many emails where there is not a question; it is more a statement, where people are expressing their lack of support. They are not asking us to do anything.

The Hon. PENNY SHARPE: If you could just let us know which ones you choose not to respond to, that would also be helpful. Where is the noise mitigation plan up to, and is it going to be released publicly?

Ms CHIPCHASE: Supercars Australia has undertaken to write a noise management plan. That plan has been produced. It is now with government agencies for comment. My understanding is that Supercars Australia will be releasing that noise management plan into the public domain very shortly for comment and review.

The Hon. PENNY SHARPE: I want to ask about the international locations of representatives for Destination NSW. Can I confirm that there are 13 locations where there are international representatives?

Ms CHIPCHASE: Yes, that is correct.

The Hon. PENNY SHARPE: How many of those are collocated with existing Australian Government activity and how many of those are separate?

Ms CHIPCHASE: The bulk of them are collocated and they are either collocated with New South Wales government offices or with Tourism Australia. I think there are only two that are not at this stage.

The Hon. PENNY SHARPE: Would you be able to provide to the Committee the breakdown of where they are located? I am aware of where they are, but obviously I want to know whether they are already with our trade offices or whether they are separate. Could you also provide a breakdown of the budget for each office to the Committee?

Ms CHIPCHASE: Sure.

The Hon. PENNY SHARPE: Minister, I want to come back to the issue in relation to the appointment of this person to the coordinating committee. The experience that was set out in relation to this position—and I am quoting directly from the essential requirements of the position description—is, "High level communication with extensive liaison and negotiation experience at senior level." Do you think having a job for 11 months and being vice president of the Newcastle Liberal Club is extensive experience at a senior level?

Mr ADAM MARSHALL: Again, I cannot comment on the individual. I can only assure myself that there was a merit-based selection process, and the chief executive officer has advised me that there was, just as she has advised the Committee. Ms Chipchase, do you want to make any further comment?

Ms CHIPCHASE: As I said, this particular position is not managing the whole community engagement process; it is community liaison.

The Hon. PENNY SHARPE: The point I am trying to make is to the Minister. A lot of guarantees were given to the community in Newcastle about the management of this event, which has been highly contentious for a group of people within that community. My concern is that the Government did not live up to its promise on community liaison and that the person who was appointed to the position is very problematic in regard to how this event will continue now and into the future.

The Hon. TAYLOR MARTIN: Chair, with your indulgence, I happen to know there are two James Thomsons in the Newcastle area. There is one that I believe the honourable member is talking about who interfered with an election process in 2015. Is that the incident you referred to with the corflutes?

The Hon. PENNY SHARPE: I am aware that there are two James Thomsons.

The Hon. TAYLOR MARTIN: This is not the James Thomson that is employed by—

The Hon. PENNY SHARPE: Thank you for that clarification. It is not a point of order and you are taking up my time.

Mr ADAM MARSHALL: That interlude highlighted the need that, from my perspective as Minister, I am satisfied that there was a merit-placed selection process. Given that it is an operational matter, that is all I can do. I would say that we have fulfilled our obligation because we have two staff on the ground working with Newcastle City Council and Supercars, as per my comments in the debate when both Houses were considering the bill. Those people have been working very hard to ensure that the consultation process is being conducted appropriately.

The Hon. PENNY SHARPE: Minister, Peter Collins is due to report this month on cruise ships. Is he on track to do so?

Mr ADAM MARSHALL: Yes, that is my understanding. He will be reporting to Minister Pavey and me by the end of the month.

The Hon. PENNY SHARPE: You believe that is on track?

Mr ADAM MARSHALL: Absolutely. From the last discussion I had with him, yes, that is the case.

Ms de SARAM: They are actually meeting as we speak.

The Hon. PENNY SHARPE: Who?

Ms de SARAM: The cruise ship reference panel chaired by Mr Collins.

The Hon. PENNY SHARPE: How many representations have you made to your Commonwealth counterparts about the issues at Garden Island with cruise ships?

Mr ADAM MARSHALL: In relation to the cruise ship sector? Most of those discussions have taken place at an operational level at this stage. I do not want to pre-empt what the reference group will come back with at the end of the month. I would say that depending on the outcome of the content of that report, discussions would certainly begin in earnest. I have had a conversation with my Federal counterpart, Steve Ciobo, about this issue and given him some information about the reference group that we have put together. Obviously, it is no secret that the Garden Island issue you mentioned is one of a number of potential solutions or sites. Those are the discussions I have had but I will wait to receive that report by the end of the month.

Mr JUSTIN FIELD: On 14 September Supercars put out a media release saying that the project was running on schedule. Is the project running on schedule, yes or no?

Mr ADAM MARSHALL: With all due respect, that is a question for the race promoter, not for me.

