

PORTFOLIO COMMITTEE NO. 3 – EDUCATION

Thursday 28 October 2021

Examination of proposed expenditure for the portfolio area

SKILLS AND TERTIARY EDUCATION

The Committee met at 9:30.

UNCORRECTED

MEMBERS

The Hon. Mark Latham (Chair)
The Hon. Catherine Cusack
The Hon. Anthony D'Adam
The Hon. Wes Fang (Deputy Chair)
The Hon. Scott Farlow
The Hon. Courtney Houssos
Mr David Shoebridge

PRESENT

The Hon. Geoff Lee, *Minister for Skills and Tertiary Education*

* Please note:

[inaudible] is used when audio words cannot be deciphered.

[audio malfunction] is used when words are lost due to a technical malfunction.

[disorder] is used when members or witnesses speak over one another.

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 Portfolio Committee 3 – Education budget estimates hearing. I thank the minister, Geoff Lee, and the various officials from the Department of Education who have gathered here today for their attendance, and I welcome those watching online. Before I commence, it is the custom of the Parliament to acknowledge the traditional inhabitants of this land, the Gadigal people of the Eora nation. I do that with all due respect, as well as acknowledge other important contributors to the history of the site, including those who constructed the Parliament House building, very often working in a dangerous industry, and the parliamentary staff, who over many decades have supported MPs and made our work and representative role possible. We acknowledge and thank them all. Today we are looking at the expenditure for the portfolios of Skills and Tertiary Education.

Before we commence, I make a few brief comments about the procedures that we follow for the hearing. Today's proceedings are being broadcast live on Parliament's website and a transcript will be placed on the Committee's website once it becomes available. In accordance with broadcasting guidelines, media representatives are reminded they have to take responsibility for what they publish. All witnesses have a right to procedural fairness as per the procedural fairness resolution adopted by the Legislative Council in 2018. There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In those circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days.

If witnesses wish to hand up documents, they can do through so through the Committee staff. I remind the Minister and the officers accompanying him that they are free to pass notes and refer directly to advisers seated at the table. We have some witnesses in person and a larger number via videoconference. Could everyone please mute their microphones when they are not speaking and could everyone please turn their mobile phones to silent for the duration of the hearing. I remind Minister Lee that he has already sworn an oath to his office and therefore does not need to be sworn in.

GEORGINA HARRISSON, Secretary, Department of Education, affirmed and examined

STEFFAN FAURBY, Managing Director, TAFE NSW, sworn and examined

DAVID COLLINS, Acting Executive Director, Department of Education, before the Committee via videoconference, affirmed and examined

CHLOE READ, Deputy Secretary, Department of Education, before the Committee via videoconference, affirmed and examined

JULIE TICKLE, Chief People and Culture Officer, TAFE NSW, before the Committee via videoconference, affirmed and examined

MICHAEL ALACQUA, Chief Transformation Officer, TAFE NSW, before the Committee via videoconference, affirmed and examined

MARGOT MCNEILL, Chief Product and Quality Officer, TAFE NSW, before the Committee via videoconference, affirmed and examined

KIRSTY HOSEA, Chief Delivery Officer, TAFE NSW, before the Committee via videoconference, affirmed and examined

VIK NAIDOO, Chief Strategy and Commercial Officer, TAFE NSW, before the Committee via videoconference, affirmed and examined

DAVID BACKLEY, Chief Information Officer, TAFE NSW, before the Committee via videoconference, sworn and examined

CATHERINE GRUMMER, Chief Corporate Services Officer, TAFE NSW, before the Committee via videoconference, sworn and examined

DAVID WITHEY, Deputy Secretary, Department of Education, before the Committee via videoconference, affirmed and examined

The CHAIR: As there is no provision for any witness to make an opening statement, we will begin with questions from the Opposition.

The Hon. COURTNEY HOUSSOS: I have a document to table. Just for context, the document was provided to the Parliament under a call for papers. It is a briefing document for Minister Lee for approval from TAFE NSW. Minister, have you seen this document before?

Dr GEOFF LEE: Not before today, no.

The Hon. COURTNEY HOUSSOS: It is a briefing note that was prepared for you. You definitely have not seen it?

Dr GEOFF LEE: I cannot remember seeing it.

The Hon. COURTNEY HOUSSOS: Okay. Can I take you to the bottom of the first page, where it says "not approved" with a signature. Whose initials are they?

Dr GEOFF LEE: It looks like my chief of staff.

The Hon. COURTNEY HOUSSOS: Okay. To provide you with some context, Minister, this is a document prepared by TAFE NSW. You definitely have not seen this, Minister?

Dr GEOFF LEE: Not to my recollection. I have never seen this document but obviously it seems like it has been not approved by my chief of staff.

The Hon. COURTNEY HOUSSOS: Minister, this is a proposal to sell off either fully or partially 19 further TAFE campuses across New South Wales. Do you remember being briefed by your chief of staff on this issue?

Dr GEOFF LEE: We have many conversations; I cannot remember specifically this, which was obviously some time ago in terms of years ago.

The Hon. COURTNEY HOUSSOS: Minister, it was in September last year that it was prepared and sent to your office. It is pretty significant, even for your Government, which has already sold off 13 TAFE campuses. This is proposing to more than double that number. You do not remember ever having a conversation?

Dr GEOFF LEE: We have conversations all the time about the campus and the campus footprint right across New South Wales. From time to time we have conversations, but I cannot remember specifically about this one in itself.

The Hon. COURTNEY HOUSSOS: You cannot remember being briefed by your chief of staff about the possible sale of 19 campuses?

Dr GEOFF LEE: As I said, over the 2½ years or so that I have been Minister, we have regular conversations about all different aspects of TAFE NSW, including how we manage our asset base—how we manage our campus footprint—from time to time. You asked me the question about whether I can specifically recall this document, which I cannot actually say that I can remember seeing. I am sure that my chief of staff may have briefed me about it but it is something that has not been approved. I think this goes to the point that, unfortunately, Standing Order 52 provides a collection of papers which are obviously out of context because they were not approved.

The Hon. COURTNEY HOUSSOS: I probably would not agree with your characterisation of the important call for papers from the upper House, but I think we will move on to discussing—sorry, my colleague has a question.

The Hon. ANTHONY D'ADAM: Can I just ask you, is it routine for your chief of staff to make decisions that are reserved for the Minister?

Dr GEOFF LEE: Can I say to you that quite often we discuss things and if we are not satisfied we send them back to the department.

The Hon. ANTHONY D'ADAM: So the chief of staff would have signed this as "not approved" following a discussion with you, Minister. Is that your understanding?

Dr GEOFF LEE: As I said, we have all sorts of discussions. Quite often we talk about different things. If there is not enough information in the brief and it is not substantive enough, we will send it back, for instance.

The Hon. ANTHONY D'ADAM: Is that communicated in some way in the department other than just "not approved"?

Dr GEOFF LEE: I am sure it is. I am sure they may talk about it and say that it is not substantive enough or we do not agree with it. There are a whole variety of reasons why we go back to the department. It is a normal practice.

The Hon. ANTHONY D'ADAM: Do you recall any discussions around the Divestment Program?

Dr GEOFF LEE: Of course, we have discussions all the time about how we best manage our more than 130-odd campuses right across the State all the time. It is an important part of managing a large portfolio of businesses right across the State.

The Hon. COURTNEY HOUSSOS: Sorry, you just referred to TAFE as businesses. Do you feel you are managing a portfolio of businesses in your role as the Minister for skills?

Dr GEOFF LEE: I am sorry if you characterise it as—

The Hon. COURTNEY HOUSSOS: I am not characterising it, Minister; they are your words. You just said "a portfolio of businesses".

Dr GEOFF LEE: For the record, can I correct it to say that the operations of service delivery of student education, if that makes you feel happier.

The Hon. COURTNEY HOUSSOS: It is not about making me feel happier, Minister; it is about an accurate representation of what TAFE should be in this State, which is providing important tertiary options and trades training right across the State. Minister, your testimony this morning is telling us that you do not remember being briefed on the sale of more than 10 per cent of your portfolio, as you have just referred to it. Are you saying that has not happened?

Dr GEOFF LEE: No. If I have been unclear, I do apologise. You asked me the question: Do I specifically remember the time that we sat down and I was briefed on this specific document? I said "No, I cannot remember that conversation. I cannot recall it at this stage." We discuss campuses and the way that we deliver services every week in terms of this portfolio.

The Hon. COURTNEY HOUSSOS: Okay, but do you discuss campus sales every week, Minister?

Dr GEOFF LEE: Not every week, no.

The Hon. COURTNEY HOUSSOS: Do you discuss campus sales regularly?

Dr GEOFF LEE: When it occurs. I do not know what your definition of "regularly" is, but if recommendations come up from TAFE itself then we will discuss those.

The Hon. COURTNEY HOUSSOS: This is a recommendation from TAFE that has come to your office that 19 TAFE sites across New South Wales should be sold, either partially or fully. Minister, it is a clear recommendation. In fact, the recommendation of TAFE was the basis for you selling the Scone TAFE site that we went through at length earlier this year. If you receive a recommendation from TAFE to sell a site, do you simply agree to it?

Dr GEOFF LEE: No.

Mr DAVID SHOEBRIDGE: He could not remember about the other one either, if you recall. He could not remember then; he cannot remember now.

The Hon. COURTNEY HOUSSOS: I acknowledge that.

Dr GEOFF LEE: I have just been informed—

The Hon. SCOTT FARLOW: He had five portfolios he was dealing with at the time.

The Hon. COURTNEY HOUSSOS: I will take you to the specifics of the document. On the first page in the third paragraph under the title, "Analysis," this says that TAFE NSW considers the sites are surplus to requirements. Is that your view, Minister?

Dr GEOFF LEE: Certainly it was not approved by my chief of staff. I do not think there was enough detail in terms of the whole components of each one of those, so I did not agree with their analysis in terms of the totality of the briefing note.

The Hon. COURTNEY HOUSSOS: Sorry, Minister, so you say that you do not agree with the briefing note. Are you now saying that you do recall being briefed on this and you do not agree with it, or that you do not recall it?

Mr DAVID SHOEBRIDGE: He actually said he "did not" agree. He was speaking about at the time.

Dr GEOFF LEE: The chief of staff actually made a note in the doc to make it clear that it was not approved by me.

The Hon. COURTNEY HOUSSOS: Sorry, will you say that again? I did not hear that.

Dr GEOFF LEE: The chief of staff just reminded me that he sent me a note to make sure it was clear that this was not approved by me, myself, so I did not.

The Hon. COURTNEY HOUSSOS: Okay, it was not approved by you.

Dr GEOFF LEE: Yes.

The Hon. COURTNEY HOUSSOS: So you were briefed on it, and it was not approved by you.

Dr GEOFF LEE: I must have been, and I cannot recall that specific briefing.

The Hon. COURTNEY HOUSSOS: Minister, you do not recall being briefed on a proposal to sell more than 10 per cent of the TAFE sites across New South Wales. Is that how common discussing campus sales is in your office?

Dr GEOFF LEE: No, that is a mischaracterisation. I think that it is wrong to characterise the 19 sites as more than 10 per cent or 10 per cent of our sites. That is just wrong.

The Hon. COURTNEY HOUSSOS: You just told me that you have 130 TAFE sites across New South Wales.

Dr GEOFF LEE: Yes, campuses.

The Hon. COURTNEY HOUSSOS: This is a proposal to sell 19.

Dr GEOFF LEE: And quite often we have more deliveries. We have more sites that we actually own than 130 campuses. Some of them are small annexures that have not been used for a decade or so. They have been vacant for years. They have been subleased or leased to external agencies including the Police Force, including other training providers, including—

The Hon. COURTNEY HOUSSOS: Minister, we will get to those specifics a little later on. I am interested at the moment to just really press this point. Do you recall being briefed on the sale, on the proposal?

Dr GEOFF LEE: I said it and I say it again: I cannot remember the day and the conversation we had about this specific—

The Hon. COURTNEY HOUSSOS: Okay, but my question is: Do you have a general recollection of this proposal at all? This does not twig a memory at all?

Dr GEOFF LEE: No, we discuss the management, the acquisition, disposal and maintenance of our campuses right throughout the State at all times. I note this brief was not signed by the managing director, which in this case would have been Steffan Faurby. This was an early draft that was shared by my office to show that my chief of staff said that it was not approved.

The Hon. COURTNEY HOUSSOS: That brings me to my question to Mr Faurby. Did you approve this document, Mr Faurby?

Mr FAURBY: No, I did not. As it also appears on this exhibit, I did not sign it so it must be a draft.

The Hon. COURTNEY HOUSSOS: Minister, did you or did your office request that this briefing proposal be prepared?

Dr GEOFF LEE: I cannot answer that; I do not have knowledge of that question to say. The investment and divestment in campuses right across our State is an important aspect of TAFE's management of its physical infrastructure. In the future it will continue to do so. In the past it has bought campuses; it has sold campuses. It changes its footprint to cater for the future industry needs, future student needs and the changing demographics. This is not a process that miraculously came out of the air. This is a process that under Labor for 16 years, they actually bought and sold many more.

The Hon. COURTNEY HOUSSOS: Minister, you have been in government for more than a decade. Let us focus on your record. Let us talk specifically, and we will get to the specifics of this document shortly. What I am interested in you providing me, with either as an answer or taking on notice, is: Did you or did your office request that this document be created?

Dr GEOFF LEE: I am more than happy to take that on notice, unless you have those details or one of my staff have those details. I will take it on notice.

The Hon. COURTNEY HOUSSOS: Okay, great. Mr Faurby, did you request that this document be prepared?

Mr FAURBY: No, I did not.

The Hon. COURTNEY HOUSSOS: Mr Faurby, you did not sign off on this document.

Mr FAURBY: That is correct.

The Hon. COURTNEY HOUSSOS: So your view is that this is a draft document.

Mr FAURBY: Yes.

The Hon. COURTNEY HOUSSOS: Can you explain where on this document it says "draft"?

Mr FAURBY: I can explain that any document that is a formal document has my signature on it, with regards to recommendations around divestments. As my signature is not on it, it is a working draft.

The Hon. COURTNEY HOUSSOS: Have you seen this document before, Mr Faurby?

Mr FAURBY: No, I have not.

The Hon. COURTNEY HOUSSOS: So it is your testimony that you have never seen this document before.

Mr FAURBY: Yes.

The Hon. ANTHONY D'ADAM: If it is a working draft, why does the chief of staff sign off "not approved"?

Mr DAVID SHOEBRIDGE: After consulting the Minister.

The Hon. ANTHONY D'ADAM: Do you have an answer for that?

Mr FAURBY: This is the first time I have seen this document, so I really cannot.

Mr DAVID SHOEBRIDGE: It is potentially an even bigger problem if that is happening, is it not, Mr Faurby? You are the boss.

Mr FAURBY: And, therefore, as far as I am—

Mr DAVID SHOEBRIDGE: Extraordinary. This evidence is just astounding.

The Hon. COURTNEY HOUSSOS: Mr Faurby, you are saying that this document came from your department with a pretty radical proposal to sell off 19 TAFE campuses, and you did not approve it and you were not aware of it.

Mr FAURBY: That is to the very best of my recollection. I certainly did not approve it, and I cannot recall having seen this document before, no.

The Hon. COURTNEY HOUSSOS: Is it normal for a proposal as significant as this to come from your department and to go to the Minister's office to brief the Minister on, for him to provide a formal non-approval?

Mr FAURBY: If it was a formal recommendation from TAFE NSW, it certainly would have had my signature on it.

The Hon. ANTHONY D'ADAM: Is it possible that the electronic signatures have been redacted or removed?

Mr FAURBY: I absolutely do not believe that to be the case, but I am happy to take that specific technical question on notice to confirm.

The Hon. COURTNEY HOUSSOS: Let us just be clear, though. The evidence that we are receiving this morning is that this is a draft document—

Mr FAURBY: Yes.

The Hon. COURTNEY HOUSSOS: —despite the fact that it does not say "draft" anywhere on this, despite the fact that the Minister says that he was briefed on it, or the chief of staff—

Dr GEOFF LEE: No, I think the testimony—I think what I said—is I cannot recall being briefed on this specific document itself.

The Hon. COURTNEY HOUSSOS: Okay, but it has come to your chief of staff. Your chief of staff has said that—sorry, will you read out that little note that you read out before?

Dr GEOFF LEE: My chief of staff made a note on the document to make it clear that it had not been approved by me.

The Hon. COURTNEY HOUSSOS: Okay. Minister, perhaps you can take on notice when this issue was discussed by your office—

Dr GEOFF LEE: I am happy to take that on notice if I can.

The Hon. COURTNEY HOUSSOS: —and how this document came to be in your office. If it did not go through a formal approval process, if it did not come from the secretary of the department, if it got escalated to your chief of staff—

Dr GEOFF LEE: Happy to take it on notice. If you want to find out the internal processes, I am happy to share that with you. I think it probably came from an email, to be honest with you.

The Hon. COURTNEY HOUSSOS: I am interested in whether there was a discussion in your office about commissioning a secret study to sell off 19 campuses.

Dr GEOFF LEE: There is no secret study. I can tell you there is no secret study.

The Hon. SCOTT FARLOW: Point of order: The Minister has already undertaken that he will take the question on notice and will provide a response to the member.

Mr DAVID SHOEBRIDGE: That is not a point of order.

The Hon. ANTHONY D'ADAM: Minister, it is clearly not an email. It has got a handwritten note on it.

Dr GEOFF LEE: That is how it got from TAFE to us. I would imagine it came through an email and then it was probably signed and printed out and then signed by the chief of staff—because that looks like his handwriting to me—and probably emailed back.

Mr DAVID SHOEBRIDGE: He has actually told you he did it.

Dr GEOFF LEE: No.

Mr DAVID SHOEBRIDGE: He has given you a note and told you that he did it.

Dr GEOFF LEE: I am looking at what appears to be his signature.

The Hon. ANTHONY D'ADAM: I wanted to ask about this issue that is identified in the document—the \$3 billion land and property sales target.

Dr GEOFF LEE: Where is that? Sorry.

The Hon. ANTHONY D'ADAM: This is at the top of the second page. It describes a \$3 billion whole-of-government surplus land and property sales target. Is that still the target of the Government?

Dr GEOFF LEE: You will have to ask the Treasurer that. That is beyond my scope of being the Minister for Skills and Tertiary Education.

The Hon. ANTHONY D'ADAM: Ms Harrison, it refers to the education cluster contributing \$90 million towards a target. Is that a correct figure? Does New South Wales Education have to contribute \$90 million towards a target of land and property sales?

Ms HARRISSON: As I think the Minister outlined, the purchase and sale of land and assets is part of managing the scale of portfolios that we have across the State, so yes.

The Hon. ANTHONY D'ADAM: I understand that.

Ms HARRISSON: We have divestment targets. Mr Withey can provide you with the specifics on that.

The Hon. ANTHONY D'ADAM: This one refers to the department or the Education cluster—\$90 million. You have principal responsibility for that. Is that figure correct?

Ms HARRISSON: That is correct, yes.

The Hon. ANTHONY D'ADAM: The \$1.31 million in financial year 2020 and the \$2.4 million in 2021 for TAFE, Mr Faurby, are those figures correct? Are those the correct targets?

Mr FAURBY: I am sorry, Mr D'Adam, did you ask whether the numbers that are in this document are correct?

The Hon. ANTHONY D'ADAM: Yes.

Mr FAURBY: The \$1.31 million and the \$2.4 million, is that the question?

The Hon. ANTHONY D'ADAM: Yes.

Mr FAURBY: As far as I am aware, yes. That is correct.

The Hon. ANTHONY D'ADAM: Did you meet the 2020 target?

Mr FAURBY: We did, yes.

Dr GEOFF LEE: Can I say to you that you should look at this in context. The financial year 2021 \$2.4 million is opposed to our investment of over \$250 million. That is more than a hundred times invested into capital infrastructure—a hundred times.

The Hon. COURTNEY HOUSSOS: Minister, how many new sites did you buy in 2021?

Dr GEOFF LEE: I will have to check for you because the connected learning centres—I just do not want to mislead, unless one of my staff can tell us the sites that we purchased to deliver CLCs. In fact, we are growing sites, not reducing sites in the—

The Hon. COURTNEY HOUSSOS: Solely for CLCs. You purchased new sites for CLCs. Is that what your testimony is?