Mr JUSTIN FIELD: The Government is pretty involved in this. Do you expect that they are going to have the track finished and the race is going to proceed on time?

Mr ADAM MARSHALL: Again, that is a matter for the race promoter. It is my fervent hope and desire that they do because it will be an absolutely stunning event. Already on the first day more than 20,000 people bought tickets. Certainly they are very hopeful it goes ahead as well.

Mr JUSTIN FIELD: Was one of the reasons that it was necessary for Destination NSW to grant an authorisation for night works a concern that they were behind schedule on preparing the track?

Mr ADAM MARSHALL: Ms Chipchase, do you want to address that?

Ms CHIPCHASE: As you may be aware, the civil works is a joint program between Newcastle City Council and Supercars Australia. Newcastle City Council had planned a number of civil works over the next two years. There was an opportunity to fast-track them and consolidate the works that Supercars would need to do and that Newcastle council would need to do into one group set of civil works. The issue has been, as with any civil works, once you lift up the road. They found, for example, old lead pipes that needed to be removed. That takes a bit longer. But the community has received information on those night works, what the protracted period will be and the hours of operation. Where possible, when it was a choice of either having works that went on for weeks and weeks or trying to consolidate them, the choice was made to consolidate them so that there would be less disruptions for the residents and also for business and the general public who might want to go to the beach.

Mr JUSTIN FIELD: It is hard to get to the beach at the moment. I was up there recently. It would have been entirely foreseeable that pipes would have been underground; it is an old city. Minister, do you think it is reasonable to expect families to sleep through construction works—and by that I mean literally the grinding and milling of road base up to 11.00 p.m. within metres of where children are sleeping? That is what was going on in Newcastle last month.

Mr ADAM MARSHALL: As part of preparations for this race, a lot of civil works are occurring. The vast bulk of those civil works will be a one-off. You will not have to see that civil works program and certainly at nowhere near the intensity leading up to the subsequent four races, and maybe there will be ones after that. There is an acknowledgment I think particularly by the council and Supercars that there is a level of disruption in order to get things ready in a once-off way for the infrastructure required to host this event and/or the other civil works which council was going to do anyway. They are taking the chance while they have got the machines and the ground dug up to do all of that at the same time, which seems on the surface eminently sensible.

Mr JUSTIN FIELD: Another major disruption for residents who live inside the racetrack is how they will get to and from their homes during race weekend. I understand there will be a parking area available for residents outside the track and that Supercars will make provisions to get people to and from their homes and cars should they need to. How will work that, because I understand there is not yet a location decided for that parking area?

Mr ADAM MARSHALL: Do want to cover that, Ms Chipchase?

Ms CHIPCHASE: Newcastle City Council and Supercars have asked Newcastle City Council to identify some sites for parking. As far as residents getting access in and out, there will be a procedure in place. I cannot tell you the exact nature of it because these are published and broadcasted hearings, but there will be a form of identification that residents will have. Those who do not have that or forget a particular authorisation or do not want to use that will have other means at their disposal. But all residents will have access to and from the event site.

Mr JUSTIN FIELD: When will the residents find out?

Ms CHIPCHASE: Very soon.

Ms DAWN WALKER: Minister, there have been plans to close and sell off Murwillumbah TAFE since 2015. Since then the community has been stuck in limbo. Can the Government provide clarity for the people of Northern Rivers about the future of Murwillumbah TAFE?

Mr ADAM MARSHALL: The Committee may not be aware that Murwillumbah has been selected as a site for a connected learning centre [CLC]. While TAFE is analysing the options and the physical requirements for what the connected learning centre will need, I cannot give any further clarification or confirmation about what will happen with the physical campus that is there at the moment because TAFE is still going through the business case process and looking at what is required. Mr Black, do you want to add anything to that?

Ms DAWN WALKER: When do you expect to have that information to be able to inform the community of your decision?

Mr ADAM MARSHALL: As soon as I have that information I will be announcing it.

Ms DAWN WALKER: When will that be?

Mr ADAM MARSHALL: I cannot give you a firm date here and now, suffice it to say if you look at the budget papers that gives you an indication as to our commitment to the CLC there. TAFE is going through that business case development at the moment. Mr Black, do you want to add anything to that?

Mr BLACK: That is correct, Minister. We are obligated to complete a business case that meets the standards of New South Wales Treasury and we are ensuring that is the case before we submit to Government.

Ms DAWN WALKER: Mr Black, when do you think that will be?

Mr BLACK: My intention is to complete the business case processes certainly by the end of October to meet the Minister's time frame.

Ms DAWN WALKER: October this year?

Mr BLACK: Correct.

Ms DAWN WALKER: Is the expectation that the TAFE campus will be sold off?