Dr GEOFF LEE: There was a mix of where land was available and where purchasing and where we cannot buy land, sometimes we have to lease. It depends upon the arrangement for that.

The Hon. COURTNEY HOUSSOS: Minister, can you name a single site that you purchased in 2021?

Dr GEOFF LEE: I will take it on notice. One of my staff will tell me. I just do not want to get it wrong. That is all.

The Hon. COURTNEY HOUSSOS: It is a pretty simple question. You just talked about a \$200 million investment and you cannot name a single site.

The Hon. WES FANG: Point of order: The Minister just took the question on notice and I think in that instance the Minister has procedural fairness to—

The CHAIR: Can I just say that, in terms of the conduct of the meeting, we did have a problem in March we went round and round on the one spot about Scone TAFE, and Mr Faurby and the Minister were party to that. I think it really does work better at budget estimates if there is a direct question and then a direct answer. Things like not recalling and not wanting to get it wrong and it is all on notice really does diminish the process. I urge direct questions and then direct answers from the witnesses, please.

Mr DAVID SHOEBRIDGE: So we do not get 50 of these interjections, if the Minister has taken something on notice that most people would think an ordinary human being would remember, I think it is perfectly fair to test that answer. If we are going to keep having these interjections, it is going to waste time. This is something that most ordinary human beings would remember.

The Hon. SCOTT FARLOW: This is wasting more time than anything else.

The Hon. WES FANG: If we are going to debate the semantics, Mr Shoebridge—

The CHAIR: Order! I have given a ruling on how the meeting should be conducted. There have been a series of questions to try and get to the Minister's recall about consideration of this document. We cannot make the Minister answer a certain way. One would normally think a Minister would have a pretty direct recall of a document as important as this, but we cannot make the Minister provide evidence that he is unwilling to provide. We can get direct answers and, if you cannot recall, that is where the meeting rests. We should move on to the next question.

The Hon. ANTHONY D'ADAM: Mr Faurby, can I ask you, if this document was not approved, how did you meet your \$1.31 million target for 2020?

Mr FAURBY: We will be happy to provide the details here as to which divestments made up that. It is a very small amount of money. I would be happy to provide that detail, if you would like to have that. If I can ask and call upon Ms Grummer, who is our chief corporate services officer. Ms Grummer, would you be so kind as to talk to what made up the number of—which I have here in a note that was handed out—the \$2.4 million proceeds in 2021 from divestments for TAFE. Are you able to clarify that please?

Ms GRUMMER: Yes, thank you, Mr Faurby. This is Catherine Grummer, for Hansard. As it relates to, I believe, the briefing note in question—I do not have it in front of me, but I do understand that to be what the actual budget targets were at the time that the draft brief was created—we have since re-looked at the forecasting of our budget targets for divestments. I can confirm that in FY 21, as it relates to proceeds from sale property, plant and equipment, we have recorded an actual \$2.2 million, largely through the sale of the Randwick property.

Mr DAVID SHOEBRIDGE: Mr Faurby, who does Ms Arnot, the General Manager TAFE Infrastructure NSW, report to?

Mr FAURBY: Ms Arnot no longer works for the organisation, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Who did she report to?

Mr FAURBY: She reported to Ms Grummer.

Mr DAVID SHOEBRIDGE: Ms Grummer, did Ms Arnot speak to you about this briefing that she prepared for the Minister on 4 September.

Ms GRUMMER: Yes.

Mr DAVID SHOEBRIDGE: She did.

Ms GRUMMER: Well, yes, if I could maybe provide clarity to the group that I believe we are discussing. TAFE NSW, as with all government agencies, needs to ensure that it is looking at its property portfolio where it has assets. TAFE NSW is in a fortunate position that we have met our divestments targets. Any properties that we sell we are able to reinvest back into the business. When I first stepped into this role, Ms Arnot had it done what we call an omnibus brief on a list of divestment properties to console. As Minister Lee indicated, the chief of staff did not approve the brief because we had agreed that the process going forward is that we will not use an omnibus brief. If TAFE NSW is recommending a property to be divested, a particular brief will be submitted to the Minister's office in context for that particular allocation.

Mr DAVID SHOEBRIDGE: Ms Arnot spoke to you about the brief and prepared the brief and you knew the brief was going to the Minister, is that right?

Ms GRUMMER: My understanding of the events is that the brief was not formally submitted. Ms Arnot, I believe, sent the brief directly to the Minister's office, and that was without my knowledge.

Mr DAVID SHOEBRIDGE: What do you mean not formally submitted?

Ms GRUMMER: Any brief that we formally submit to the Minister's office, as Mr Faurby indicated, goes through his office and requires both my signature and the signature of the managing director of reports submitted to the Minister's office. This particular brief in question did not go through that process. I am unfortunately unable to speak on why Ms Arnot sent it directly to the Minister's office.

Mr DAVID SHOEBRIDGE: Ms Arnot was just freelancing, was she? The General Manager TAFE Infrastructure was just freelancing. Is that your evidence?

Ms GRUMMER: I think the question was that there was a conversation around which divestments we were considering for divestment. That is the approach that she would use was to send a draft brief. I do not agree with it, hence why we have changed the process.

Mr DAVID SHOEBRIDGE: Where does it say draft brief, Ms Grummer?

Ms GRUMMER: A brief is considered draft until all the appropriate signatures are on the document.

Mr DAVID SHOEBRIDGE: Where do I find that in any TAFE policy or any department documentation that a brief is considered draft in those circumstances, or is that the position you are adopting now? Is there a document that says this?

Ms GRUMMER: We will have to take the question on notice, unless Mr Faurby can speak to it. I do not oversee that particular protocol. From my perspective, it is just—

Mr DAVID SHOEBRIDGE: We will see if Mr Faurby can shed any light on it.

Mr FAURBY: We will take that specific question on notice.

Mr DAVID SHOEBRIDGE: Mr Faurby, how many of these so-called draft briefs have gone to the Minister in the past 12 months?

Mr FAURBY: What I would like to perhaps suggest for the Committee, if I may—

Mr DAVID SHOEBRIDGE: Perhaps you can answer my question.

Mr FAURBY: Yes. We have a number of briefings that have gone to the Minister with my signature on that formally recommends a divestment, as an example. Until such time as it has my signature on it, it is not regarded as a brief.

Mr DAVID SHOEBRIDGE: I had a very simple question, Mr Faurby. Could you address that?

Mr FAURBY: Was the question how many briefs have we sent—

Mr DAVID SHOEBRIDGE: Draft briefs.

Mr FAURBY: Draft briefs? I will not be able to give you that number but I will certainly take it on notice.

Mr DAVID SHOEBRIDGE: Is it a practice?

Mr FAURBY: Ms Grummer has explained the process that has been happening in this instance. She has also explained that we are formally submitting briefs but only when it has my signature and the other signatures on it. There will be, and there has been from time to time, situations where a draft has been exchanged—as we see evidence of here—between the TAFE organisation and the Minister's office. In that instance, it is a draft. We consider that as a draft until such time as we sign it.

Mr DAVID SHOEBRIDGE: So there are briefs going with recommendations from TAFE to the Minister's office for approval or not approval—in this case it is not approved. But you say it is a draft brief.

Mr FAURBY: What I say is it is not a formal recommendation.

Mr DAVID SHOEBRIDGE: So what do you do with the non-approval? The Minister has not approved this recommendation so this does not exist because it was always a draft brief?

Mr FAURBY: As far as I am concerned, yes.

Mr DAVID SHOEBRIDGE: Mr Faurby, that is the most remarkable way to run a department. I cannot conceive of how you could effectively run a department with so-called draft briefs being decided upon by the Minister and then having no bureaucratic or administrative force.

The Hon. WES FANG: Well, it is lucky you will never be in the position to actually have to do it.

The CHAIR: Order!

Mr DAVID SHOEBRIDGE: How does your organisation run? What do you do with these things?

Mr FAURBY: What I can say, Mr Shoebridge, is that we have a number of recommendations that we provide to the Minister that are submitted formally with my signature on it. They are the ones that we ask the Minister to give us guidance and position on.

Mr DAVID SHOEBRIDGE: But this one asked for the Minister's approval. You have got it not approved but now you say it never existed because it was a draft. So what do you do with it?

Mr FAURBY: What I testified is that, as far as I recall, I have never seen this document, yes.

Mr DAVID SHOEBRIDGE: And you have never heard about a proposal to divest 19 projects?

Mr FAURBY: No.

Mr DAVID SHOEBRIDGE: Mr Faurby, are you on top of your brief, because you have got the general manager of TAFE making a recommendation to the Minister to flog off 19 sites and the first you find out about it is a year later in budget estimates? Are you on top of your brief?

Mr FAURBY: I can absolutely assure you that I am on top of my briefs. I will be happy to provide for this Committee a list of briefs that we have sent off to the Minister that have had recommendations about divestments of sites. If you would like me to do that, I would be certainly happy to talk about that.

Mr DAVID SHOEBRIDGE: Indeed. And could you provide the ones that have been signed by you—

Mr FAURBY: Yes.

Mr DAVID SHOEBRIDGE: —and the ones that have not been signed by you?

Mr FAURBY: The ones I know about are the ones that—

Mr DAVID SHOEBRIDGE: But maybe you should dig a bit and find out about all the other ones you did not know about, Mr Faurby. That is what I am suggesting you do. Will you do that? Will you find out about all the ones you do not know about until we tell you about them in budget estimates, Mr Faurby?

Mr FAURBY: We will do that, yes.

Dr GEOFF LEE: Can I just say, Mr Shoebridge, with the deepest respect, that it is quite normal practice to engage with an agency at different times and at times to give feedback, like in this thing—is to say that we want further information or we want to change.

Mr DAVID SHOEBRIDGE: But, Minister, you are not being very helpful here because you do not remember the first thing about it. You say you do not remember the first thing about it.

Dr GEOFF LEE: What I am saying is the process is—it is normal practice.

Mr DAVID SHOEBRIDGE: It is not respectful or helpful if you do not remember the first thing about it.

The Hon. WES FANG: Point of order: The honourable Minister is trying to provide an answer to Mr David Shoebridge's—

Mr DAVID SHOEBRIDGE: No, he was not answering the question. It was a gratuitous statement from him not in response to a question.

The Hon. WES FANG: I am now going to raise two points of order. I am going to have the first addressed and then I will address the second one. The first one is the honourable Minister was trying to address an answer—

Mr DAVID SHOEBRIDGE: No, he was not.

The Hon. WES FANG: —and Mr David Shoebridge was interjecting over the top of him. Hansard cannot record that. It is impossible for them and I would ask that, as you suggested, Chair—

The CHAIR: Yes, we discourage people talking over each other.

The Hon. WES FANG: The second point of order is that, while I am trying to address a point of order, Mr David Shoebridge interjects on me. That is disorderly and I ask you to call him to order.

The CHAIR: We will just go back to the questioning and we will have one speaker at a time, please.

Mr DAVID SHOEBRIDGE: Minister, have you implemented or have you accepted all of the recommendations from ICAC coming out of Operation Lancer?

Dr GEOFF LEE: I will have to take that one on notice.

Mr DAVID SHOEBRIDGE: Do you know what Operational Lancer is?

Dr GEOFF LEE: Can I say that I am more than happy to take—

Mr DAVID SHOEBRIDGE: No, Minister, do not go for help. Do you know what Operation Lancer is?

Dr GEOFF LEE: Mr Shoebridge, I am allowed to consult with my colleagues.

Mr DAVID SHOEBRIDGE: You now know what Operation Lancer is, so why don't you tell me?

Dr GEOFF LEE: I have been in discussions with the managing director of TAFE about the report and its recommendations. I have asked him to provide advice to me about the next steps TAFE has taken to address the findings of the report. I am advised that TAFE NSW reported the public interest disclosures to ICAC in 2017. I remind the Committee that this was before I was the Minister and TAFE self-declared the incident to ICAC—referred it to ICAC. Certainly these are historical matters. They occurred prior to the One TAFE modernisation reforms, which bought together the 10 separate institutions into one TAFE model. Can I say that since then the organisation has undergone significant reform, including strengthening the procurement framework, introducing an e-procurement system, establishing controls and oversight for ICT projects, and improving probity in procurement and recruitment practices.

I would like to thank the current or former TAFE staff who detected the unacceptable conduct and reported it. I am also advised that TAFE NSW ceased its commercial relationships with the provider of the third-party services and the employees concerned are no longer employed by TAFE NSW.

Mr DAVID SHOEBRIDGE: So, Minister, what is Operation Lancer?

Dr GEOFF LEE: I will ask Mr Faurby—

Mr DAVID SHOEBRIDGE: No, Minister. What is Operation Lancer?

Dr GEOFF LEE: It was an investigation into potential corruption of procurement of services by some of TAFE's staff.

Mr DAVID SHOEBRIDGE: By who? Who did the investigation, Minister?

Dr GEOFF LEE: In terms of?

Mr DAVID SHOEBRIDGE: What is Operation Lancer?

Dr GEOFF LEE: ICAC had a look into whether there was corrupt behaviour by members of staff in the procurement.

The CHAIR: Mr Shoebridge's time is expired. Mr Faurby, why doesn't Gwendy Arnot work for TAFE anymore?

Mr FAURBY: Ms Arnot, I believe, had a contract which was a time-bound contract and when that ran out she ceased her employment with us. She was not a permanent employee, from my recollection.

The CHAIR: When did that contract expire?

Mr FAURBY: We can probably provide that evidence during the course of today but I do not have that date readily available. If you would allow me, Chair, I will try and see if I can provide that number.

The CHAIR: Did you seek at any time to renew the contract and keep Gwendy Arnot—

Mr FAURBY: No. I think, from memory, Ms Arnot had years of involvement with the organisation way before I joined that organisation. I do not believe we were seeking to renew it at the time when it expired.

The CHAIR: In terms of basic governance, how is it possible that Ms Arnot worked for Catherine Grummer, who then reports to you, but a person in the third tier of TAFE got to make, apparently

without your knowledge or that of Ms Grummer, a submission direct to the Minister's office about the sale of 19 TAFE sites?

Mr FAURBY: I will say, Chair, what I said before: Any form of recommendation that we make will have my signature on it and—

The CHAIR: That is not what I am asking, Mr Faurby. I am asking you, in terms of governance and how you run TAFE, how someone in the third tier of administration gets to bypass a person above her and then you and make this report direct to the Minister's office.

Mr FAURBY: I will say that we have ongoing discussions between the Minister's office and us on matters such as—

The CHAIR: Mr Faurby, you are not answering the question. My question is very direct. In terms of governance, how does this happen?

Mr FAURBY: It happens because there are discussions and in discussions documents may be exchanged to make points, to suggest things, to discuss things and, in some instances, to solicit feedback and input. That happens as part of an ongoing engagement between two organisations. It has nothing to do with seeking approval.

The CHAIR: Okay. How many other times did someone in the third tier of TAFE administration make these types of submissions direct to the Minister's office and bypassing you?

Mr FAURBY: Mr Shoebridge asked a similar question and I think what I believe I answered there was that we will take on notice whether we can provide such data that suggests how often we do that.

The CHAIR: But do you think that is an acceptable management practice, that the managing director—

Mr FAURBY: I think what is acceptable—

The CHAIR: No, let me finish my question—that the managing director would be completely unaware of a submission from the third tier of TAFE to the Minister's office for the sale of 19 TAFE sites?

Mr FAURBY: Not when it comes to seeking formal approval, no.

The CHAIR: So what action will you take now to ensure there is a proper chain of command, if you like, and responsibility inside TAFE so that any important documents that go to the Minister's office have your approval?

Mr FAURBY: To reinforce what I already have in place—namely, a procedure whereby any recommendation that goes to the Minister is signed by me and, if it is not, it is not a recommendation.

The CHAIR: When did you put that system in place?

Mr FAURBY: I have operated with that system since I joined the organisation and—

The CHAIR: When did you join the organisation, sorry?

Mr FAURBY: In 2020.

The CHAIR: What part of 2020?

Mr FAURBY: In January.

The CHAIR: In January 2020. How is it eight months later, if you said you put that system in place, that Ms Arnot from the third tier of TAFE is able to make this submission direct to the Minister's office with you having absolutely no knowledge of a submission involving the recommended sale of 19 TAFE sites?

Mr FAURBY: As I said before, Mr Chair, this is not a recommendation. It is not a formal recommendation going to the Minister. It is a working draft that has been exchanged between my organisation and the Minister's organisation.

The CHAIR: Mr Faurby, you gave earlier evidence that you have had, since you have been there in January 2020, a system in place whereby what goes to the Minister's office is with your approval. This is a document with five recommendations sent out, set down—not approved by the chief of staff, that is true, but there are five recommendations here that have gone to the Minister's office for the sale of 19 TAFE sites. If you had a system in place when you got there in January 2020 that submissions like this require your approval, how did this one get through?

Mr FAURBY: I can only say what I have already said, Mr Chair. It was not a formal recommendation. We were not seeking the Minister's approval on this one.

The CHAIR: So can you guarantee the Committee now that there is a proper administrative process in place inside TAFE such that an important set of recommendations going to the Minister's office only happens with your knowledge and approval?

Mr FAURBY: Yes.

The CHAIR: How long has that been happening?

Mr FAURBY: It has been happening as long as I have been involved with the organisation and the amount of briefs that I sign—

The CHAIR: That is clearly untrue, Mr Faurby, because you said you joined in January 2020 and this came through eight months later.

Mr FAURBY: And it is not seeking approval.

The CHAIR: What is it seeking when it lists five recommendations—one to approve, the next to approve, the next to approve and the fifth one to note.

Mr FAURBY: It is a working draft.

The CHAIR: How many working drafts go through to the Minister's office of this kind?

Mr FAURBY: That was the question that Mr Shoebridge asked and we will take on notice and provide to the Committee some details as to whether or not we can clarify and quantify whether there have been any other such other documents. I would imagine there has as part of the ongoing engagement between TAFE NSW and the Minister's office.

Mr DAVID SHOEBRIDGE: Mr Faurby, what would have happened had the Minister approved it? Would the whole system have just melted down and collapsed? What would have happened had he approved it?

Mr FAURBY: The Minister has already testified that he has not.

Mr DAVID SHOEBRIDGE: No, what would have happened had he approved it? Would the system have just collapsed?

The CHAIR: That is a good question. What would have followed if this came back to Arnot approved?

Mr FAURBY: What would follow is that I would satisfy myself that we have seen—

The CHAIR: But you did not know anything about it.

Mr FAURBY: But I certainly would if the—

Mr DAVID SHOEBRIDGE: Minister had approved it.

Mr FAURBY: Yes.

Mr DAVID SHOEBRIDGE: You would have been snookered, wouldn't you?

Mr FAURBY: No.

The CHAIR: So you are saying in evidence, Mr Faurby, you run a multibillion-dollar organisation where these recommendations go up without your knowledge and that because it is not approved you still do not know about it and you only know of things if it was approved by the Minister's office. Is that really the standard of public administration you are applying in TAFE?

Mr FAURBY: I do not think I am here to deal in such hypotheticals. What I can say is that any decision that requires the Minister's approval is a decision that comes from me with my signature on the documentation. Therefore, it is a hypothetical situation to suggest—and I really do not think I should be commenting on hypotheticals—that an approval will go through to the Minister and back to us without me knowing about it. I absolutely do not believe that is appropriate and I certainly do not believe that has ever happened.

The CHAIR: Well, it is an important matter and if the Minister had approved it what would have then followed? How would you have found out it had been approved?

Mr FAURBY: We are talking about transactions that relate to divestments of TAFE NSW sites, as far as I have been able to quickly familiarise myself with the document that has been handed out. And those situations, of course, all of them would be—specific elements of that would be—matters that I would be involved with, including the transactions that would follow. What would happen is that we would use our procedures to activate the divestment which, first, would seek to find out if there would be other government agencies that would be interested in the facility—our location—and if that was not the case we would go through a commercial process

that would involve a public invitation for organisations to make suggestions and bids. That whole process will be well known by me.

The CHAIR: Okay. So it is your evidence that if it had been approved you would have activated the process to sell all of these sites even though it was the first time you had heard anything about it.

Mr FAURBY: It is my evidence that if this had been approved I would have been made aware of it and I absolutely would have satisfied myself that there was ministerial approval prior to me commencing any actions that would set and follow the divestments.

The CHAIR: Okay. So as Managing Director of TAFE, even though you were unaware of any of the processes that led to these recommendations, if it was ticked off by the Minister's office you would have started the sales.

Mr FAURBY: I would have satisfied myself that the necessary approvals were in place including, by the way, the approvals within my own organisation.

The CHAIR: You would not have notified the Minister that the proper TAFE processes had not been followed—that the whole organisation, including yourself and Ms Grummer, had not looked at this and the document should be recalled on that basis?

Mr FAURBY: It is an entirely hypothetical question, Mr Latham.

The CHAIR: It is.

Mr FAURBY: And I can certainly tell you that, if I would be made aware of an activity or an action that had not followed procedure, I would certainly make sure the Minister would be made aware of that.

The CHAIR: Okay. It is hypothetical because it goes to a judgement I think a reasonable person would make that what you are running here is a shambles. That is why it is hypothetical. Can I ask Ms Grummer, when did you first find out about this document?

Ms GRUMMER: I believe the document was submitted when I was on a leave of absence when Ms Arnot was acting in my role. When I found out that the document had been submitted, I had a conversation with Ms Arnot because, in previous practice before I assumed responsibility for TAFE Infrastructure, there would be often communications and correspondence between Ms Arnot and the Minister's office. Once I became aware of what had happened, I had conversations with Ms Arnot to say that that is not our practice going forward and any recommendations to the Minister's office must go through a formal brief, which requires my signature and both that of the managing director—if that brief in fact required his signature.

The CHAIR: When was that conversation with Ms Arnot?

Ms GRUMMER: From memory, it would have been in the September-October time frame. I would have to take that question on notice to go through my calendar.

The CHAIR: Is this the reason why Ms Arnot is no longer at TAFE?

Ms GRUMMER: Ms Arnot is no longer with TAFE because she was brought in to set up the TAFE Infrastructure branch through the One TAFE reforms. Ms Arnot had successfully done that as well as put together a capital program going forward. However, when I assumed responsibility for the Infrastructure portfolio and some of the things that I think that we needed to work on, I just had to not turn over her contract.

The Hon. COURTNEY HOUSSOS: Minister, can I ask you about this list of 19 sites that is proposed for sale, either partial or full sale. Can you rule out the sale of those 19 sites?

Dr GEOFF LEE: Can I say that I think it would be silly for me to actually say anything in terms of what is going to happen in the future and that we will consider each site. We regularly review our portfolio right across the State of what is necessary and what will meet industry demand, community demand and student demand. So it would be silly for me here today to say—make a broad blanket saying—we are never going to do anything with any one of those 19 or any existing sites. We will always look at their merits. Let me say this: Any money that we use for the disposal of those sites, I will not sell unless we reinvest back in TAFE and I think it is quite apparent when we have sold last 2020 financial year \$2.2 million, and this financial year we are investing \$250 million—a hundred times more in investment in our infrastructure. Can I say it would be silly for me to rule in or out things without proper analysis. As we said, we will look at site specifics as they come up and as we need to cater for our future demand.

The Hon. COURTNEY HOUSSOS: I just want to be clear, Minister, because this reads like a shopping list that has come from TAFE up to your office of potential sites—

Mr DAVID SHOEBRIDGE: A fire sale.

The Hon. COURTNEY HOUSSOS: —for a fire sale of TAFE sites across the State. I am going to give you the opportunity again to allay the fears of these communities and say that their TAFE campuses are safe. Can you give the communities that assurance?

Dr GEOFF LEE: Ms Houssos, I think it would be absolutely misleading if you ever considered these, as Mr Shoebridge said, as any fire sale. We always follow the strict protocol of the New South Wales Government. Can I say that in the disposal of those assets that communities do not have to be concerned with the way we manage our portfolio of properties. In fact, as I said, we are spending 100 times more in investment in our infrastructure. So we will consider things as they come along over time. I do not want to put a broad, blanket rule, depending upon how we choose to expand our campus structures or what is going to happen in the future. TAFE has a long, proud history of more than 125 years. Can I say to you that over that time—

The Hon. COURTNEY HOUSSOS: You seem keen to bring that to a quick close. Let me move back to the document.

Dr GEOFF LEE: Is that a question?

The Hon. WES FANG: I was going to make that point.

The Hon. COURTNEY HOUSSOS: Let me move back to the document.

Dr GEOFF LEE: No, you are wrong. TAFE has a record budget this year of \$1.97 billion. Can I say that we are investing in TAFE. In addition, they are running out fantastic programs.

The Hon. COURTNEY HOUSSOS: Minister, I have some specific questions.

The Hon. SCOTT FARLOW: Let the Minister speak.

The Hon. COURTNEY HOUSSOS: This is not the opportunity for you to spruik general figures.

The Hon. SCOTT FARLOW: You don't like the answer.

The CHAIR: Order!

Dr GEOFF LEE: You asked me a question. You made an assertion that I was not invested in TAFE and this Government is fuelling investing in a comprehensive public—

The Hon. COURTNEY HOUSSOS: No, but you have a clear shopping list of TAFE sites here that you are trying to sell off.

The Hon. WES FANG: Point of order—

The CHAIR: Members will come to order. We need to allow the Minister a bit more time to complete his answer. If there are any lengthy, filibuster-type answers, I will call those to order. It is best if we have a question and a completed answer, and then another question.

The Hon. COURTNEY HOUSSOS: Minister, I draw you to page 2 of the briefing note in the third paragraph where it states:

TAFE NSW understands that the Cluster's contribution to the Target is over and above divestments planned for asset recycling or other Budget measures.

What other sites are being considered for asset recycling programs?

Dr GEOFF LEE: I will take it on notice. Nothing springs to mind in terms of—remembering this was a draft document that did not go through the official channels. But I am happy to take it on notice and say if there are any others that we are looking at. Currently we are doing our 20-year infrastructure strategy, looking at what are the other opportunities we have right across the State. I am happy to take it on notice. Nothing springs to mind.

The Hon. COURTNEY HOUSSOS: I bring you to two-thirds of the way down the page.

Dr GEOFF LEE: Are we on page 2?

The Hon. COURTNEY HOUSSOS: On page 2 where it says, "Sites deemed appropriate for divestment", the final line says:

The balance of proceeds will be a critical contribution to funding capital works in the TAFE NSW Investment Program.

Minister, this document is saying that you are relying on TAFE sales to actually fund the work of TAFE. Is that accurate or inaccurate?

Dr GEOFF LEE: The accuracy is that I will not sell a site unless I am guaranteed by the Treasurer to reinvest that money into other parts of TAFE infrastructure.

The Hon. COURTNEY HOUSSOS: Minister, that is actually not what this document says.

Dr GEOFF LEE: Well, that is okay because I did not draft this document and my chief of staff did not approve this document and it is a draft document. I think we have gone through that ad nauseam, and I think that, as not writing it, I can guarantee you that I say to the Treasurer, whichever Treasurer it is, if I sell a site I want that money investment back in the local community. That is what we are doing. Why would I sell it and not invest the money back in? That is silly.

The Hon. COURTNEY HOUSSOS: Let's come to that. Let's move specifically to that proposal because of these proposed campus sales, 12 of them, as the basis of the sale, are close to a Connected Learning Centre [CLC]. The justification for selling 12 of these sites is that there is already a CLC and that they are close by so they are no longer—they are, to use the words, "surplus to requirements". Is that your position, Minister?

Dr GEOFF LEE: No, the location of a CLC is one of the factors that we may look at, and we do look at, in terms of a whole range of factors in a holistic assessment of those programs. I think to simply characterise them as being close to CLCs and that is why we are selling it is completely wrong and completely mischievous by Labor to say that if we open up—the reality is we are investing in TAFE in the future. We are giving regional and rural communities access to TAFE. I said it last time here. One only has to look at places like Yamba—the first time TAFE has ever been in that community. So it would be wrong to characterise it as that.

The Hon. COURTNEY HOUSSOS: Minister, is there a single course that TAFE offers that you do not think is appropriate to offer at a CLC?

Dr GEOFF LEE: Can I say that that is a simplistic question? Can I say that CLCs—

The Hon. COURTNEY HOUSSOS: No, it is a simple question.

Dr GEOFF LEE: No, simplistic.

The Hon. COURTNEY HOUSSOS: I am asking you—

Dr GEOFF LEE: Simplistic.

The CHAIR: The Minister should be allowed to answer the question.

The Hon. COURTNEY HOUSSOS: —whether there is a single course that can be offered at TAFE that should not be offered, cannot be offered, at a CLC?

Dr GEOFF LEE: Can I say that education is rapidly changing. We see it during COVID-19, the move to online and the acceptance of people of using online education. It has rapidly evolved over the last 20 years, but we have never seen it faster than in the last 18 months. For instance, TAFE just offered lockdown learning during the lockdown period where there are 25,000, 26,000 students enrolled in purely online courses—a remarkable effort.

The Hon. SCOTT FARLOW: Well done.

Dr GEOFF LEE: Can I say that it is simplistic to say that everything can be offered online, because it cannot clearly, but components may be able to be offered. In fact, I was in South Australia recently and they set up a combined training facility with the Government, the unions and employers to look at electrical training—something that you would not normally consider to be delivered online. But they actually had self-paced modules they delivered at a training facility where the students, from first-year apprentices, used to go and they would do their self-paced thing and then go out into the workshop and learn face to face. So, where it is appropriate, we should take the advantages of online learning to actually improve our efficiencies and improve the student experience. We have found that students actually value—

The Hon. COURTNEY HOUSSOS: Minister, I am going to stop you there because we have limited time. I will pass to my colleague.

The Hon. WES FANG: You don't like the answer.

The Hon. ANTHONY D'ADAM: Mr Faurby, it is your evidence today that this is a draft document that we are considering. That is correct, is it not?

Mr FAURBY: It is, yes.

The Hon. ANTHONY D'ADAM: Is there a further iteration of this that was not a draft?

Mr FAURBY: Yes, well, I would not necessarily call it an iteration. But there are certainly details that I would like to explain for the Committee as to the specifics of some of the places and locations I have just identified in this document, which I would be happy to talk to if you would like me to, so formal recommendations for divestments.

The Hon. ANTHONY D'ADAM: I think we will come to that.

Mr FAURBY: Okay.

The Hon. ANTHONY D'ADAM: But there was a further iteration. This is an overarching document about the divestments strategy. There was a further document akin to this?

Mr FAURBY: Not that I am aware of, Mr D'Adam. What I am saying is that, and as I explained before, to the very best of my recollection this is the first time I have seen this document. I am not aware that there was a further iteration on the document, if that is the question. But we will gladly take it on notice.

Mr DAVID SHOEBRIDGE: But you did say "yes" in your first answer.

Mr FAURBY: Well, I did not.

Mr DAVID SHOEBRIDGE: You said "yes".

Mr FAURBY: No, I did not. I said—I explained—

Mr DAVID SHOEBRIDGE: Well, I heard it.

Mr FAURBY: I explained that there were specific responses to the specific locations that were listed in the document. I certainly stand by that, Mr Shoebridge.

The CHAIR: We are going to take that as "yes, no". People say "yes, no" these days. We will have to take it that way.

The Hon. ANTHONY D'ADAM: I am going to provide copies of four documents. There is a document in front of you. Can I take you to the document that has just been provided to you. It is titled "Divestment of TAFE NSW—Quirindi". Do you have that document?

Mr FAURBY: Yes.

The Hon. ANTHONY D'ADAM: Can you see at the bottom of that document that that document was provided on 24 September 2020?

Mr FAURBY: I can, yes.

The Hon. ANTHONY D'ADAM: And that the first document that we dealt with today was provided to the Minister's office, and it is dated 4 September 2020?

Mr FAURBY: Yes.

The Hon. ANTHONY D'ADAM: So 20 days later this document was provided to the Minister's office?

Mr FAURBY: Yes.

The Hon. ANTHONY D'ADAM: It has your signature on it, does it not?

Mr FAURBY: Yes, it does.

The Hon. ANTHONY D'ADAM: So this is an iteration of a specific proposal that is contained in the first document, the Quirindi proposal around divestment. Is that correct?

Mr FAURBY: We have got different documents.

The Hon. ANTHONY D'ADAM: There are four documents, sorry, that I have provided.

Mr FAURBY: Is there? Okay, Quirindi, yes.

The Hon. ANTHONY D'ADAM: So you can see that. That has been provided to the Minister's office. How is it possible that this document proceeds without the contextual document that sets out the overarching proposal around divestment?

Mr FAURBY: That is entirely consistent with the way we are submitting such recommendations. This particular recommendation, I can confirm, was signed by me and is a formal recommendation to the Minister to divest the Quirindi facility. We have a number of such recommendations. I have not had a chance to familiarise myself with the other documents that have been shared, but I would imagine exactly the same is the case for

those—that is simply that when a certain facility, in this case Quirindi, is deemed to be surplus to operational needs of TAFE NSW, we will bring that matter to the Minister's attention for his decision on whether or not we should divest it. That is the Minister's decision to do that.

The Hon. ANTHONY D'ADAM: That is good, thank you, Mr Faurby. Minister, can you have a look at that Quirindi document as well?

Dr GEOFF LEE: Yes.

The Hon. ANTHONY D'ADAM: You will see on the document that it has a space for "Approved/noted by DLO adviser/Chief of Staff".

Dr GEOFF LEE: Yes.

The Hon. ANTHONY D'ADAM: There is nothing in that box, is there?

Dr GEOFF LEE: That is right, because it was not approved by me.

The Hon. ANTHONY D'ADAM: No. But where the Minister's approval is supposed to be signed off, whose signature is that?

Dr GEOFF LEE: It appears to be my chief of staff.

The Hon. ANTHONY D'ADAM: Why is the chief of staff making these decisions? Is that not your job, Minister?

Dr GEOFF LEE: This is a classic example and a good exemplar of that proposals will come up from time to time from TAFE as an agency. Sometimes we agree with them, sometimes we do not agree with them. In this case we did not approve it, therefore I did not sign it. I think the notation just says the Minister did not approve it.

The Hon. COURTNEY HOUSSOS: Minister, you are saying there are proposals that have come up that are recommended by TAFE that you do not approve?

Dr GEOFF LEE: Yes. That is normal business. I ask TAFE to come up with all sorts of innovative ways that we can better deliver. Sometimes I agree with them, sometimes I do not. In this case, for the Quirindi site I did not agree with their recommendation.

The Hon. COURTNEY HOUSSOS: For Quirindi you did not agree with their proposal to sell?

Dr GEOFF LEE: Yes.

The Hon. COURTNEY HOUSSOS: What was the basis for that?

Dr GEOFF LEE: The basis was to look at the site and then ask what is the future demand in terms of the community use or the community expectations—what we can potentially use it for. There is a whole range of factors that go into whether we are going to keep it or divest it.

The Hon. COURTNEY HOUSSOS: We spent a lot of time at the last hearing talking about Scone, and the basis for your decision was that there had been a recommendation from TAFE.

Dr GEOFF LEE: Yes, a recommendation that, from memory, was based on the underutilised nature of the site, the high cost of keeping such a large campus, the ability to be able to do a better job from the existing CLC site, the opportunities for the money—\$4 million, which I note was \$1 million above the reserve price—to be reinvested in Scone and Muswellbrook TAFE. We take every case on its merits and then, obviously, TAFE puts forth recommendations. If I agree with them, I will sign them off. If I do not, as in this case, I do not sign them off.

The Hon. COURTNEY HOUSSOS: You are comfortable with TAFE currently searching around which properties to sell and providing you with a list and with possibilities of selling those sites?

Dr GEOFF LEE: I am very comfortable and I actually encourage TAFE to look at our whole campus network, as any good Minister or agency would do, and optimise that for the delivery. If you want to deliver a first-class service, you have got to use your assets with the most effective process. TAFE is not a business that manages the land. It is part of its portfolio mix. As your words were, it needs to be a world-class service and educational facility that delivers to people—from people from the most disadvantaged areas to the trades to the future.

The Hon. COURTNEY HOUSSOS: It is pretty embarrassing that I had to remind you of that, Minister—that you are not managing a portfolio of businesses, which was the way you characterised it. Minister, my time is running short.

Dr GEOFF LEE: Ms Houssos, if you ask me a question and I say—

The Hon. WES FANG: Point of order—

The CHAIR: Order! There needs to be a question.

Dr GEOFF LEE: I thought we had talked about that. I apologise if I did not use the correct words to describe the educational facility.

The Hon. COURTNEY HOUSSOS: I think it was a pretty—

The Hon. WES FANG: Point of order—

Dr GEOFF LEE: If you ask me a question, I can answer it.

The CHAIR: Order! I call Committee members to order. There needs to be a question from members then an answer from the Minister rather than an exchange of statements.

The Hon. WES FANG: Chair, I think I need to raise—

The CHAIR: Next question, please. The Hon. Anthony D'Adam.

The Hon. ANTHONY D'ADAM: Minister, can I ask about one of the other documents, the one entitled "Divestment of 45 East Street Grenfell"? Can you tell me the date on the bottom of that document?

Dr GEOFF LEE: It is 10 September.

The Hon. ANTHONY D'ADAM: That is six days after your chief of staff sent back the brief, saying "not approved". Grenfell was on the list of that brief—not approved. I think, based on your evidence, that was presumably a result of a discussion with your chief of staff, who was not acting unilaterally. They were acting on your instructions to not approve. Then six days later the department, or the agency, submits another brief with a proposal contained in the original brief that now you sign off on.

Dr GEOFF LEE: Yes, and I think, again, this speaks to that the process actually works and what we talked about before in terms of draft and then it talks about site-specific approval processes. Yes, I did approve this one—the East Street, Grenfell, site—for disposal.

The Hon. ANTHONY D'ADAM: There is a shopping list, isn't there?

Dr GEOFF LEE: No.

The Hon. ANTHONY D'ADAM: The agency got a "no" from the Minister's office.

Dr GEOFF LEE: You asked me a question. Why don't you ask me, "Is there a shopping list?"

The Hon. WES FANG: Point of order—

Dr GEOFF LEE: No, there is not. There is a continual process of looking at our whole portfolio of campuses, maximising their use so we can deliver as best we can right throughout our State. If that occasionally takes us to buying land and developing campuses, so be it. If that requires us to divest where we no longer see an economic purpose and a social benefit, we will do that. But we make no apology for investing in 2021 100 times more in our capital investment program.

The Hon. SCOTT FARLOW: Hear, hear!

Dr GEOFF LEE: That is good business.

The Hon. ANTHONY D'ADAM: Minister, I want to get some clarification

The Hon. WES FANG: Chair, I need to address—

The CHAIR: The Hon. Wes Fang has taken a point of order.

The Hon. WES FANG: This continual talking over the Minister when he is answering a question must stop.

Dr GEOFF LEE: It is putting me off.

The Hon. WES FANG: It must stop because Hansard cannot record it.

The CHAIR: I know. I have been trying to stop the exchanges that way. I will persist in trying to ask for questions and answers.

The Hon. ANTHONY D'ADAM: Minister, I want to try to understand what "not approved" means.

The Hon. SCOTT FARLOW: It means not approved.

The Hon. ANTHONY D'ADAM: When your chief of staff, on your instruction, sends a brief back to the department with "not approved", it does not seem to dissuade them from continuing to submit items on the list. Why do they keep coming back? I draw your attention to the document entitled "Divestment of TAFE NSW Dapto". What is the date on that, Minister?

Dr GEOFF LEE: You have given me two documents. Are they the same? No. There is one dated 24 September and one dated 11 September.

The Hon. ANTHONY D'ADAM: The date on the Dapto document is 24 September, isn't it?

Dr GEOFF LEE: There are two documents that you gave me. One is dated 11 September, one is dated 24 September. The one dated 11 September approved recommendations one and two only.

The Hon. ANTHONY D'ADAM: These documents represent items on the list, don't they?

Dr GEOFF LEE: Dubbo—sorry, I apologise. Can I correct the record? Sorry, I misread it. Sorry, my glasses.

The Hon. ANTHONY D'ADAM: Dubbo was 24 September.

Dr GEOFF LEE: First year I have ever had them. Sorry, Dapto?

Ms HARRISSON: Dapto.

Dr GEOFF LEE: Yes. Sorry, it is 24 September. My apologies.

The Hon. ANTHONY D'ADAM: Why is your agency continuing to serve up the same proposals in a different form when you have already advised them that they are not approved?