Mr ADAM MARSHALL: No. I cannot comment on any expectation or otherwise, because until I see the business case and what the new CLC will look like and what the requirements will be, I cannot pre-empt any decisions that will flow from that. Suffice it to say, when a decision is made the public will be informed.

Ms DAWN WALKER: Can you clarify the status of the TAFE stage 2 roll-out of the CLCs across the State?

Mr ADAM MARSHALL: The status of those at the moment?

Ms DAWN WALKER: How many CLCs will there be in New South Wales by the end of the year?

Mr ADAM MARSHALL: Stage 2 of the Connected Learning Centre programs will see new centres in Scone, Singleton, Murwillumbah, Yamba, Grenfell, Bourke, Bega, Narrandera, Deniliquin and Corowa in the south. Those will all be rolled out and completed by the end of 2018 at the latest.

Ms DAWN WALKER: Does the Government still have plans to replace Chullora TAFE with a Connected Learning Centre as well as Epping, Belrose, Maclean, Corowa, Narrandera and Grenfell?

Mr ADAM MARSHALL: Some of those have been covered already in stage 2. Stage 2 CLCs are those that I read out. I did not quite hear the first ones that you mentioned but if they were not mentioned in that list, no.

Ms DAWN WALKER: There are no plans to have CLCs at those TAFE colleges?

Mr ADAM MARSHALL: Not at this point.

Ms DAWN WALKER: I might submit this list. Perhaps we could get written confirmation of that; that would be helpful.

Mr ADAM MARSHALL: Sure.

Ms DAWN WALKER: Can you outline your evaluation plans for the CLCs. When will the community know how they have gone—how effective they have been?

Mr ADAM MARSHALL: As you know, the first tranche—the first four—will open in November this year. I might ask Mr Black to talk you through how he will be evaluating the success of those.

Mr BLACK: The key to success is moving students into employment. The business cases were predicated on identifying the skills requirements for each location and providing the courses to meet that local need. I think the Minister made a comment earlier about trying to prevent students having to travel. We are very excited about the next generation of technology that we are able to introduce. It will enhance the learning experiences to be complemented by the practical, hands-on teaching, where required. That is, in the virtual classroom we are having a lot of success with teaching professionals in one location being able to reach right across New South Wales. Indeed, the advent of virtual reality—augmented reality—simulation provides a significant enhancement to the learning experience. As I said, we can complement that with a mobile training unit. We are seeing students learning practical skills to get a good skill base to learn from.

We are also developing three scales of the mobile training unit—I call them small, medium and large—because when we are moving into skills areas that require practical skilling it requires us to bring a teacher with equipment to test it. I was very excited to see certificate 2 in carpentry in Brewarrina, where a significant number of the students were of Aboriginal heritage. The ability for us to teach those hands-on skills enabled us to ensure that they got a job locally. That was good to see—hence our expansion of this so that we can reach those areas right across New South Wales. I was disappointed at the same time that we were not able to provide a diploma level course in early childhood education to some remote students, but we will be able to in the future. There is a big demand for those skill sets in those areas. It is the same with aged care, disability care and so forth. I am excited about that, but first and foremost is the ability to respond.

Reverend the Hon. FRED NILE: I would like to follow up on some of the TAFE questions and jargon such as "virtual classroom" and "connected learning centres". Have you done any surveys of what the students think about those particular places and how helpful they find them? Have you done any surveys?

Mr BLACK: In fact, I looked at the data. The shift in the style of learning today is quite remarkable. Students tend to engage very much on devices. They wish to learn when and where they want to, and be agile enough to have a job as well as learn. So we have had to take those things into consideration. I need to say that the use of simulation and the like is not new. The former TAFE institutes were not able to invest in that technology, but I stress again that under the One TAFE, with the pooling of our resources, we can. I think we have been able to prove, also, the success of learning through that simulated environment before investing in the practical—for instance in training pilots it is very useful to do it on a simulator before going onto the actual aircraft. That is what we have to do—understand the importance of skills training in this way.

Reverend the Hon. FRED NILE: I know it has been very important with pilot training. I have some general questions about promoting tourism. Is the Government committed to the construction of a second track in the Bathurst racecourse, thus making the region the car-caring capital of Australia?

Mr ADAM MARSHALL: Yes, it certainly is. In fact, the Deputy Premier and the Treasurer were in Bathurst not that long ago making an announcement about extra Government support for that second track. I anticipate that it will be able to enhance the facility at Bathurst and create the potential to host more motorsport events, and obviously help the State create new events and attract more visitors to the Bathurst region—not just around the famous Bathurst 1000 time, but right throughout the year.