Dr GEOFF LEE: It goes to the first draft document that had an omnibus. There were lots of different proposals put in this one. We said we continually look at our asset portfolio. I will not go through that. If there are cases—as do occur from time to time—that put up a specific proposal for a specific site, they try to justify that in their proposal. If we agree with them and we put them in positive terms, we sign them.

The CHAIR: Minister, I draw your attention to the fact you have given conflicting evidence to the Committee. You originally said you had no knowledge of the 19-site document. Now you are saying, having apparently seen that, "We go through a further process to assess them site by site individually." Later on you might want to clarify the situation.

Dr GEOFF LEE: Can I respond to that, Chair? I cannot recall seeing that document on that specific day. I cannot recall seeing that document before the omnibus first proposal that you saw. When the site-specific ones were signed, of course I would have looked at those things and made some—in fact, in the Dubbo document they gave me, I crossed out one to say that it is a process.

The CHAIR: That is not the evidence you gave just moments ago. You spoke of a process whereby after the 19 were submitted "we had a look". You said, "We went through a process to look at them one by one." Anyway, the Hansard transcript will reflect that.

Dr GEOFF LEE: Yes. Let me get back and just clarify that in terms of—I don't think that that was the right phrasing to say that we went through a process one by one. I am just saying that over time if sites come up, over time we will consider those.

The CHAIR: Mr David Shoebridge is the next questioner.

Mr DAVID SHOEBRIDGE: Minister, do you read the briefs that are put to you? Or does your chief of staff read them and then chat with you about them? How does it work?

Dr GEOFF LEE: Both. We both read them and chat about it.

Mr DAVID SHOEBRIDGE: Do you read every one?

Dr GEOFF LEE: I was just about to say the vast majority, yes. Certainly if I sign anything, I certainly read it.

Mr DAVID SHOEBRIDGE: It is a simple question. As Minister you get briefs. Do you read all the briefs?

Dr GEOFF LEE: Not every single brief, no.

Mr DAVID SHOEBRIDGE: How do you choose the ones not to read?

Dr GEOFF LEE: We go through a process. They first go to the adviser who specialises in that area. Then they go to the chief of staff. Then they come to me.

Mr DAVID SHOEBRIDGE: They decide which of the ministerial briefs you need to read or not read?

Dr GEOFF LEE: No. Then they bring them up and we have a regular meeting every week about what we are doing with TAFE and about the briefs that have been submitted and whether we are going to, you know, warrant further investigation or what they are asking for.

Mr DAVID SHOEBRIDGE: How can you make a decision about not reading a brief, whether it is important for you to read it or not, if you have not read it, I suppose?

Dr GEOFF LEE: Well—

Mr DAVID SHOEBRIDGE: It is tricky for me. I cannot work out how you as a Minister work out which briefs you should read and which briefs you should not read. You have not really explained it.

Dr GEOFF LEE: I rely upon an excellent team around me to assist me with the operations of my office. Can I say that it is a very large and complex organisation, TAFE, and we rely upon our expertise of our staff. And we always encourage that. We want them to develop. We want them to be across their portfolios. They provide their recommendations. TAFE provides their recommendations. Then I am happy as the Minister to make that final determination.

Mr DAVID SHOEBRIDGE: Who in your office is making the decisions about which briefs you should or should not read?

Dr GEOFF LEE: There is a combination of processes between the adviser, the chief of staff and myself.

Mr DAVID SHOEBRIDGE: Is the chief of staff working out what briefs you should read or should not read?

Dr GEOFF LEE: No. I said there is a combination of—we all work together as one team. We have expert advisers, we have a chief of staff, we have a deputy chief of staff, and myself.

Mr DAVID SHOEBRIDGE: Minister, don't you think that if you have got the position of Minister, the minimum expected of you is to read the briefs? Don't you think that is the minimum expected of a Minister?

Dr GEOFF LEE: I would expect you as the Minister to manage the portfolio. I think we are doing an excellent job in that.

Mr DAVID SHOEBRIDGE: I am asking you if you think that the basic minimum of being a competent Minister is actually to read the ministerial briefs. Do you agree with that or disagree with that?

Dr GEOFF LEE: I reject the assertions in your questions of what makes a competent Minister. It is ridiculous to think that. I have an expert team around me—

Mr DAVID SHOEBRIDGE: You should actually read the briefs.

Dr GEOFF LEE: Mr Shoebridge—

Mr DAVID SHOEBRIDGE: Minister, it is a simple question. Rather than an argument, could you just answer the simple question. Do you think—

The Hon. WES FANG: Mr Shoebridge—

The CHAIR: Order!

Mr DAVID SHOEBRIDGE: Is this a point of order?

The Hon. WES FANG: I am yet to hear a question. It is a point of order.

Mr DAVID SHOEBRIDGE: Put it to the Chair.

The Hon. WES FANG: I am yet to hear a question from you. Number one. Number two: Your commentary-laden introductions before you then go "Do you agree with me?" is not really a basis with which the

Minister is able to provide an effective or a licit response. I ask you to, as the Chair has instructed, to ask a direct question for a direct answer.

The CHAIR: I think there was a question in there. Mr David Shoebridge.

Mr DAVID SHOEBRIDGE: Minister, do you agree or disagree with the proposition that the basic minimum for a competent Minister is to read the ministerial briefs provided to them?

Dr GEOFF LEE: I agree that what we do is work as a team together to actually assess the proposal when the briefs come up. Whether that requires total adherence, I don't actually agree. I think you can rely upon your staff. Your staff give you advice about the briefs. Then if you are interested, you make the decision.

Mr DAVID SHOEBRIDGE: Mr Faurby, has the Grenfell site been approved for sale?

Mr FAURBY: Can I have a look at this one here.

Mr DAVID SHOEBRIDGE: While you are contemplating that, Mr Faurby, Minister, has the Grenfell TAFE site been approved for sale?

Dr GEOFF LEE: Yes, it has.

Mr DAVID SHOEBRIDGE: Has the Mudgee TAFE site been approved for sale?

Dr GEOFF LEE: Yes.

Mr DAVID SHOEBRIDGE: Has the Goulburn TAFE site been approved for sale?

Dr GEOFF LEE: Yes.

Mr DAVID SHOEBRIDGE: Has the Dapto TAFE site been approved for sale?

Dr GEOFF LEE: Dapto? Let me check on my list. I just want to get it right. I will just seek clarification of Dapto in terms of whether I approved it.

Mr DAVID SHOEBRIDGE: Mr Faurby, has the Dapto TAFE site been approved for sale?

Mr FAURBY: The Dapto one has not been approved for sale, no.

Mr DAVID SHOEBRIDGE: Minister, has the Kogarah TAFE site been approved for sale?

Dr GEOFF LEE: No. Mr Faurby has got the list of the approvals. I will ask him to—

Mr DAVID SHOEBRIDGE: Has the Kogarah TAFE site been approved for sale?

Mr FAURBY: No.

Mr DAVID SHOEBRIDGE: Has the Seaforth TAFE site been approved for sale?

Mr FAURBY: No.

Mr DAVID SHOEBRIDGE: Has the Dubbo TAFE site been approved for sale?

Mr FAURBY: The Dubbo was first approved and then withdrawn.

Mr DAVID SHOEBRIDGE: Quirindi TAFE site.

Mr FAURBY: Quirindi is not approved.

Mr DAVID SHOEBRIDGE: Singleton TAFE site.

Mr FAURBY: Not approved.

Mr DAVID SHOEBRIDGE: Has the Bourke TAFE site been approved to commence divestment?

Mr FAURBY: The Bourke site? No, not to my knowledge.

Mr DAVID SHOEBRIDGE: No?

Mr FAURBY: No.

Mr DAVID SHOEBRIDGE: Chullora.

Mr FAURBY: No.

Mr DAVID SHOEBRIDGE: Corowa.

Mr FAURBY: No.

Mr DAVID SHOEBRIDGE: Deniliquin.

Mr FAURBY: No.

Mr DAVID SHOEBRIDGE: Narrandera?

Mr FAURBY: No.

Mr DAVID SHOEBRIDGE: Lidcombe.

Mr FAURBY: No.

Mr DAVID SHOEBRIDGE: Queanbeyan.

Mr FAURBY: No.

Mr DAVID SHOEBRIDGE: West Wyalong.

Mr FAURBY: No.

Mr DAVID SHOEBRIDGE: Murwillumbah.

Mr FAURBY: No.

Mr DAVID SHOEBRIDGE: Or Hornsby East.

Mr FAURBY: No.

Mr DAVID SHOEBRIDGE: Are any of those sites the subject of continuing consideration for sale by TAFE, Mr Faurby?

Mr FAURBY: I would like to go through the list to make sure I provide the exact details that you are asking, Mr Shoebridge, if you would allow me to.

Mr DAVID SHOEBRIDGE: Mr Faurby, if that is going to take a long period of time, I am happy for them to be on notice, unless there is some quick clarification you can provide.

Mr FAURBY: Either that or ask me a specific—

The CHAIR: Mr Faurby, with all due respect, they were questions one by one.

Mr FAURBY: And I have answered them.

The CHAIR: You gave clear answers. If you need any further clarification, we will take that on notice.

Mr FAURBY: I do not believe I do need any further clarification.

Mr DAVID SHOEBRIDGE: Minister, Operation Lancer—you now know what that is? Is that right?

Dr GEOFF LEE: Yes.

Mr DAVID SHOEBRIDGE: Did you get a ministerial brief on Operation Lancer?

Dr GEOFF LEE: I will have to take that on notice to—

Mr DAVID SHOEBRIDGE: You say "take on notice". Do you know when the Operation Lancer report was handed down?

Dr GEOFF LEE: It was 20 October—let me just get the right date for the Committee. It was 19 October. Sorry, I thought it was 20. It was Tuesday 20 October it was tabled in Parliament.

Mr DAVID SHOEBRIDGE: It was 19 October of what year?

Dr GEOFF LEE: This year.

Mr DAVID SHOEBRIDGE: We are talking 11 days ago. I am asking you if in the last 11 days you have had a ministerial brief about an ICAC report about serious corruption in TAFE, and you are taking that on notice. Is that really your evidence?

Dr GEOFF LEE: I cannot—

Mr DAVID SHOEBRIDGE: You are taking that on notice?

Dr GEOFF LEE: I—

Mr DAVID SHOEBRIDGE: Eleven days, ICAC report, major corruption.

The CHAIR: No, there needs to be a question.

Mr DAVID SHOEBRIDGE: Are you really taking that on notice?

The CHAIR: Minister, are you taking it on notice?

Dr GEOFF LEE: Can I say to you that I will take it on notice because I just want to get it right. Because I have discussed the matter with Mr Faurby. To remind you, this was a historical matter, before I was Minister, before Mr Faurby were there with TAFE. I agree with you that it was corrupt behaviour of two, three employees. Those employees are no longer employed by TAFE NSW. Can I say that TAFE did their own investigations and Operation Lancer was the investigation by the ICAC.

Mr DAVID SHOEBRIDGE: Mr Faurby, did you give the Minister a brief about the major corruption findings delivered by ICAC about TAFE in the last fortnight?

Mr FAURBY: Yes.

Mr DAVID SHOEBRIDGE: Did you give the Minister a brief?

Mr FAURBY: We sent up a briefing note, yes, or a budget estimates note.

Mr DAVID SHOEBRIDGE: Minister, did you read it?

Dr GEOFF LEE: I read the briefing note at that time because we were about to go into question time.

Mr DAVID SHOEBRIDGE: Is this the briefing note you could not remember when I asked you earlier?

Dr GEOFF LEE: I was thinking—

Mr DAVID SHOEBRIDGE: Like a minute ago?

Dr GEOFF LEE: Just to clarify, I was thinking the briefing note in terms of where you sign it, like these sort of notes. In terms of "I've got a briefing note is my recollection" is I have got a briefing note for question time about what it was. We did not have any—

Mr DAVID SHOEBRIDGE: Did you read it?

Dr GEOFF LEE: Yes. We did not have any oversight of that ICAC report until it was tabled 11 days ago.

Mr DAVID SHOEBRIDGE: Mr Faurby, TAFE has been in discussions with the Independent Commission Against Corruption about draft recommendations over the past two years, has it not?

Mr FAURBY: About that time, yes.

Mr DAVID SHOEBRIDGE: Did you ever tell the Minister about that?

Mr FAURBY: We have not told the Minister, to my knowledge, anything that led up to the process until ICAC came out with their report.

Mr DAVID SHOEBRIDGE: So the managing director of TAFE refers a corruption concern to ICAC, an ICAC inquiry is commenced about millions of dollars being paid under a series of corrupt IT contracts with TAFE and the first the Minister hears about it from TAFE is when ICAC hands down its findings three years after the referral? Is that your evidence, Mr Faurby?

Mr FAURBY: Yes, it is. We got legal advice that we could not notify the Minister, for secrecy provision reasons, until such time as the ICAC report was—

The CHAIR: Time has expired, I am sorry, Mr Shoebridge. We will come back after morning tea. My round of questions is to Ms Grummer, please. You mentioned earlier that in September or October you talked to Gwendy Arnot about the document with the 19 TAFE sites for sale. How did you find out about the document to then have that conversation?

Ms GRUMMER: Because I was informed that the document had been sent.

The CHAIR: Who told you that?

Ms GRUMMER: Ms Arnot, and through my executive officer.

The CHAIR: Who is your executive officer?

Ms GRUMMER: Kiley Humphreys.

The CHAIR: Did you ask Gwendy Arnot why, on page five of the document, the signature approval spaces for yourself and Mr Faurby had been left blank and why, without your approval or Mr Faurby's, this went to the Minister's office?

Ms GRUMMER: Yes. The practice that Ms Arnot had previously, before reporting to me, was she would have direct correspondence with the Minister's office on matters related to the Infrastructure portfolio. I had been in the role, I think, for about six weeks at that point. I did not understand or know until—as I have shared—I was properly updated that that is what she did and that that used to be a previous practice. So upon hearing that that is how the information was shared, I had a conversation with Ms Arnot to indicate that all briefs that were to go to the Minister's office were not to be sent in draft form and that any formal brief, as has been indicated by the Committee today, should go through the formal process where it would require a signature, and that we should not be floating around draft briefs with the Minister's office.

The CHAIR: Right. So this had been happening for quite some time—earlier in 2020?

Ms GRUMMER: It could have been. I do not know. I did not assume—I did not have accountability for the Infrastructure portfolio then.

The CHAIR: In terms of where the document then went, this so-called draft document, are you aware of any further iterations of it or that it was firmed up in any way as a formal document?

Ms GRUMMER: No. Because at that point in time, after what I call the omnibus draft then went to the Minister's office, the discussion with the Minister's office was that going forward any divestments that TAFE NSW was considering were to go as individual briefs to the Minister's office on a particular property. It is at that point in time when we changed the process, to—

The CHAIR: So that came back from the Minister's office as a consequence of the draft document—that, in future, do not send us 19, send us them one by one?

Ms GRUMMER: Correct, at the point in time in which you have the rationale and the information and the confirmed exit strategy important to the sites.

The CHAIR: So while the Minister's chief of staff wrote "Not approved" on the original document, a separate message came back from the Minister's office that "We will have a look at these one by one"?

Ms GRUMMER: Correct. The verbal conversation was that, "Going forward, you know, as I also become familiar with this process, we have increased the robustness in the process by which we look at divesting property and go through the formal process with the Minister's office." It was a verbal conversation that we had with the Minister's office around the protocol going forward.

The CHAIR: Right. Was Mr Faurby involved in this new process of having a look at them one by one, or is he still unaware at this stage?

Ms GRUMMER: Mr Faurby and I did have conversations. It would be well after this—the draft omnibus, when it was sent, premise or not, that that was going to be our approach going forward.

The CHAIR: So the Minister's office and Mr Faurby decided, in response to this document, that you would now do them one by one and that explains how Grenfell, Mudgee, Goulburn and Quirindi came up subsequently?

Ms GRUMMER: Correct. Sorry, if I may clarify, Chair. Whether Mr Faurby was part of that conversation with the Minister's office, I will have to leave that for him to answer. I can just speak for the conversations that happened with me and my team.

The CHAIR: Yes, thank you. Mr Faurby, were you part of those conversations to then decide to go one by one?

Mr FAURBY: I can certainly say that the only way in which I have had discussions with the Minister's office and the Minister is on a one-by-one basis for those specific locations that were in question, yes.

The CHAIR: But do you recall the conversations that Ms Grummer has outlined that she says she had with you to take these one by one?

Mr FAURBY: I recall that Ms Grummer and I have had conversations about specific investment opportunities, yes.

The CHAIR: Ms Grummer, did you raise with Mr Faurby, in response to that conversation you had with Ms Arnot in September or October, that this problem of the line of command needed to be fixed—that, in

effect, Wendy Arnot had gone a bit rogue in putting up these draft submissions to the Minister's office? Did you raise that with Mr Faurby as an administrative problem in the efficiency of decision-making inside TAFE?

Ms GRUMMER: No, I do not recall. What I will say is prior to my joining this role and then Mr Faurby joining as our managing director, there were previous practices within the group to which TAFE Infrastructure belonged that were ones that I did not deem suitable and proper. This omnibus is a really great example where—and, actually, if I can be honest, you know, where this process—of my understanding of the impact that an informal process has and hence why I stopped it, the minute I found out about it. There were quite a lot of conversations that Ms Arnot would have with the Minister's office. Going forward, as it relates to divestments and management of the TAFE Infrastructure portfolio, I am part of those conversations with the Minister's office.

The CHAIR: So you stopped the Arnot practice of sending these things direct to the Minister? The Minister's office did not stop it?

Ms GRUMMER: I am not aware of what briefs had been communicated to Ms Arnot. However, I do know that Ms Arnot would have conversations with the Minister's office, prior to my working with her. So, unfortunately, I [disorder]—

The CHAIR: Just to clarify your evidence, you are saying you had a conversation with Mr Faurby about sending these up one by one in future but you did not, in the preamble to that conversation, say the catalyst for sending them up one by one was the fact that Gwendy Arnot had gone a bit rogue and had sent 19 to the Minister's office?

Ms GRUMMER: It was not in the context of a draft brief being sent up, no.

The CHAIR: Could I ask about a separate issue, to the Minister or Mr Faurby. The Department of Education, in school education, is calling for volunteers to be classroom teachers. What have been the consequences of the forced vaccination workforce program that you have got in TAFE in terms of staff shortages?

Mr FAURBY: Well, first of all, we do not have a forced vaccination program in TAFE.

The CHAIR: You do not? Okay. What is your policy?

Mr FAURBY: At the moment, the arrangements around—are you asking specifically about vaccinations?

The CHAIR: Have you got a different policy to the one applying to schools?

Mr FAURBY: We do.

The CHAIR: What is that policy, please?

Mr FAURBY: On vaccinations?

The CHAIR: Yes.

Mr FAURBY: It is that, at this point, we do not require mandatory vaccinations for TAFE staff and teachers.

The CHAIR: Why is your policy different to the schools?

Mr FAURBY: The Minister has just reminded me, there are exceptions—a few—and these relate to people, staff, who are involved in things such as early childhood, aged care, health care, where there are placements into schools and health care, those sorts of areas that are governed by the public health order. Where that is the case, of course, our people, our staff, are compliant with that. But for the wider organisation and TAFE NSW, for teachers and staff, at this point in time we do not have a requirement for mandatory vaccination.

The CHAIR: So at your regular TAFE campus there is no checking of vaccination status?

Mr FAURBY: No.

The CHAIR: Is there any rapid antigen testing you are deploying?

Mr FAURBY: No.

The CHAIR: So it is really COVID-safe spacing, masking, hygiene and nothing beyond that?

Mr FAURBY: We have got lots of protection and procedures in place to make TAFE NSW a safe place to work and study. I will be happy to outline the details. You have just mentioned some of them—mandatory mask wearing, for instance, abiding by the 1.5 metre rule where practically possible. Those are sorts of things that you would expect and, certainly, it is the case for TAFE NSW.

The CHAIR: Could I ask Ms Harrison, why for a 17-year-old at TAFE the teachers do not have a double vaccination requirement, but for a 17-year-old in the school system they do?

Ms HARRISSON: I am conscious that Minister Mitchell is not here who has responsibility for the Education portfolio. I am happy to comment on this issue. Teachers of school-age children in school settings and others working in those settings are required under the public health order to be vaccinated. That is a public health order administered by the Minister for health. That is because our teachers have to teach everyone that comes to school and a number of those children under 12 are unable to get vaccinated and over 12 they are able to be vaccinated, but would need parental consent to do so. In order to maintain the safety of our school staff, it is important that they are vaccinated and it is also important that we are able to minimise transmission throughout schools to enable us to maintain operations.

The CHAIR: Why is TAFE different? You still have not answered my question.

Ms HARRISSON: TAFE is not covered by the public health order because it largely teaches adults who are able to get vaccinated themselves. Mr Faurby has responsibility for the work, health and safety provisions in TAFE. I think it is worth noting that he has undergone risk assessments in relation to the requirements of his staff for his current operations, which actually because of the other public health orders do not have many students on site. It is also required to comply with the other public health orders around vaccination status at the current time. In terms of his current operations, he has an appropriate policy in place.

The CHAIR: Okay. That is as clear as the Divestment Program. We will break at that point for morning tea for 15 minutes.

(Short adjournment.)

The CHAIR: We have a quorum. We will recommence on time. Mr Collins, because of the audio problem earlier you were not able to be sworn in as a witness. If you are there now we will do that.

Mr COLLINS: Certainly. Thank you, Mr Chair. I apologise for my late arrival and my technical difficulties.

The CHAIR: We will resume questioning from the Opposition.

The Hon. ANTHONY D'ADAM: Ms Grummer, I want to ask you about the process after the initial brief was sent back to the department. Can you explain to me when the initial document was sent back to you with "not approved", what did you interpret that to mean?

Ms GRUMMER: Can I just confirm that the document that you are referring to as not approved is the original brief that had the 19 divestments listed in it?

The Hon. ANTHONY D'ADAM: That is correct, yes.

Ms GRUMMER: I have not seen the "not approved" signed MIN, that brief that came back. I have somebody on my team tracking that. What I will say is that I had a verbal conversation with the Minister's office that going forward, as I have indicated, that any proposed site for divestment would include a brief that was specific to that location.

The Hon. ANTHONY D'ADAM: Your understanding of the notation or the non-approval was not that the actual proposals had been rejected, it was just that the format for consideration was not satisfactory. Is that your understanding, Ms Grummer?

Ms GRUMMER: Yes, that is correct.

The Hon. ANTHONY D'ADAM: Can I just clarify then, how is it that a document—the initial document, the initial brief—which on evidence is suggested to be a draft was then the subject of discussion between the Minister's office and the agency? It seems that the notation from the chief of staff suggests that the Minister's office considered the brief not to be a draft. They were sending it back to the department for the process of consideration to be changed. Is that a fair summary of what had occurred?

Ms GRUMMER: I suspect so. As to why a brief without my signature or the managing director's signature was not on it, I think we highlighted and understand and have prefaced going forward that it was a misstep in procedure. As to why there was a signature from the chief of staff on the Minister's side, I am not able to answer that question.

The Hon. ANTHONY D'ADAM: It is your understanding that the Minister's office considered it not a draft, but actually a brief for consideration?

Ms GRUMMER: Again, I do not have the document that you have in front of you that has the signature. Anything I could comment on would just be my interpretation of what occurred in the Minister's office.

The Hon. ANTHONY D'ADAM: The brief occasioned a conversation following it about a change in the manner in which the proposals would be considered going forward, is that right?

Ms GRUMMER: Correct, it did. Yes.

The Hon. ANTHONY D'ADAM: On that evidence it would suggest that the Minister's office did not consider it a draft, but it was a genuine brief that they were then sending back to the department for further work?

Ms GRUMMER: Perhaps. I cannot speak to what happens in the Minister's office around requirement of signatures and things like that.

Mr FAURBY: Mr D'Adam, because what we hear Ms Grummer say—which is consistent with what I have said—is that we have not seen this document and it has been presented to me as evidence here for the first time and to the best of my recollection it is the first time I have seen it, can I suggest to you that we take on notice to clarify whether or not we actually received the document back from the Minister's office or whether this is a document that was entirely kept with the Minister, the Minister's office and not shared with TAFE subsequently.

The Hon. ANTHONY D'ADAM: Mr Faurby, the problem that I have with that evidence is that seven days later there is a brief about divestment of the TAFE NSW site in Dubbo with your signature on it, which suggests that you were clearly cognisant of the process. You clearly knew that there was a divestment proposal being considered by the Minister's office. The agency acted on the instructions that came back from the Minister's office about reformatting the proposal for consideration. I find it very hard to believe that you were not aware of the document. Do you want to offer some comment on that, Mr Faurby?

Mr FAURBY: I can only offer what I have already offered—namely, that I was not aware of this document and the fact that it does not have my signature also, I think, is strong evidence that I have not seen it. I do not believe that I have ever seen this document.

The Hon. COURTNEY HOUSSOS: Mr Faurby, discussion about a specific document is fine. You say—and I take you and the Minister at your word—that you do not recall seeing this particular document. But, as my colleague has said, a series of proposals off the back of this document then came with your signature to the Minister's office. This is clearly a proposal, a set of proposals, that is working its way through the department.

Mr FAURBY: Correct.

The Hon. COURTNEY HOUSSOS: There is a general understanding from the department that the Minister's office actually does support perhaps not the specific document but certainly the direction that the document is taking, which is we want to be selling off as many of these properties as possible. We can have a semantic discussion and you can come back to us with something on notice about whether you approved that specific document but, as my colleague has pointed out, within days—

The Hon. WES FANG: Is there a question?

The CHAIR: No, there needs to be a question.

The Hon. COURTNEY HOUSSOS: —within days there is—

The Hon. ANTHONY D'ADAM: She is getting to the question.

The Hon. COURTNEY HOUSSOS: If you have a point of order and you want to waste time, then call a point of order and waste time.

The Hon. WES FANG: Okay. Point of order—

The CHAIR: There is no point of order. But, we do need to get to a question.

The Hon. COURTNEY HOUSSOS: You accept that your department is working off this list and pursuing proposals for the sale of these campuses?

Mr FAURBY: I can confirm that we are working off specific sites that we have identified that are surplus to operational needs and therefore we are seeking the Minister's approval, or otherwise. As the land-owning Minister, it is the Minister's decision whether or not a site will be divested. But under this list that we—

The Hon. COURTNEY HOUSSOS: Mr Faurby, that is all we need. My colleague has a question.

The Hon. ANTHONY D'ADAM: Can I come back to this notion of "not approved"? When the Minister advises the agency that a proposal is not approved, that appears not to be the end of the matter. Is that correct?

Mr FAURBY: It certainly is the end of the matter, as far as I am concerned.

The Hon. ANTHONY D'ADAM: Why is it that if the initial range of proposals were not approved, there was then a subsequent series of proposals that effectively put forward the same proposition in a different format?

Mr FAURBY: I have offered, Mr D'Adam, to verify whether or not we ever got that document back with that "not approved" notation on it. I have also testified to the Committee that I do not recall ever having seen that. What I do recall, and what I certainly can confirm we do, is having specific conversations which end up in recommendations for divestments. As far as the list is concerned that you refer to—which, again, I would say I see for the first time today—as I testified to Mr Shoebridge before, most of those were actually not approved. That means that when we get a decision back from the Minister as to not approved, as far as we are concerned it is the end of it.

The Hon. COURTNEY HOUSSOS: But that is just not the case, Mr Faurby.

Mr FAURBY: It is.

The Hon. COURTNEY HOUSSOS: That just is not the case. There is a list of those proposals and you are slowly working through the list. That is basically what Ms Grummer has told us: There is a secret list that appeared in this draft document, and the feedback from the Minister's office was, "Don't send it up in a whole list. Send it up as individual proposals and we are happy to work our way through that list," of which a number have already been approved and of which the natural inference is—

The Hon. WES FANG: This is the longest question, Chair.

The Hon. COURTNEY HOUSSOS: —that you are then working through that list.

The CHAIR: It is Ms Houssos' time.

The Hon. COURTNEY HOUSSOS: It does not make sense what you are saying, Mr Faurby.

The Hon. WES FANG: What is the question?

The CHAIR: There needs to be a question.

The Hon. ANTHONY D'ADAM: "Does it make sense?"

The Hon. COURTNEY HOUSSOS: Do you actually stand by that statement?

The CHAIR: Okay, there is the question.

Mr FAURBY: Which statement? That it makes sense?

The Hon. COURTNEY HOUSSOS: That you are genuinely saying that the Minister provided you with feedback and you abandoned any future plans to pursue this list.

Mr FAURBY: What I am saying to you, Ms Houssos, is that for every one of the recommendations we put to the Minister for his review and approval, we get an answer back. Sometimes it is a yes, sometimes it is a no. There could also be cases where a matter will be a "no" and we will revisit this in due course. We will put it up again in a year or two year's time when circumstances might have changed. It could be the case. For these particular locations that are talked about here, we got an answer on the ones we sent up. Every one of the ones that we sent up, we got an answer to.

The Hon. ANTHONY D'ADAM: What was the answer on Chullora?

Mr FAURBY: It was a no.

The Hon. ANTHONY D'ADAM: There has been no further consideration or proposals advanced from TAFE to the Minister's office in relation to Chullora?

Mr FAURBY: No, not that I am aware of.

The Hon. ANTHONY D'ADAM: Minister, you will rule out selling the Chullora site?

Dr GEOFF LEE: No.

The Hon. ANTHONY D'ADAM: It is still under consideration?

Dr GEOFF LEE: Absolutely. It is a site that has not been used for many years. We have invested significantly in western Sydney and upgrading many facilities, including in the adjacent electorate of Granville, which I note is a Labor electorate, in terms of their TAFE at Granville. It does not serve its purpose as an educational facility. When it was closed, the facilities, as I understand it—it was before my time—were outdated, antiquated and were not fit for delivery in terms of the courses we are dealing with. The catchment area of Chullora itself was not seen as the right area, so we invested in other areas of western Sydney and we are very proud of that investment. Can I say—

The Hon. ANTHONY D'ADAM: Minister—

Dr GEOFF LEE: —that there is no point—we are not banking on land. We are not developers. What we are doing is trying to use our resources. We take the divestment very seriously. That is why I encourage TAFE to look at our asset portfolio and our mix of asset portfolios so that we can optimise that mix to best serve the students right across the State.

The Hon. ANTHONY D'ADAM: Minister, it sounds like you are convinced that Chullora should be sold. Why did you not approve it?

Dr GEOFF LEE: One of the reasons why, just from memory, is that in the last two years since I have become Minister the property prices went down, so that you were about to have a fire sale. We want to revenue-maximise—

Mr DAVID SHOEBRIDGE: Property prices went down in the last two years?

Dr GEOFF LEE: —for the site, so that we can invest.

Mr DAVID SHOEBRIDGE: Did you say property prices went down in the last two years?

Dr GEOFF LEE: Commercial property in that area went down in the last two years. They have only rebounded in the last six months.

The Hon. COURTNEY HOUSSOS: Sorry, Minister, on 11 March 2020 you appeared before us in estimates and you said that you had no plan for divestments at that point.

Dr GEOFF LEE: Yes. There is no plan.

The Hon. COURTNEY HOUSSOS: There is no plan. Okay.

Dr GEOFF LEE: No approved plan for divestments.

The Hon. COURTNEY HOUSSOS: Then literally days later you receive a briefing—I can provide you with a copy of that—which has a plan for divesting. It is entitled "Proposed 2020/21 Divestment Program".

Dr GEOFF LEE: Can I get a copy of that document, sorry?

The Hon. COURTNEY HOUSSOS: I am getting copies of that provided now.

Dr GEOFF LEE: I just cannot remember seeing that. Please keep going.

Mr DAVID SHOEBRIDGE: We should get a stamp with that, Minister. You can just hold it up.

The Hon. COURTNEY HOUSSOS: I am just saying—

The Hon. WES FANG: Point of order—

Mr DAVID SHOEBRIDGE: I withdraw.

The Hon. COURTNEY HOUSSOS: Within days of you appearing before this estimates previously and stating that there was no plan for divestments, you receive a briefing note approved by the secretary at the time with a plan for divestments. How can this Committee take you at your word, even today?

Dr GEOFF LEE: Because I am under sworn oath to provide testimony, that is why.

The Hon. ANTHONY D'ADAM: Minister, I take you back to your answer on Chullora. It is your intention to sell Chullora when the market improves?

Dr GEOFF LEE: We will consider it. As I said, we take every divestment decision very seriously. If conditions are right, we do not see a future purpose for it, I will wait for the briefing to come up and the proposal.

The Hon. ANTHONY D'ADAM: Is it your testimony—

Dr GEOFF LEE: I am saying I am not going to rule anything out and I will continue to work in the best interests of TAFE. But certainly I will not approve any divestment unless we can reinvest the proceeds back into TAFE.

The Hon. ANTHONY D'ADAM: If the price is right on Chullora you will sell?

Dr GEOFF LEE: Along with a number of factors, yes. But I have not seen any proposal come up to sell Chullora. So it would be hypothetically speaking, "What happens if?" I am not going to go into that.

The Hon. COURTNEY HOUSSOS: Sorry, your testimony is that you have not seen a proposal to sell—

Dr GEOFF LEE: Not in recent times have I seen—

The Hon. COURTNEY HOUSSOS: Chullora?

Dr GEOFF LEE: I cannot remember one.

Mr FAURBY: We did provide one.

Dr GEOFF LEE: We did one? Okay, I stand corrected. Sorry. I cannot remember seeing it.

The Hon. ANTHONY D'ADAM: What about Lidcombe? What is the status of Lidcombe?

Dr GEOFF LEE: I have not seen any proposal at Lidcombe.

Mr FAURBY: No.

The Hon. ANTHONY D'ADAM: No proposal?

Mr FAURBY: No.

The Hon. ANTHONY D'ADAM: Is it a similar issue where the value of the land is a key consideration as to whether you would dispose of that asset?

Dr GEOFF LEE: The key consideration just off the top of my head, and I have not seen the proposal, is that it is an operating centre that currently teaches students.

The Hon. ANTHONY D'ADAM: Is TAFE deliberately running down the enrolments at Lidcombe to facilitate possible disposal, Mr Faurby?

Mr FAURBY: Most certainly not.

The Hon. ANTHONY D'ADAM: You are not transferring enrolments to other sites, "decanting" students?

Mr FAURBY: No.

The Hon. ANTHONY D'ADAM: That is not your intention?

Mr FAURBY: Absolutely not.

The Hon. ANTHONY D'ADAM: Are enrolments increasing at Lidcombe?

Mr FAURBY: I do not have specific enrolment numbers for Lidcombe but I can absolutely tell you, Mr D'Adam, that we have no such intention to run down enrolment numbers. We have every intention to increase enrolment numbers and we go to work every day to try to make that happen at all the locations, including Lidcombe.

The Hon. COURTNEY HOUSSOS: We might come back to Lidcombe in a moment. Minister, I have a copy of the document for you now. I have only got one copy, unfortunately, but we will get some more. Another page of the document is being brought down to you now that shows the signature of the secretary at the time, which was Mr Mark Scott. You will note that the date on this one is 13 March, Minister, is that correct?

Dr GEOFF LEE: Yes, 13 March.

The Hon. COURTNEY HOUSSOS: The title is "Proposed 2020/21 Divestment Program"?

Dr GEOFF LEE: Yes.

The Hon. COURTNEY HOUSSOS: The topic states:

Approval to commence the divestment process for seven (7) TAFE NSW sites ...

Dr GEOFF LEE: That is what it seems to say.

The Hon. COURTNEY HOUSSOS: That is right. This is literally two days after you had appeared at the March 2020 budget estimates and told us that there were no plans to divest any sites in New South Wales.

Dr GEOFF LEE: Obviously that was my testimony and I stand by that testimony.

The Hon. COURTNEY HOUSSOS: The analysis says:

TAFE NSW has completed a review of 137 of its sites across NSW and recommends seven sites for divestment in 2020/21.

Dr GEOFF LEE: Okay. If it says that in the document.

The Hon. COURTNEY HOUSSOS: You said that there were no plans to divest sites two days earlier at budget estimates, Minister.

Dr GEOFF LEE: I think if you look at the testimony, it will reflect that I said there are no approved plans. I was not aware of any approved plans for the divestment of those sites. Until they are signed off, they are not approved plans.

The Hon. COURTNEY HOUSSOS: No. We asked you whether there were any plans and you said that there were no plans. Is your testimony today that this magically appeared within the department two days after you told budget estimates there were no plans to divest and that actually there is a review underway that is recommending seven sites? You cannot actually be saying that within two days this briefing document was prepared and came from nothing.

Dr GEOFF LEE: Can I say, I still stand by my testimony. I had no knowledge of any plans for these sites. I have asked TAFE to continuously look at their asset portfolio and manage those assets appropriately.

The Hon. COURTNEY HOUSSOS: Minister, it even goes on to say:

On 11 March 2020 the Minister and the Secretary advised the Budget Estimates Hearing ... there are no approved divestments.

But attached to it there is a list of seven sites, including Scone, that are currently being audited and investigated and looking to be sold off. Will you accept that?

Dr GEOFF LEE: I stand by my testimony. There were no approved plans to divest sites when I gave that testimony. I think I have said that how many times.

The Hon. COURTNEY HOUSSOS: So this is a technicality that you are going to rely on.

Dr GEOFF LEE: No. This is the document generated not by my ministerial office, [inaudible].

The Hon. COURTNEY HOUSSOS: So this is a document that has been—sorry, I should provide you with a copy of this. It shows that it has actually been signed by Mr Faurby just days after he appeared before estimates and told us that there were no plans. Clearly, Mr Faurby, were you working on this plan before you came to estimates in March 2020?

Mr FAURBY: Could I be given an opportunity to see the document so I know what we are talking about?

The Hon. COURTNEY HOUSSOS: I think my time is about to run out, so I might come back to this.

Dr GEOFF LEE: Could we get a copy of the signed one?

The Hon. COURTNEY HOUSSOS: Sure.

The CHAIR: There are 30 seconds left.

The Hon. COURTNEY HOUSSOS: I am happy to pick it up later on so that Mr Faurby can look at it.

Mr DAVID SHOEBRIDGE: Minister, do you know what the subject matter was of Operation Lancer and what ICAC was inquiring into?

Dr GEOFF LEE: From memory—I will just check the notes so I get it perfect for you because semantics mean a lot to you.

Mr DAVID SHOEBRIDGE: I know it was about 10 days ago you read the briefing notes, so I understand why you cannot remember anything at all about it.

Dr GEOFF LEE: It was not in a traditional briefing note, as I was reminded before. It was some notes before question time, Mr Shoebridge. Obviously, any matter before ICAC—

Mr DAVID SHOEBRIDGE: You told me it was a briefing note earlier.

Mr FAURBY: I corrected it, Mr Shoebridge, excuse me. I said it was a budget estimates note.

Dr GEOFF LEE: The documents are a little bit different. One has a signature and one has a few dot points about what it is about. The document says that two employees received payments from a software company contracted to TAFE NSW as a reward for exercising their public functions to favour to the business interests of the company. The ICAC has knowledge of significant TAFE organisation improvements implemented as part of the One TAFE modernisation reforms that bolster its defences in prevention mechanisms against corruption. The corrupt conduct found by ICAC was between August 2014 and June 2017 by this company.

A company contracted to TAFE NSW, initially through its Western Sydney Institute to provide software system development and support, paid approximately \$200,000 each to the bank accounts in the names of the wives of two employees. Earlier in 2012 and 2013, three persons perpetrated recruitment fraud by not disclosing their personal relationships by falsifying information relied upon in the recruitment process. Operation Lancer was the name given to investigation conducted by the ICAC into the two allegations. Then it goes on to find those allegations were proved to be correct.

Mr DAVID SHOEBRIDGE: Do you know how much TAFE paid under those corruptly obtained contracts to Oscillosoft?

Dr GEOFF LEE: I will take that on notice, unless Mr Faurby or—

Mr FAURBY: Can I ask Ms Grummer to perhaps provide some details on that, please?

Mr DAVID SHOEBRIDGE: How much, Ms Grummer?

Ms GRUMMER: Yes. What I can share is since 2014 we have spent \$6.8 million with Oscillosoft. I am unable to share how much of that is for our use for the software versus implementation services. But the total aggregate amount is \$6.8 million.