Reverend the Hon. FRED NILE: I have another tourism question. What is the Government doing to promote cruise shipping in the Illawarra, given the demand on Sydney Harbour?

Mr ADAM MARSHALL: The cruise industry is incredibly important for the whole State. It has to be acknowledged that in the cruise sector, whilst Sydney is the port of choice for most of the major cruise traffic, there are opportunities in other parts of the State—whether it be Newcastle, Wollongong or even the port of Eden. Last season the Wollongong-Port Kembla area saw visits from four cruise ships and has another three scheduled for this year, which is important. Destination NSW has worked closely with Destination Wollongong—the ground handlers, the local industry, the cruise industry itself and other event partners—to

build packages around those cruise ships to maximise the economic benefit that is felt in that area, and the visitor experience.

We did that in the inaugural season—last year—and we are doing it again. We are building up that area as the fourth official cruise port in New South Wales. Largely we are guided by industry. You cannot force the cruise ships to go there but if the industry—particularly Royal Caribbean—is interested in going down there Destination NSW will work very closely with them. They are going down there again this year and hopefully we will see a continued growth in those visits.

Ms CHIPCHASE: We are very excited about the opportunity, particularly given the Government's announcement about the port of Eden wharf extension. That is going to open up more opportunities for us to work with more international and national cruise lines. We have a very enthusiastic industry south of Sydney, as well as north of Sydney. We are really looking forward to capitalising on that opportunities.

Reverend the Hon. FRED NILE: Will the Government be putting in a bid for the Logies?

Mr ADAM MARSHALL: We have put in a bid for the Logies. We put in an expression of interest in May this year. An option for the Logies is to host them in Tamworth in 2018, and Dubbo and Albury in subsequent years. We think it presents a great opportunity to refresh and rebrand the Logies and do something that has never done before—take them to regional New South Wales. The three centres have a demonstrated track record of hosting major events on that scale.

If the Logies promoters are interested in talking about other venues in New South Wales of course we are very flexible and happy to talk to them about that, but that is the bid that has gone in. It is interesting to note that in today's media the Victorian Government has announced that because this year marked the end of its five-year agreement with the Bowers' group—Channel 9—that runs the Logies, they will not be resubmitted because they view it as sentimental value to Melbourne and as having not much economic value. When you look at an event that has around 1,100 people or 1,200 people you can see that the impact of having that many people in a metropolitan city, where a lot of them already live, is not so great, but when you look at taking that event out to a regional location you see that the economic multipliers are obvious and enormous.

Reverend the Hon. FRED NILE: Has the Government any planned initiatives for the enhancement and extension of mountain bike tracks?

Mr ADAM MARSHALL: Yes, it has. That form of tourism is an important growth area. Recently the Government released the first \$100 million of the new \$300 million Regional Growth—Environment Tourism Fund. We are going through the process of assessing the expressions of interest at the moment. I can assure the Committee that there are a number of projects based around mountain biking and cycling tourism dotted across coastal and inland New South Wales and in the trends I have seen it is a growth area. Being parochial, coming from regional New South Wales, we have some of the best opportunities to grow that sort of tourism in country New South Wales where we have an abundance of space, mountains and beautiful areas in which to ride.

Reverend the Hon. FRED NILE: Victoria has prospered from the extensive use of rail trails. Does the Government have any initiatives to expand the use of rail trails in New South Wales?

Mr ADAM MARSHALL: Certainly. Legislation was recently passed to open up the opportunity for the Rosewood to Tumbarumba rail trail, which will be the first rail trail in New South Wales. Rail trails in other jurisdictions, both in Australia and internationally, have proven their tourism worth. It has been very well documented and it is something I am keen to develop and promote as this State's tourism Minister. Going back to my previous answer, the Government has committed \$4.9 million, or something around that figure, to the development of that rail trail. Recently I was in Murwillumbah to announce the State Government has quarantined \$6.3 million to support the development of another rail trail from Crabbes Creek to Murwillumbah, a section of about 24 kilometres. This is reliant on the Federal Government contributing the other 50 per cent and Tweed Shire Council also making a significant contribution.

There are a number of other proposals at the moment around the State. They are developing their business cases and/or have applied for funding from the \$300 million Regional Growth—Environment Tourism Fund. Again, it is an area that is growing internationally and something on which we can capitalise. Victoria recently announced the opening of—I cannot remember the exact number—around 30 rail trails in that State. Obviously developing these rail trails is not something that I want to see foisted on a community; it is something that a community has to welcome, accept and champion.

Reverend the Hon. FRED NILE: There has to be consultation.

Mr ADAM MARSHALL: Yes.

The CHAIR: I thank Minister Marshall and his departmental officers for appearing before the Committee today.

(The witnesses withdrew)

The Committee proceeded to deliberate.