Mr DAVID SHOEBRIDGE: According to ICAC, they were looking at \$3.4 million in contract payments to nine of the 10 TAFE NSW institutes. What was the additional \$3.4 million that was not the subject of ICAC's inquiry, Ms Grummer?

Ms GRUMMER: If I may just take that on notice because I think we are going to have to go through each invoiced payment one by one to categorise that. I am not familiar with what was submitted to ICAC. I just can report when we look at the vendor Oscillosoft for our system we paid \$6.8 million.

Mr DAVID SHOEBRIDGE: Minister, you now know, don't you, that the better part of \$450,000 was made in corrupt payments to TAFE employees up to as recently as December 2018 to obtain those contracts? You now know that, don't you?

Dr GEOFF LEE: In the briefing note, and to my recollection, it is \$200,000 to each of the wives.

Mr DAVID SHOEBRIDGE: It was more than \$220,000 to each of them. Were you aware that the payments were being made as recently as December 2018?

Dr GEOFF LEE: I will take that on notice. I cannot remember the date, to be honest with you.

Mr DAVID SHOEBRIDGE: You gave me a date earlier. You read a date. Do you not remember that? It was about a minute ago.

Dr GEOFF LEE: I just do not want to get it wrong, Mr Shoebridge, because every time I say something—

Mr DAVID SHOEBRIDGE: Every time you say something wrong, we hold you to account and it is tough. Carry on.

Dr GEOFF LEE: No. Every time I worry about—

Mr DAVID SHOEBRIDGE: What was the date?

Dr GEOFF LEE: — the exact wording and you take it up.

The Hon. WES FANG: Point of order—

The Hon. SCOTT FARLOW: Let the Minister answer, David.

The CHAIR: Mr Farlow on the point of order.

The Hon. SCOTT FARLOW: I will take up the honourable Wes Fang's point of order.

The Hon. WES FANG: You will be nicer than I will.

The Hon. SCOTT FARLOW: Once again, the Minister is trying to answer Mr Shoebridge's question and Mr Shoebridge is running over the top of him and not allowing the Minister to answer.

The Hon. WES FANG: It is disgraceful.

The CHAIR: The Minister can have some time to answer the question, please.

Mr DAVID SHOEBRIDGE: Were you aware that corrupt payments were being made to TAFE employees as recently as December 2018, according to the ICAC report?

Dr GEOFF LEE: My notes do not actually say that, but I am happy to get it on notice. My note says that the corrupt conduct found by ICAC was between August 2014 and June 2017. It does not mention 2018. But I am happy to take it on notice.

Mr DAVID SHOEBRIDGE: When ICAC has handed down a significant corruption finding against the organisation that you have got ministerial responsibility for, do you think it might be a good idea to actually read ICAC's findings, rather than just a few dot points that you hurriedly read in a briefing note?

Dr GEOFF LEE: No. I think what is important, can I say, is that any corruption should be stamped out. Any processes should be overhauled and any specific instances should be prosecuted at full extension of the law. As I said, Mr Faurby and I have discussed recommendations as per TAFE in terms of our response. We are responding so that one thing is put in to one TAFE reform so this cannot happen again, and, certainly, looking at our systems and processes to eliminate this eventuating.

Mr DAVID SHOEBRIDGE: When did you discuss it with Mr Faurby?

Dr GEOFF LEE: After the ICAC report was tabled in Parliament.

Mr DAVID SHOEBRIDGE: That was less than 10 days ago, so when did you discuss it with Mr Faurby?

Dr GEOFF LEE: The next day, the day after?

Mr FAURBY: Yes, I think it was the day after, from memory.

Dr GEOFF LEE: It was tabled in the afternoon, I think, from memory.

Mr DAVID SHOEBRIDGE: What are you doing to recover the \$6.8 million of public money that has been paid to this corporation under corruptly obtained contracts?

Dr GEOFF LEE: We are certainly seeking advice in all our avenues. I think we should try to recover any corrupted money that has been fraudulently paid or fraudulently gained against any public enterprise, whether it is TAFE or not. We have to seek the avenues of redress, and we will seek the right counsel to do that.

Mr DAVID SHOEBRIDGE: Mr Faurby, are you seeking the recovery of the \$6.8 million? If so, what are you doing to do it?

Mr FAURBY: I will refer to Ms Grummer in just a minute to clarify further details on this, but what I will say is that the report that was handed down on the nineteenth had 14 recommendations in it. We have accepted every one of those. We will be happy to go through every single one of them, if you would like us to, including the ones that have already been completed and those that are in the process.

Mr DAVID SHOEBRIDGE: Will you address the question that I asked? The Minister said that you are taking steps to seek recovery. Did the Minister convey that to you in the conversation you had with him the day after the report was provided?

Mr FAURBY: The Minister has conveyed to me his expectations, of course, that we take the report on notice and that we take the recommendations in it. We have confirmed to the Minister that most of these actions have either been completed or are well and truly in the process of being completed.

Mr DAVID SHOEBRIDGE: But none of the recommendations are for recovering the money, Mr Faurby, are they?

Mr FAURBY: I will have to refer to every one of them again to make sure that I have all that detail, unless Ms Grummer has that.

Mr DAVID SHOEBRIDGE: Why don't we go to Ms Grummer?

Ms GRUMMER: None of the 14 recommendations are about recovering the money, no.

Mr DAVID SHOEBRIDGE: Mr Faurby, I ask you again: Did the Minister indicate to you, in the conversation you had the day after, anything at all that is consistent with what he just told us then—that he is taking steps to recover the money?

Mr FAURBY: I do not recall exactly whether the Minister said that, but what I do recall is that we had a conversation about this report. I can certainly say that, from TAFE's perspective, we will be seeking the opportunity to recover that money.

Mr DAVID SHOEBRIDGE: What steps have you taken to recover the money? Has the Minister given you any direction to recover the money?

Mr FAURBY: He has not given us any direction yet.

Mr DAVID SHOEBRIDGE: Has he spoken to you at all about recovering the money?

Mr FAURBY: The report is two weeks old, or thereabouts, and we have not taken every single step yet that we plan to do in response to this. But we have taken steps against every one of the recommendations, because we knew the recommendations. I at least had an idea of what nature they would have, and therefore I can confirm that we have taken action against every one of them.

Mr DAVID SHOEBRIDGE: Minister, do you want to revisit your evidence that TAFE is taking every step to recover the money, given what you have heard now?

Dr GEOFF LEE: I am still committed to saying that we had a discussion and asked for a report about what was happening after that—that was the next day, from recollection—about we are doing. I was waiting on the report from Mr Faurby to do that.

Mr DAVID SHOEBRIDGE: Minister, you are doing nothing about recovering the money, and the first time it has come into your brain is when I put it to you in this budget estimates. Is that not true?

Dr GEOFF LEE: No.

Mr DAVID SHOEBRIDGE: Show me anything you have done. Tell me anyone you spoke to about recovering the money until we had this discussion in budget estimates, Minister—anything at all.

Dr GEOFF LEE: We have to go through the process. I am more than happy to go through the process.

Mr DAVID SHOEBRIDGE: You have to start a process.

The Hon. WES FANG: Point of order—

The CHAIR: Order! The Minister should be allowed to answer.

The Hon. WES FANG: Yes, thank you.

Dr GEOFF LEE: It was 11 days ago it was handed down. The day after the report was handed down, we started to ask Mr Faurby and TAFE to have a look at the implications of what exactly we are doing after it. That report has not been submitted back to me.

Mr DAVID SHOEBRIDGE: Minister, \$6.8 million was corruptly obtained under these contracts, and you were doing nothing at all to recover it until I put it to you in budget estimates today. You were just letting it slide. That is the truth, is it not?

Dr GEOFF LEE: No.

Mr DAVID SHOEBRIDGE: Yeah, sure.

The CHAIR: Minister, what is the plan in detail for the return of the international university students?

Dr GEOFF LEE: I can comment based upon me being the Minister for Skills and Tertiary Education, but the carriage of that legislation or the plan is actually with the Treasurer and the western Sydney and investment Minister. Initially we had many plans, which were never approved and submitted because that was back in June last year. There were many hiccups like the closing down of the northern beaches, which further delayed us, and the negotiation between Federal and State governments. But in the latest one, as I understand, there is a consortium of universities who the Vice-Chancellors' Committee are getting together to do a pilot version—bringing 250 international students back every fortnight and quarantining those in university accommodation, as long as they are double-vaxxed with TGA-approved vaccinations, as a prelude for the future.

The CHAIR: As tertiary education Minister, are you involved in this decision-making or are you just hearing that second-hand?

Dr GEOFF LEE: No, we actually attend regular meetings and communicate regularly with the then Treasurer, now Premier, and also with western Sydney Minister Stuart Ayres.

The CHAIR: And these returning students will all be double-dose vaccinated?

Dr GEOFF LEE: I understand that is a requirement—a TGA-approved double.

The CHAIR: What is the mechanism for checking their vaccination status is accurate and legitimate by our standards, given the fact that they are coming from overseas?

Dr GEOFF LEE: I would have to refer that to Stuart Ayres, the Minister who is responsible for that, or the now Premier.

The CHAIR: Why is he responsible? He is the western Sydney Minister.

Dr GEOFF LEE: He is also responsible for investment and the quarantine system—that we are allowing students to return back.

The CHAIR: Would you not be more responsible, as tertiary education Minister?

Dr GEOFF LEE: Certainly I do not control the quarantine; I do not control the visas. I do everything I possibly can to return our international students, because they are such a significant part of our economy and our tertiary education system.

The CHAIR: Is there a particular concern with students coming from China, given the deterioration in Australia's diplomatic relations with China? Will there be a special effort to ensure that their vaccination status is accurate?

Dr GEOFF LEE: It is fair to say that we want to bring back as many students as we can. China, as you know, is a main market for us. I think the current political difficulties at the Federal level have not made that particularly easy. The reality is there are 50,000 or 60,000 students who are overseas. We will bring back those ones that we see. I think the current plan is to have Singapore as a hub and bring a plane load of 250 students every fortnight. I think, by the demand from places like Singapore and other countries around there, that it will easily exceed those quotas. But the tensions have not helped our international reputation.

The CHAIR: Given that Australian citizens now are having to prove and show their vaccination status to get into pubs, cafes, restaurants and the like, will you give the people of New South Wales a guarantee that those coming from China will have a valid, credible and accurate vaccination status?

Dr GEOFF LEE: I am sure we will do everything possible to make sure that we validate their vaccination status.

The CHAIR: Thank you.

Dr GEOFF LEE: Can I just say, as well, you asked about whose responsibility it is. Study NSW does not sit in my portfolio. It actually sits in the portfolio of then Deputy Premier John Barilaro.

The CHAIR: Where is it now?

The Hon. SCOTT FARLOW: It sits with Minister Ayres.

The CHAIR: It has gone over from Barilaro to Ayres.

Dr GEOFF LEE: Investment.

Ms HARRISSON: As part of Investment NSW, Study NSW has formed part of that new entity.

The CHAIR: Okay, thank you. Recently the new Premier outlined a dramatic shortage of workforce in hospitality and agriculture. I suppose the logical extension of that is that a lot of those workers will come from overseas in the future. Minister, is this not a dreadful indictment on the failure of this Government to get young people in particular work ready to take up basic jobs in hospitality and agriculture?

Dr GEOFF LEE: The over-reliance on foreign workers has been clearly shown, as you indicate, in the past 18 months. We as a government have made significant investments in TAFE, in skills. In fact, we have a record budget for TAFE. The new programs such as JobTrainer one—a \$320 million investment into free courses for young people, for people at risk of unemployment and people who are unemployed—have been a remarkable success. In fact, in JobTrainer one, for instance, we had over 138,000 people who were able to enrol in the courses. We have had absolutely sensational results such as 30,000 of those people were in the construction industry, an industry that faces critical shortages; and 27,000 people gained a job out of that program. It was great

to announce, a week or so ago, another \$100 million to provide over 100,000 free courses for people. I think hospitality formed part of that cohort of people who we want to target.

The CHAIR: Minister, if after 10 years in government your results are so sensational, why is the Premier saying we have a dramatic labour force shortage of work-ready young people to go into hospitality and agriculture? Is this not just a dreadful embarrassment for the State and an indictment on the failure of the TAFE and training system?

Dr GEOFF LEE: No. If you actually have a look at it, it is more of a societal issue.

The CHAIR: Societal?

Dr GEOFF LEE: In developed countries like Australia, I understand from talking to many of my colleagues, there has been this push for people to go to university. No-one here will disagree that the universities have done a wonderful job creating a world's best sector. We are amongst the top four countries in higher education. They have done a wonderful job. But, unfortunately, over time we have pushed everybody into this academic pathway so that the skills pathway has been seen as a second-best or second option. I think we have to do everything we possibly can to inform our young people that they can actually gain a great job and a rewarding career, as well as people who want to switch courses. You may have been in the airline industry affected, but can we transition you with your skills into a different industry? It is a problem that society faces. I think we have to do a lot more work in it, to be quite frank.

Last time we were together we talked about our Educational Pathways project. We did 24 schools. This year we have just announced that we are going to open it up to 139 high schools. That is to increase the number of things like school-based apprentices. TAFE has done a wonderful job of launching vocational education and training [VET] courses—paid by Gonski money, you would be very happy to know, Mr Latham. At the first estimates you asked me to investigate that. Twenty online courses are available to every year 10 student right across the State in the public system. They can get their HSC and get an Australian tertiary admission rank but also, subject to the right work experience or qualification, they can get a cert III or a cert IV. So they can leave school with a certificate in things like property management, health, IT or construction. We are trying to give young people that option at the right time to make informed choices about what is best for their future.

The CHAIR: Minister, on page 2-11 of Budget Paper No. 2 your training remit has three key performance insights. Are you satisfied or dissatisfied with the outcomes that have been charted in the training sector?

Dr GEOFF LEE: I have only got Budget Paper No. 4.

The CHAIR: In Budget Paper No. 2 your three indicators all go backwards in the period since 2016 for the proportion of New South Wales government-funded VET graduates who are employed after training; the proportion of young people in New South Wales who are in education, training and employment; and the proportion of New South Wales employers satisfied with VET training meeting their skill needs. In each of those three domains the performance dips after 2016. While I am not saying that all the performance indicators in this document are perfect, you are the only area of government where in all three areas being measured you have gone backwards. How do you explain that?

Dr GEOFF LEE: It is obviously an area of concern in terms of what you have just stated on that page. That is why we have introduced new measures and new alliances to work closer with Education. The changes of government from 2019 to bring Skills together with the Department of Education is particularly important. The separation of Skills from Education was probably done with the best of intentions but it did not work. Now that we work very closely with the Department of Education, we can give students those opportunities that they have had before. The record investment in skills training demonstrates our commitment to driving skills—the change in things like JobTrainer and the Educational Pathways project, working hand in hand with schools. Looking at the opportunities that TAFE has for delivering, I think, will bring good results, but it is a very long long-term process that we need to change the way society thinks of skills training and the jobs and careers that you get once you finish. For me, it starts at school level.

The Hon. COURTNEY HOUSSOS: Minister, I have a copy of that document for you. To be clear, if you turn to page 5—I will recap. It is entitled "Proposed 2020/21 Divestment Program". It is dated 13 March 2020. You appeared at estimates on 11 March, so this is dated two days later. It has been produced by the same Ms Arnot who has produced the later document that you seemed to think she was freelancing on. On page 5 it states that she has approved this document. It also states it has been endorsed by the chief financial officer and it has also been endorsed by the managing director, Mr Faurby. Is that your signature, Mr Faurby?

Mr FAURBY: It is, Ms Houssos.

The Hon. COURTNEY HOUSSOS: This document has been approved through TAFE NSW. Can we assert that?

Mr FAURBY: Yes.

The Hon. COURTNEY HOUSSOS: Excellent. You will notice that it contains a number of the same phrases and passages that we see in the later document, dated 4 September. It states at the outset, "TAFE NSW considers the sites are surplus to requirements." It also states that TAFE NSW has completed a review and is seeking approval for the divestment of seven sites. Do you accept that, Minister? That is in the analysis on the first page.

Dr GEOFF LEE: Yes.

The Hon. COURTNEY HOUSSOS: Do you accept that this is a formal recommendation that came to your office from TAFE NSW—

Dr GEOFF LEE: Yes.

The Hon. COURTNEY HOUSSOS: —about a plan to divest seven sites across New South Wales? Is that correct?

Dr GEOFF LEE: That is what it says, doesn't it? It is a recommendation.

The Hon. COURTNEY HOUSSOS: That came only days after Mr Scott said, "There are no approved divestments for TAFE."

Dr GEOFF LEE: Looking at this, it has not been approved by me so therefore there is no signature on the bottom. So it has not been approved either.

The Hon. COURTNEY HOUSSOS: So you endorse those tricky words to get around the fact that your department is clearly working on a divestment plan?

Dr GEOFF LEE: There is a process, Ms Houssos.

The Hon. WES FANG: Point of order—

The CHAIR: The Hon. Wes Fang has taken a point of order. Are you objecting to the use of "tricky"?

The Hon. WES FANG: Yes, Chair.

The CHAIR: Do you require it to be withdrawn?

The Hon. WES FANG: I want to make a note that I object to it.

The Hon. COURTNEY HOUSSOS: I will move on with another question. Minister, do you accept that the department was working on this plan to divest seven further sites despite the fact that the secretary said there are no approved plans to TAFE?

Dr GEOFF LEE: I accept that the secretary was absolutely correct—there were no approved plans.

The Hon. COURTNEY HOUSSOS: Minister, do you also accept that there are large parts of this document that appear in the later document, dated September?

Dr GEOFF LEE: I would have to do the analysis. You have just given me those. I am more than happy to—I will take your word. If you have been through it and say, "I have put this phrase here," that is fine.

The Hon. COURTNEY HOUSSOS: Let me characterise it like this.

Dr GEOFF LEE: I am sure you have been poring over it all weekend.

Mr DAVID SHOEBRIDGE: She might have read it. That is a good start.

The Hon. COURTNEY HOUSSOS: Minister, I did read it. I do remember reading it.

Dr GEOFF LEE: Excellent.

The Hon. COURTNEY HOUSSOS: I can tell you that it is the logical conclusion from this document that has been produced and endorsed by your department to produce the September document, which actually goes much further. This document recommends that seven sites should be sold. That document represents that 19 sites should be sold. In fact, it goes so far as to state on page 4:

TAFE NSW requires additional resourcing to deliver this ambitious sales program.

Do you recall any of these discussions, Minister?

Dr GEOFF LEE: I cannot say I recall about this document here. But I said to you previously today, I encourage TAFE to look at every opportunity for its alignment of its traditional campus structure right across the State to actually deliver best for the community and the students. But I am not going to approve anything until I am satisfied that all conditions and all considerations have been met, including the reinvestment of any proceeds of any sale back into TAFE infrastructure and including that the best interests of the community are met at all times.

The Hon. ANTHONY D'ADAM: Ms Grummer, do you have a position on the establishment called Divestment Program manager?

Ms GRUMMER: I believe that was a position on the establishment that was previously an establishment. We do not have one today.

The Hon. ANTHONY D'ADAM: Who manages the Divestment Program?

Ms GRUMMER: We have a head of commercial transactions that oversees the divestments but also leasing.

The Hon. ANTHONY D'ADAM: Is that the chief privatisation officer?

Ms GRUMMER: No.

The Hon. COURTNEY HOUSSOS: When was that position established?

Ms GRUMMER: The head of commercial transactions? It would be in the November to December time frame. We went out to market on that [inaudible].

The Hon. COURTNEY HOUSSOS: Sorry, November to December 2020?

Ms GRUMMER: Correct, yes. Sorry.

The Hon. COURTNEY HOUSSOS: What was the position prior to that that was responsible for this?

Ms GRUMMER: I would have to take that question on notice. I know, when I moved into this role, there were some things that we were doing around looking at how that team was resourced. I will have to take that question on notice.

The Hon. ANTHONY D'ADAM: How many people are in the Divestment Program team?

Ms GRUMMER: I will take that on notice. It is about five or six, I think, but I will take it on notice.

The Hon. ANTHONY D'ADAM: Minister, if you have no plans to progress divestments, why do you need a program embedded in the department, with resources?

Dr GEOFF LEE: Can I say that, obviously, staffing is an operational issue and is up to the managing director and the organisation. Can I say, as I have said before, I always task TAFE to look at their portfolio of assets and get best use out of those assets to deliver the best educational facilities that we possibly can. I do not want to keep repeating I will not sell them until we keep investing them and I am guaranteed by the Treasurer to reinvest the money back in our education facilities in capital works—

The Hon. COURTNEY HOUSSOS: Minister, I am going to stop you there because you are repeating yourself.

The Hon. WES FANG: That was his point.

The Hon. COURTNEY HOUSSOS: Mr Faurby, was this a new team that you established as the managing director?

Mr FAURBY: It is part of Ms Grummer's organisation. She has already testified to the date of when that was established. On that basis, I would say yes, because it happened while I was part of the organisation.

The Hon. COURTNEY HOUSSOS: So this is a new team that has been established since you took over your role.

Mr FAURBY: Can I ask Ms Grummer to clarify so that we make sure we provide the right evidence here?

Ms GRUMMER: Yes. What I am going to call the commercial transaction team has been in existence for a while. The team is not just about divestments. If I can share our leasing portfolio, we have 202 revenue agreements leasing. This runs everything from people using our spaces to people operating our canteens et cetera.

So the majority of the work of the people on that team is actually related to overseeing and managing the leasing revenue and those 200-plus agreements that we have in place.

The Hon. COURTNEY HOUSSOS: Ms Grummer, did you come into your role in September? Sorry, you were on leave in September. When did you commence your role?

Ms GRUMMER: I was acting in the role between July and the end of October. I was formally appointed to the role at the end of October.

The Hon. COURTNEY HOUSSOS: Can you say that to me again? In July you started acting?

Ms GRUMMER: Acting, yes. July 2020. Formally appointed in October 2020.

The Hon. COURTNEY HOUSSOS: How many people were in that particular commercial transactions team in July when you started acting in the role?

Ms GRUMMER: I will have to take that question on notice; I do not know that off the top of my head, but the size of my team is 450 people overall.

The Hon. COURTNEY HOUSSOS: You have recruited new people to that team? Is that correct? You said, in September?

Ms GRUMMER: Not in September. In November, December, as I shared, we went out to market for the head of the—we called it the commercial transaction team that, yes, oversees our divestment portfolio but also oversees the 200-plus leasing agreements that we have in place.

The Hon. COURTNEY HOUSSOS: That is really helpful. Thanks, Ms Grummer.

Mr FAURBY: Can I just correct myself, Ms Houssos. I believe I said to you that we established this as a new team, but we have had teams in place in the organisation for many years, undertaking those commercial transactions that Ms Grummer is talking about. It was not actually a newly established role or function.

The Hon. COURTNEY HOUSSOS: But there was a new role in overseeing the team. Is that correct?

Mr FAURBY: There was that role that Ms Grummer talked about, yes.

The Hon. COURTNEY HOUSSOS: A new role overseeing it.

Mr FAURBY: I just do not want my testimony to reflect—

The Hon. COURTNEY HOUSSOS: That is fine. Thank you very much, Mr Faurby. Our time is running out.

The Hon. ANTHONY D'ADAM: Mr Faurby, what is the current FTE for TAFE in terms of staff?

Mr FAURBY: Let me just dig out those numbers. The current FTE is 10,599, as of today.

The Hon. ANTHONY D'ADAM: Minister, can I ask you why at estimates earlier this year you said that there were 17,000 staff in TAFE?

Dr GEOFF LEE: I think I was referring to, at the time, that is part-time, casual and full-time staff—a whole mix of staff. But FTE regards it as full-time equivalents.

The Hon. ANTHONY D'ADAM: That is a big gap, is it not, between 10,000, which is the actual staff numbers, and the 17,000 figure that you suggested in TAFE?

Dr GEOFF LEE: No, I was asked how many staff we have. I answered the question.

The Hon. ANTHONY D'ADAM: Can I ask Mr Faurby about the progress of the restructuring that was discussed in estimates earlier in the year? Where are we up to in terms of staff reductions?

Mr FAURBY: Thank you, Mr D'Adam. Can I invite Ms Tickle, who is our chief people and culture officer, to provide evidence to that question?

The CHAIR: Yes, sure. Julie Tickle, please. Ms Tickle, are you there?

The Hon. ANTHONY D'ADAM: We might move on until Ms Tickle is available. Can I ask about the organisational health survey that was done in 2019. It had some pretty poor results, which you acknowledge, Minister. What steps have you taken to improve morale in the organisation?

Dr GEOFF LEE: Can I say I agree that in 2019—I think our testimony still remains the same, that we had to do a lot better than the previous results. Can I say that organisational change is very difficult on a large scale. We are bringing 10 institutions into one. Can I say we have made some significant changes. I will let

Mr Faurby or Ms Tickle talk about the programs that we have implemented while he has been managing director in terms of looking at how we can improve the operation of the thing in terms of the reforms to make it more efficient.

The Hon. ANTHONY D'ADAM: Minister, has there been a further organisational health survey since that one was done?

Dr GEOFF LEE: Yes. I do believe there has been one.

The Hon. ANTHONY D'ADAM: Are the results of that able to be provided to the Committee?

Mr FAURBY: Thank you, Mr D'Adam. I would really appreciate if we could see if we could get Ms Tickle to offer details because she has much more detail into this than I have here at hand.

Mr DAVID SHOEBRIDGE: We have been trying.

Mr FAURBY: We would like to answer these questions to their full extent.

The Hon. ANTHONY D'ADAM: I am happy for you to take them on notice, given the difficulties. One of the proposals that the Minister suggested was that the management team go out to the campuses and listen to the staff. How many meetings have you done with staff?

Ms TICKLE: I am here [inaudible].

The Hon. ANTHONY D'ADAM: I will come back to you in a moment, Ms Tickle.

Ms TICKLE: I am here now, if you can hear me. I apologise.

The Hon. ANTHONY D'ADAM: Mr Faurby?

Mr FAURBY: I have done more than 130 site visits in the time that—

Mr DAVID SHOEBRIDGE: I think Ms Tickle needs to mute.

Mr FAURBY: Ms Tickle, would you mind muting just for a moment, please? Thank you. I can certainly confirm, Mr D'Adam, that one of the findings and one of the decisions that we made on the back of the work health survey was to invest a lot of time at the front line. And that goes for me in my role but it also goes for the rest of the executive team. One of the many actions that we took—and Ms Tickle can testify to this in greater detail—was for all of us to spend time going out to campuses, and work with and talk to the organisation, both teachers and non-teachers. Mr D'Adam, are you—

The Hon. ANTHONY D'ADAM: It is on the record.

Mr FAURBY: For my part I have done more than 130 such visits in the time that I have been with TAFE. There was obviously a significant time where I was not able to travel and visit the campuses. But I have an extensive activity that relates to interaction with the organisation, which I believe the number reflects. Ms Tickle—

The Hon. ANTHONY D'ADAM: Thank you, Mr Faurby. I might move on because I have got limited time. Minister, the Auditor-General was very critical of the One TAFE transformation project in a report in December 2020. One of the recommendations was about clarifying, through changes to the Act, the objectives of TAFE. Have you taken any steps to progress that recommendation?

Dr GEOFF LEE: Changes to the Act? Is that the question?

The Hon. ANTHONY D'ADAM: Acting on the recommendation about getting clarity on the direction of TAFE—have you progressed that recommendation by looking at bringing forward amendments?

Dr GEOFF LEE: I think the answer is, when Mr Faurby and I work together, the agency and the Minister's office together, we are very focused on what are the priorities for TAFE. I think when the Auditor-General was commenting on that they were actually talking about the vexed position, or the two positions, of TAFE as a commercial organisation but TAFE in its statute of requirements also providing better education right across the State. Our community service—

The Hon. ANTHONY D'ADAM: There is a conflict there, is there not, between the commercial and the social objectives of TAFE?

Dr GEOFF LEE: What I am saying is there is a natural tension between how much we actually recover from the students, how much the Government puts in—

The Hon. ANTHONY D'ADAM: My question is: What are you doing?

Dr GEOFF LEE: We are working very closely together on providing as much money as we can. I think JobTrainer has to be a great example of providing extra resources for TAFE to deliver on fee-free courses.

The Hon. ANTHONY D'ADAM: The Auditor-General has recommended legislative change to clarify the purpose of TAFE. Have you progressed that?

Dr GEOFF LEE: No.

The Hon. COURTNEY HOUSSOS: Minister, we have obviously pored through a lot of documents that have been produced to the Parliament under a call for papers, but we cannot find your signature on a single one saying that you do not approve the campus sale. Have you signed a document saying that you do not approve the campus sale?

Dr GEOFF LEE: I cannot approve the negative, I am sorry. If I approve it, my signature will be on the document. That is when it is approved. If it is not approved, my signature is not on the document.

The Hon. COURTNEY HOUSSOS: There is an option on most of these briefing papers to say "not approved".

Dr GEOFF LEE: That is a briefing paper. Let me assure you, if I approve it, my signature will be on the paper.

The Hon. COURTNEY HOUSSOS: That is not what I am asking you, Minister. I am asking you if you have written the words "not approved" anywhere on any briefing paper that you have received.

Dr GEOFF LEE: I will have to take it on notice. I noticed even in one of those documents some of the recommendations—I did not approve one of the recommendations. I cannot remember which it was.

The Hon. SCOTT FARLOW: It was struck through. It was recommendation 3.

Dr GEOFF LEE: Yes.

The Hon. COURTNEY HOUSSOS: Exactly. There is a document where you have struck something out. Have you written "not approved" and signed any campus sales documents?

Dr GEOFF LEE: I will take it on notice. I cannot remember, to be honest with you.

The Hon. COURTNEY HOUSSOS: Minister, I can assure you that we have pored through these documents. We cannot find it anywhere.

Dr GEOFF LEE: So they were not approved.

The Hon. COURTNEY HOUSSOS: So you have not signed a single document saying that you have not approved it?

Dr GEOFF LEE: Well, I take your word for it.

The Hon. COURTNEY HOUSSOS: We do find it several times from—we take it—your chief of staff that they have written "not approved". But then really what that has meant is that it goes back to the department and gets reworked and comes back to you in a different format.

Dr GEOFF LEE: Okay, can I say that it was not approved. As I said—and we keep going over this—I encouraged TAFE to continue to work and look at our portfolio of assets so that we could reinvest that money back into the delivery of first-class, world-class education.

The Hon. COURTNEY HOUSSOS: Minister, did you have a discussion in your office about plausible deniability so that these documents say "not approved" but actually what it means is, "Go back to the department and keep working through it?"

Dr GEOFF LEE: No, definitely not.

The Hon. COURTNEY HOUSSOS: So when your chief of staff writes "not approved", what is your understanding of that?

Dr GEOFF LEE: To make it clear and so that the document does not hang around anymore. I hate that documents hang around. I want to get them off my desk and get rid of them.

The Hon. COURTNEY HOUSSOS: Does that mean that it needs more work or that this plan should no longer be pursued?

Dr GEOFF LEE: I do not think you should infer. It is not approved. The recommendations were not approved.

The Hon. COURTNEY HOUSSOS: What is the action that you expect your department will take when they get that notation from your chief of staff?

Dr GEOFF LEE: That that proposal was not approved.

The Hon. COURTNEY HOUSSOS: Yes, but does that mean that they abandon the proposal or does that mean that they should do some more work and come back to you on it?

Dr GEOFF LEE: I think it is wrong to classify every single one as that. There could be instances where it is completely ruled out. I think Ku-ring-gai was not approved and nothing has come back, but if the department—I always seek advice from the department about their recommendations but, as I said, I will consider those recommendations on their merits. There is not a thing about—

The Hon. COURTNEY HOUSSOS: It is an important point, Minister, about whether the department—

Dr GEOFF LEE: There is no code. What are you trying to say? There is a code? There is no secret sign.

The CHAIR: Order! Allow the Minister to finish. We cannot have people talking over each other. Minister, can you finish your answer?

Dr GEOFF LEE: I am finished.

The Hon. COURTNEY HOUSSOS: Minister, what action do you expect the department to take when your chief of staff writes "not approved" on a briefing note? Do you expect that there is no future sale of that site?

Dr GEOFF LEE: I would suggest to you that when it is not approved, it is not approved. I would suggest to you that they may ring up and say, "Why did you not want it to go ahead?" There are thousands of situations and they are all very complex situations but there is nothing to infer—

The Hon. ANTHONY D'ADAM: Why is that reasoning not reflected on the brief then?

The Hon. COURTNEY HOUSSOS: Exactly.

Dr GEOFF LEE: Sorry?

The Hon. ANTHONY D'ADAM: Why is that reasoning not reflected? Why would you say something is not approved but not provide some written clarification for the department so they understand why?

Dr GEOFF LEE: Can I say to you that I do not approve it. I am happy for my ministerial staff and the agency to work closely together in partnership and look at all those opportunities and if I disagree—as I said, I am not going to approve anything I do not agree with.

Mr DAVID SHOEBRIDGE: Minister, what you say is, "Computer says no", and you leave it at that?

Dr GEOFF LEE: No, that is exactly wrong.

Mr DAVID SHOEBRIDGE: Minister, do you know what the budget for the student management system [SMS] is?

Dr GEOFF LEE: The budget keeps changing as we—

Mr DAVID SHOEBRIDGE: It sure does.

Dr GEOFF LEE: —increase the scope. I am happy to—unless Mr Faurby or one of his staff has the exact budget on the scope for the SMS. But the scope has changed significantly since we first started this project five years ago.

Mr DAVID SHOEBRIDGE: The original budget, correct me if I am wrong, was just under \$90 million with Red Rock. Then you terminated that contract with Red Rock, correct?

Dr GEOFF LEE: Yes, that is correct.

Mr DAVID SHOEBRIDGE: How much did you pay Red Rock for the termination of that contract?

Dr GEOFF LEE: I am happy for David Backley to answer that to get the right number or take it on notice.

Mr FAURBY: Mr Backley, would you like to answer that question, please?

Mr BACKLEY: I think this was raised previously and I do believe it is commercial-in-confidence and the second that we made had the conclusion of their contract with us.

Mr DAVID SHOEBRIDGE: I am going to press for an answer.

Mr FAURBY: Mr Backley, can you just raise your voice a little bit please? Maybe it is just me but I have got a little bit of trouble hearing him.

Mr DAVID SHOEBRIDGE: Mr Backley, you said it was commercial-in-confidence. Is that your evidence?

Mr BACKLEY: Yes. I am not sure that is able to be publicly disclosed because of the second reached between the New South Wales Government and TAFE and Red Rock.

Mr DAVID SHOEBRIDGE: Mr Backley, I am going to press for an answer because commercial in confidence cannot override parliamentary privilege. How much was paid to Red Rock for the termination of the contract?

Mr BACKLEY: I have the information here but it will take me a few minutes to get it.

Mr DAVID SHOEBRIDGE: Thanks, Mr Backley. As soon as you do, please let us know.

The Hon. WES FANG: Point of order: While Mr David Shoebridge acknowledges his position on commercial-in-confidence versus parliamentary privilege, it is also up to the witness to take the question on notice. That is part of the procedural fairness resolution.

Mr DAVID SHOEBRIDGE: To the point of order: Anybody can take a question on notice if they have a reasonable basis to do so, but Mr Backley says he will try to get us a number and we will hear from him at some point. Minister, you told us in answers to questions on notice in estimates last year that the cost of the student management system project was \$89 million and the termination of the contract with Red Rock was going to provide "significant net savings". Do you remember giving those answers on notice?

Dr GEOFF LEE: I do not specifically remember that line in it, but I remember that you did ask about that on notice.

Mr DAVID SHOEBRIDGE: You told the Committee on notice that bringing it in-house was going to provide significant net savings. Mr Faurby, do you remember that being the position?

Mr FAURBY: Mr Shoebridge, I do remember that we confirmed to the Committee that bringing it in-house would provide significant savings compared to what the projection was for the total cost on the Red Rock arrangement, yes.

Mr DAVID SHOEBRIDGE: At the time you also told us that the project was an \$89 million project. Do you remember that?

Mr FAURBY: I do not remember that. I am happy to go back and revisit the transcript to confirm or otherwise.

Mr DAVID SHOEBRIDGE: You unquestionably did. What is the current budget for the project?

Mr FAURBY: I will refer that to Mr Backley.

Mr BACKLEY: Sorry, I was struggling to undo my mute button. The total cost of the project is now estimated at \$107 million.

Mr DAVID SHOEBRIDGE: Earlier this year you told *iNews* that it was \$110.9 million. Has it been revised down since then?

Mr BACKLEY: There have been some changes to the estimates, yes.

Mr DAVID SHOEBRIDGE: You brought it in-house. At the time it was \$89 million; it is now \$107 million—the better part of \$20 million more. How is that a net saving?

Mr BACKLEY: The estimated cost with respect to the delivery of the full solution with Red Rock was over \$150 million when we terminated the contract.

Mr DAVID SHOEBRIDGE: Mr Backley, do you now have the figure that you paid to Red Rock?

Mr BACKLEY: I do not. I will have to take that on notice, I am sorry.

Mr DAVID SHOEBRIDGE: When is it expected that this system will actually be fully implemented? This is the student management system, critical for the running of enrolments.

Mr BACKLEY: It is. I would like to point out that over the last [inaudible] we have delivered a number of capabilities in this space: a new identity management solution; a single instance of the old system which is

working better for a One TAFE model; a new analytics platform, which helps us work through the data from the student management system; and a new web front end, which has helped the enrolment for the students and the exploration for students. We are now in the process of finalising the next phase of the student management system, which will be live in March/April of next year, for the introduction of a new back end for higher education and a new, improved enrolment solution for higher education. In doing this, we minimise the risk for the organisation and we get to test 70 per cent-plus of the system in a small cohort of our students.

Mr DAVID SHOEBRIDGE: When is it going to be fully implemented, Mr Backley?

Mr BACKLEY: The full implementation of the SMS solution and associated components—unfortunately it is not just one system—is scheduled for the end of 2022.

Mr DAVID SHOEBRIDGE: Mr Faurby, that will be the better part of a decade since TAFE went down what was initially the disastrous Learning Management and Business Reform and then became the disastrous Educational Business System. How does it take a decade to get a functioning student management system in TAFE? How does that happen?

Mr FAURBY: You are asking me questions that I think require insights into what happened eight or nine years before I joined this organisation. It is a bit hard for me to comment on what the organisation was set up to do back then. But I think what is important for this question is to clarify the work that Mr Backley and his team has done in making sure that the SMS system and the way it gets implemented meets the requirements of the students of today and the students of the future. I am very, very satisfied with the way in which they have done that. I am satisfied with that from the perspective of adopting—

Mr DAVID SHOEBRIDGE: We have limited time, Mr Faurby. If you want to give more of an answer on notice, then please feel free to do so. Why, two weeks ago, did you tell New South Wales eligible casual staff—some 7,700 of them—who were eligible for the switch to permanency under Federal industrial laws that they were not going to become permanent staff?

Mr FAURBY: In other words, that is an entirely different subject that is not related at all to the student management system.

Mr DAVID SHOEBRIDGE: Correct.

Mr FAURBY: We did, because there was an amendment to the Fair Work Act 2009 that allowed employers to use reasonable grounds to not grant conversion of casual workforce into permanent workforce. I would like to also make the point here for you, Mr Shoebridge, that in the past two years we have converted 1,400 people from casual employment into permanent employment. It did not take an amendment of the Fair Work Act for us to do so. We did, however, in the findings of the Fair Work Commission and the changes that were imposed, look at reasonable business grounds and concluded that there were such reasonable business grounds to not do so. I am very sure that Ms Tickle would like to provide further details as to why that was the case.

Mr DAVID SHOEBRIDGE: Before we go to Ms Tickle, could you provide us with the correspondence you sent to staff advising that not one of the 7,700 eligible employees would be converted to permanent?

Mr FAURBY: We will be glad to provide that notice.

Mr DAVID SHOEBRIDGE: Is it true that you did not find a reasonable basis to convert even a single one of 7,700 casual staff to permanent employment? Not a single one got approved under the Federal industrial relations process, is that right?

Mr FAURBY: What I just said is that we have converted about 1,400 in the past two years and we will continue to convert people.

Mr DAVID SHOEBRIDGE: But is it true that not a single one got converted under the new Federal conversion process—not one?

Mr FAURBY: Can I check with Ms Tickle whether she can confirm that to be the case?

Ms TICKLE: Certainly. Just two points of clarification for Mr Shoebridge. I believe I heard you say we communicated two weeks ago. We communicated [audio malfunction] September, to be accurate. Also, just a nuance on what the managing director said there: We have converted temporary staff. Some 1,400 temporary staff [audio malfunction] permanent work in the last two years. In terms of the reasonable grounds under section 66 of the Fair Work Act, "reasonable grounds" were twofold. The first one is [inaudible] conversion would not comply with recruitment selection or processes, which applies to us. The second one under section 66 is where offers

would require significant adjustment to regular patterns of work hours [inaudible]. I am very happy to explain both of those in more detail if the Committee would like me to.

Mr DAVID SHOEBRIDGE: I have run out of time, unfortunately, if you could put that on notice. I am sorry, I missed the date because the audio broke up when you were giving us the date.

Ms TICKLE: It was 27 September.

Mr DAVID SHOEBRIDGE: Thank you.

The CHAIR: Minister, in your portfolio role and also as a western Sydney MP, are you surprised that Pru Goward is still a professor of social policy at Western Sydney University in light of her disgraceful comments about disadvantaged communities in our region?

Dr GEOFF LEE: No, I am not surprised.

The CHAIR: Do you disassociate yourself from—

Dr GEOFF LEE: I think her comments were incorrect and wrong and I totally disagree with them.

The CHAIR: Do you think the university should take some action? How can it maintain her as a professor of social policy when clearly she has disparaged disadvantaged communities and has no idea on how to help them?

Dr GEOFF LEE: As you know, universities are autonomous institutions, able to govern their own selves. My experience with universities is there is a plethora of viewpoints in the world. This is one that I do not agree with and I do not support and I oppose totally. Can I say that the role of VET education, and especially TAFE, in the future development of work skills is unparalleled. The opportunity for young people and not-so-young people to gain a great job and a great career through VET is now more important than ever. We talked about critical skills shortages, so I totally oppose Ms Goward's views.

The CHAIR: Thank you. Could I just ask about the TAFE high schools? Do we still have the two progressing in New South Wales? Is it Tweed Heads and Seven Hills?

Dr GEOFF LEE: Yes.

The CHAIR: What has been the outcome with the pilot scheme you were running for closer association between high schools with VET needs and TAFE, such as at Airds High School?

Dr GEOFF LEE: Excellent news on the Educational Pathways Pilot Program, which we call the EPPP. Is that the one you are referring to, the pilot one?

The CHAIR: Yes.

Dr GEOFF LEE: We did 24 schools in the pilot last year and this year. It was a difficult time because of COVID and we could not do many of the face-to-face things that we wanted to do with our schools. It was so successful in terms of things like school-based apprenticeships and traineeship upgrade. We are funding an expansion right across the State. We have something like 640 high schools. We are expanding it to up to 139 different high schools throughout regional areas and western Sydney and south-western Sydney. We think it is a great opportunity for us to all work together to give those kids the right opportunities for the future. You talk about how we change people's perception of TAFE and VET education in general; we have got to start at year 7.

The CHAIR: That sounds like a really excellent success story, but off the back of that success has it led to any conclusion that there should be more high schools, because of their pressing VET needs, declared as TAFE high schools?

Dr GEOFF LEE: I think we have to look at, and I have asked my training services to work with the Department of Education to look at, how best we deliver VET education. We have multiple programs. There are lots of programs that we deliver: tens of thousands of students from externally delivered VET to school-based apprentices to the TAFE NSW Schools Launchpad, which we have just done—this is the first year we have got over 1,000 expressions of interest to do that, and you get a qualification whilst you are at school—to making the right choices in year 10 in terms of subject selection to when you actually leave school, what you are actually going to do. So I think there is not one thing that is going to fix all this. I think we have to do multiple things.

The CHAIR: Are you planning to expand the number of TAFE high schools?

Dr GEOFF LEE: I think we had better look at what we actually—schools deliver some VET courses, and I will let the secretary actually talk about that, but what works in the local community I think is the most important. There are issues in terms of, do we have the right teachers in the right places, do we have the right

facilities in the right places, and what are the jobs that the community has for the kids to go to? I think there is not a simple answer to say, yes, we should invest. We are trying to look at the holistic picture and all work together so we get synergies across education, training services and TAFE.

The CHAIR: I ask the secretary about the pressing VET needs at Airds High School. It is in a public housing estate just south of Campbelltown, where they have very low rates of tertiary participation, university participation, after year 12. Why is Airds being made a Connected Communities high school—so Indigenous management—instead of a TAFE high school?

Ms HARRISSON: Thank you for the question. I am sure this will be something you might want to pick up with us next week in the Education hearing. The Connected Communities program has been expanded. Airds High School has a high proportion of Aboriginal students. As part of that program, there is nothing stopping the school also engaging in an EPPP program, as the Minister referenced, to make sure that the offer for the students at that school meets their needs. I am very happy to take further details on that on notice, for the plans for Airds High School.

The CHAIR: What constitutes a high level of Indigenous student population?

Ms HARRISSON: I will need to come back to you on notice on that. I will be happy to follow up on Tuesday because I do not have that information with me.

The CHAIR: Okay. Airds is 23 per cent Indigenous, 18 per cent Pacific Islander. There is not a big difference, is there, between 23 and 18? It has got 52 cultural backgrounds. Why would it be designated an Indigenous-management high school—one of those 52 cultural backgrounds—instead of meeting the pressing, burning vocational education and training needs that they have by declaring it a TAFE high school?

Ms HARRISSON: I am very happy to take the details of Airds High School on notice or to return to it next week. As part of the Connected Communities Strategy, one of our aims is to ensure that it is connected for all students, regardless of background, and ensure that we have the services across different government agencies coming to support those schools and those students. With that program comes a number of other investments in additional staffing for those schools and the like. I am very happy to provide further details on that.

The CHAIR: Okay, I hope so. I will just leave you with this observation, though. I just visited Airds High School to look at the pilot scheme, which showed great promise, and I am delighted to hear that it has been a success. I spent hours talking to the teaching staff group and the school leadership and the TAFE representatives. I walked away thinking, "Wow, if we could just bulk up the vocational education services and opportunities here, it is a real way for Airds students from 52 cultural backgrounds to all get a better education and, hopefully, a better life." Nobody in the school said, "What we need to do here is become a Connected Communities school." They all said, "We need to become a TAFE high school." So I just cannot understand how that priority on the ground—yes, we talk about what works in local communities—is not followed. Instead, a different pathway is followed out of the blue when less than one-quarter of the student population is Indigenous.

Ms HARRISSON: Mr Latham, I would note that the EPPP program will continue at Airds High School and continue to offer those opportunities to those students alongside the school being a Connected Communities school. I agree with you about the success of that program in the schools I have visited with the EPPP program. It is getting incredibly positive feedback from staff and students alike, and achieving some fantastic outcomes.

The CHAIR: The Labor Opposition will ask questions through to 12:45 p.m. Mr Shoebridge, do you have one or two extra questions to split the time?

Mr DAVID SHOEBRIDGE: Yes, two questions if possible.

The CHAIR: Five for Labor and a couple from Mr David Shoebridge to wrap up. Then we anticipate greatly the Government questions.

The Hon. SCOTT FARLOW: You have been waiting for it all day.

The CHAIR: We have, indeed.

The Hon. COURTNEY HOUSSOS: Minister, are you aware that bricklaying is not currently offered at any TAFE campus between Newcastle and the Queensland border?

Dr GEOFF LEE: I will take your word for it if you are saying that. The matter for what we schedule courses on, can I just say, in general, is TAFE should run courses that are in demand. The demand changes from semester to semester. They may not be offered this semester but they may be offered next semester. VET education is not just TAFE. Whilst TAFE is the largest provider of VET education in Australia, there are over 3,000 other

registered training organisations and in fact, through our Smart and Skilled, we contract to another 391 registered training organisations [RTOs], which deliver VET education right across the State.

The Hon. COURTNEY HOUSSOS: But, Minister, because bricklaying is in the midst of a skills shortage—we know that the construction industry is booming right across the State. We know it is suffering from skills shortages, but bricklaying and floor- and wall-tiling courses have been cut at mid North Coast and North Coast TAFEs, including Coffs Harbour, Murwillumbah, Kingscliff and Wauchope. There are no courses offered in those categories between Newcastle and the Queensland border.

Dr GEOFF LEE: I am happy, as it is an operational and delivery decision, to let Mr Faurby answer that, but let me just say that with Coffs Harbour, for instance, my understanding is that there was not enough student demand for that course. I think there were only two or three students who expressed a desire to study at TAFE. There are five or six other RTOs that provide the same course in the same area. Those students then were allowed to go to a different institution. Can I say that Coffs Harbour is an example of where we have invested \$13-odd million into the Coffs Harbour multi-trades hub that allows us—when we do need to run courses in bricklaying and wall tiling, we will. When we need to run it in other areas, we will, but it is certainly a great—I have been there a few times to see the great facilities up there in Coffs Harbour. But there are lots of alternatives—

The Hon. COURTNEY HOUSSOS: There is a new trades hub, but there was a second-year bricklaying apprentice who was forced to travel between Coffs Harbour and Newcastle. I am from Forster; I grew up there. I know those lengths are very long. It is certainly not safe for a young apprentice to be travelling from Coffs Harbour to Newcastle to be completing their TAFE course. We are in the midst of a skills shortage. The youth unemployment rate on the mid North Coast is 13.5 per cent. Will you commit to investigating whether we can offer bricklaying and floor- and wall-tiling on the North Coast?

Dr GEOFF LEE: Absolutely, I will commit. I think we have looked at it because this was a question that has been on there and I guess it puts the dilemma of how TAFE can deliver services right across New South Wales. You are absolutely right. In our regional communities and our remote communities we cannot teach every single course. We already have 650-odd—it might be 700 or close to that—courses. Every TAFE cannot teach everything. As demand fluctuates, as industries change, we must be able to adapt ourselves to bring courses on and take courses off. But I will commit to it.

The Hon. COURTNEY HOUSSOS: What consultation did you undertake before cutting the course?

Dr GEOFF LEE: I do not have those details. It is operational. The scheduling of courses is actually up to TAFE. The Minister does not sit there and say, "I want brick and floor-tiling at Granville TAFE." That is not how it works.

The Hon. COURTNEY HOUSSOS: Yes, but when something like this is drawn to your attention surely you can investigate it?

Dr GEOFF LEE: Absolutely and we have done some work in it. The demand for both courses over the last five years in Coffs Harbour averaged two enrolments per year which, unfortunately—yes, you can teach to people but it is very expensive. That means you cannot focus on the main part of your business. So what I am trying to say is that we try to use our resources—

The Hon. COURTNEY HOUSSOS: Back to those words again, the main part of the business. It is a business operation, is it, Minister?

Dr GEOFF LEE: No.

The Hon. COURTNEY HOUSSOS: Mr Shoebridge has two questions. I yield the rest of the time to him.

Dr GEOFF LEE: No, I disagree with you. It is funded by government.

The Hon. COURTNEY HOUSSOS: They are your words, Minister.

Dr GEOFF LEE: Well, I am sorry if you find offence in that.

The Hon. SCOTT FARLOW: It is a colloquial use of words.

The CHAIR: I think it is used as a metaphor for getting on with business.

The Hon. SCOTT FARLOW: Getting on with the job.

Mr DAVID SHOEBRIDGE: Mr Faurby, did you begin a process called mini optimisation this week?

Mr FAURBY: Mini optimisation? That name does not—

The CHAIR: Only with his answers.

Mr DAVID SHOEBRIDGE: Did you begin a process where you reappoint people, changing their reporting lines, this week? That has been referred to by some as mini optimisation.

Mr FAURBY: I am not sure what that means. Are we talking about organisational change?

Mr DAVID SHOEBRIDGE: Correct.

Mr FAURBY: I am not sure what a mini optimisation is. It is not a name that I have ever come across. Maybe if I could ask Ms Tickle, because this falls under Ms Tickle's area.

Mr DAVID SHOEBRIDGE: Ms Tickle, people are very anxious about mini optimisation that has been kicked off so can you shed any light?

Ms TICKLE: I am not aware of mini optimisation. If and when we do reappoint employees under different line managers, we consult with those employees before that happens. Change does not just include organisational change. You keep referring to it as job cuts. It also includes things like moving people under different line management, changing some of the ways work is done so that it is more contemporary et cetera. So I would have to and ask you to provide information on mini optimisation because it is not something that I am aware of currently in our change program.

Mr DAVID SHOEBRIDGE: Mr Faurby, the reappointing process where people's reporting lines are changed, do you consult with the union when you go through reappointing?

Mr FAURBY: We certainly do, yes.

Mr DAVID SHOEBRIDGE: Have you been consulting with the union on all of the reappointing decisions that have been made to date, Ms Tickle?

Ms TICKLE: We consult with the union regularly—three times a week in term two and two times a week this term at their request—around various issues including our response to COVID-19 and changes to our employees' work patterns because that is part of our enterprise agreement. So the simple answer to that question is, yes. We consult with the employees and we consult on an ongoing basis with unions around any changes to employees' work patterns.

Mr DAVID SHOEBRIDGE: So it is your evidence that, when you do the reappointing with staff, it is your practice to engage with the union on the reappointing. Is that your evidence?

Ms TICKLE: Yes, usually we would always consult with employees. If it is just one or two employees we may not consult with the unions for that particular reappoint, but we consult with them on an ongoing basis. If a handful of staff have been reappointed—quite often staff actually request to be reappointed. If that happens we would consult with the union on an ongoing basis—not for small reappoints. But for any significant number of people who are reappointing under an organisational change program or other, then we would consult with the union as required under the enterprise agreement.

The CHAIR: Time has expired so we have—drum roll—Government questions.

Mr DAVID SHOEBRIDGE: I have another two minutes.

The Hon. ANTHONY D'ADAM: We have another two minutes.

The CHAIR: I am going on the clock that is in the room. It is like the SCG, I have to go on the clock that is at the grounds.

The Hon. SCOTT FARLOW: He is going on the official timing. Thank you very much, Mr Chair.

Dr GEOFF LEE: Well said, Mr Chair.

The Hon. SCOTT FARLOW: Thank you very much, Minister, for your appearance today. We have spent a lot of time today on the documents that have been provided to the House under Standing Order 52 and particularly one document which I think was referred to as the draft document, the document that was not signed by Mr Faurby or by anyone within TAFE and, of course, was not approved by you, Minister. That is the document dated 4 September 2020. Just going through that and the 19 alleged divestments that we have spent the time on today, would you be able to provide the Committee with an update on how many of these sites have actually been divested?

Dr GEOFF LEE: Thank you for the question. It is a good question because I notice the Opposition is out on social media claiming that there is some secret plan to sell off 10 per cent of TAFE's assets, which is totally false and totally misleading and should be retracted. The people that put out that false information should hang their heads in shame.

The Hon. WES FANG: Shame.

Dr GEOFF LEE: But I am aware, as your question pertains to, that TAFE NSW has divested two sites—the Mudgee annexe and the Goulburn annexe. Both of these were not being used for any student delivery and have been identified by TAFE as surplus to requirements. No students were actually taught there for many years. TAFE will continue to operate the other campuses in both Mudgee and Goulburn. In the case of Mudgee, I am advised that the local council has earmarked this site for important uses in emergency and crisis accommodation. Both transactions proceeded in accordance with the usual protocols according to the disposal of land and all the proceeds will be reinvested back into that infrastructure in TAFE.

The Hon. SCOTT FARLOW: That is good to hear, Minister. We have also dealt with some specific briefs today as well before the Committee. One of those was on the 45 East Street, Grenfell site and that was one where you did approve the divestment of that property. Could you update us perhaps on the status of this divestment?

Dr GEOFF LEE: In the case of Grenfell, can I say that we had the opportunity to divest that. There is a CLC in that community as well which offers a significant increase in the courses available to that local community. Whilst we put it up for sale, the council expressed the use of a preschool and long day care centre in that facility. Under the strategic framework for the disposal of assets, it has proved very difficult to actually move it to that position, so we are still in negotiation as to how we can actually utilise that abandoned site at the moment. We have to go through the right processes, so it is still in a state of flux, is probably the best—

The Hon. SCOTT FARLOW: Thank you, Minister. One of the other sites you were talking about was the Dubbo site where I think you said that you did approve its divestments but then that was withdrawn. Could you perhaps outline to the Committee why that occurred and what was the status of that site?

Dr GEOFF LEE: In the case of the Dubbo George Street site, it was initially approved by myself at the recommendation of TAFE to be divested. It certainly was one of those sites that was not being used by TAFE for student delivery and it was surplus to their requirements, as I understand and had been advised, and it was recommended for divestment. Following my approval, I became aware that TAFE may have had other uses in mind for the site in the future so I withdrew my approval in April 2021. I understand that TAFE NSW are now looking at extending the current lease for the existing tenants, Central West Leadership Academy. So it is being leased out. I think that TAFE had some mind to do something else with it but that is why I removed my approval, if that makes sense.

The Hon. SCOTT FARLOW: Thank you, Minister. We have gone through Goulburn and Mudgee which have been divested, which you have outlined to the Committee. You have just provided that update in terms of the Dubbo site and Grenfell. What is the status of the 15 other sites that were on that list of 4 September 2020?

Dr GEOFF LEE: TAFE made recommendations to me in relation to divestments for further sites. TAFE had declared these sites as surplus to their requirements. There is no learning delivery at any of these sites and in many cases that has been the case for many years. They include the Dapto site, which is currently leased to the New South Wales police; the Kogarah site—there are three sites in Kogarah from memory. The Hogben site is leased to a third party. I think it is an office building—not the main campus, so it is just an office building. The Seaforth site, which from memory the local council manages as a library; the Quirindi site, which I have already ruled out for sale; the Chullora site; the Deniliquin site; and Narrandera sites.

I have not approved any of these divestments. I certainly will not approve any of these divestments until I fully understand the impacts on the community and am satisfied that the impacts will be significantly outweighed by the benefits. Then all the proceeds from these sites will be invested back into TAFE. That is how we are able to deliver significant amounts of capital expansion in TAFE. The reality is, as we have seen in the testimony before and the documents even later supplied, that \$2.4 million worth of capital was sold off and, in fact, a hundred times more is invested in this financial—over \$250 million is invested in capital programs right across the TAFE network.

The Hon. SCOTT FARLOW: That is seven of those 15 remaining sites. What about the eight other sites? What is the status with them?

Dr GEOFF LEE: There are two that we have sold and they have been in the public. That is—I will just make sure I get them right—Mudgee and Goulburn. The Grenfell site, we are trying to get it through the asset—

use for a community asset, make it a childcare centre, a long day care centre for the council. My approval was removed for the George Street, Dubbo, site because we may have further use for it, and I just went through the list of Dapto, Kogarah, Hogben Street, Seaforth and Quirindi.

The Hon. SCOTT FARLOW: Would it be fair to say that with the eight other sites that are part of that list there is no formal recommendation that has come from the managing director or that was endorsed that you have received?

Dr GEOFF LEE: I have not approved any of these divestments and I will not, as I said, approve them until I am satisfied with the criteria for divestment.

The Hon. COURTNEY HOUSSOS: But the department is still working on them?

Dr GEOFF LEE: Well, can I say to you that the department—what we talked to in the first document that you brought up was an internal draft, not approved by the managing director and not approved by the Minister. It was an internal working draft. As I said, I am proud to say that we will continue to look at opportunities where we can recycle assets. That is one of the reasons why this Government has a strong pipeline, a world-beating pipeline, of \$108 billion in infrastructure and that is why the economy is performing well. Now those on the other side will sit there and scoff—and you will scoff at this—but you do not mind it when we have to recycle assets to build further infrastructure. You love to spend the money, but you do not make the tough decisions.

Mr DAVID SHOEBRIDGE: I dislike it every time you sell off public assets, to be clear. So you say I do not mind; no, The Greens oppose you flogging off public assets.

Dr GEOFF LEE: Senator, I do not consider you as the Opposition.

The Hon. SCOTT FARLOW: I think that is it from me, Mr Chair. Thank you very much, Minister, for the clarifications.

The CHAIR: Okay. Thank you, Minister and to all the officials who participated and the Committee members and our staff. Thanks very much for a very interesting and productive Committee hearing.

(The witnesses withdrew.)

The Committee proceeded to deliberate.