

**REPORT OF PROCEEDINGS BEFORE**

**GENERAL PURPOSE STANDING COMMITTEE NO. 6**

**INQUIRY INTO VOCATIONAL EDUCATION AND TRAINING  
IN NEW SOUTH WALES**

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**CORRECTED PROOF**

**At Sydney on Wednesday 23 September 2015**

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**The Committee met at 9.30 a.m.**

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**PRESENT**

The Hon. P. Green (Chair)

The Hon. L. Amato (Deputy Chair)

The Hon. C. Cusack

The Hon. G. J. Donnelly

The Hon. S. Farlow

Dr J. Kaye

The Hon. D. Mookhey

**CHAIR:** Welcome to the fifth hearing of the inquiry of General Purpose Standing Committee No. 6 into vocational education and training [VET] in New South Wales. The inquiry is examining a number of important issues facing the VET system in this State, including the Government's Smart and Skilled reforms. Before we commence I acknowledge the Gadigal people, who are the traditional custodians of the land, and pay my respects to elders past and present of the Eora nation. I also extend that respect to any Aboriginals who may be listening today. Today is the fifth of seven hearings we plan to hold for this inquiry.

We will hear first today from Andrew Guile, from the Sydney Anglican Schools Corporation, together with Gaynor MacKinnon, Principal of the Trades Norwest Anglican Senior College. We will then take evidence from a spokesperson representing TAFE Community Alliance. After morning tea, the Committee will hear from a panel of industry bodies involved in the VET sector. After lunch we will take evidence from representatives of the Australian Industry Group. We will then hear from representatives of the Association of Independent Schools and the Catholic Education Commission. Following afternoon tea, the Committee will take evidence from a number of stakeholders, including the disability sector and the New South Wales Aboriginal Education Consultative Group.

Before we commence I will make some brief comments about procedures today. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives who may be present that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside the evidence that they give today. I urge all witnesses to be careful about any comments they make to the media or to others after they complete their evidence they give, as such comments would not be protected by parliamentary privilege if a person decided to take an action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat or at the back of this room.

There may be some questions that witnesses could answer only if they had more time or if they had certain documents to hand. In these circumstances witnesses can take questions on notice and provide an answer within 21 days. If witnesses have people in the public gallery from whom they want to receive messages, I encourage them to use Committee secretariat staff to transport such messages. I ask everyone to turn their mobile phones to silent for the duration of the hearing.

Before I welcome our first witnesses I acknowledge that Councillor Andrew Guile from Shoalhaven City Council was a former deputy mayor under my watch as mayor. I want to put on the record that he was a damned good deputy mayor.

**ANDREW GUILLE**, Corporate Affairs Manager, Sydney Anglican Schools Corporation, and

**GAYNOR MacKINNON**, Principal, Trades Northwest Anglican Senior College, sworn and examined:

**CHAIR:** Would either of you like to make an opening statement?

**Mr GUILLE:** Yes. Chairman and honourable members, my colleague Gaynor MacKinnon, Trades Northwest Anglican Senior College principal, and I wish to thank you for the opportunity of appearing here today. The Sydney Anglican Schools Corporation is third largest owner and operator of schools in New South Wales after the Government system and Catholic systemic schools. We provide Prep to year 12 school education for more than 13,500 students across our 19 schools throughout Sydney, the South Coast and in the Central West of New South Wales. These are affordable, low-fee schools often in outlying metropolitan and regional areas.

We are the most significant provider amongst independent schools of a school-based apprenticeships program in New South Wales, principally located at Trades Norwest Anglican Senior College at Glenwood in Western Sydney. The corporation is also one of the few organisations—if not the only one in New South Wales—that is providing pathways that allow students to complete their secondary education while participating in a school-based apprenticeship that results in a qualification at the certificate III level. According to employers, at this level these students are work ready. Since 2007, with the assistance of the Federal Government's Australian Technical College program, our organisation has invested heavily in trade training. We deliberately focus on the hard skills areas such as carpentry, electrotechnology and automotive. There is interest from students in other courses that we also provide or source, yet our core focus has gained the respect of major industry associations, who recognise that these areas of training are the key drivers of economic growth.

With the introduction of our "no-exam" Higher School Certificate [HSC] in 2014 we believed we had finally cracked the challenge of how to provide workable apprenticeships that have their origin in schools supported by a combination of tuition fees, schools funding and the State based User Choice funding. Then along came Smart and Skilled. As a non-government provider we were initially enthusiastic about the promise of contestable funding that is student focused rather than being all about providers. Smart and Skilled promised to be a hand up for our students and our group as we sought to provide services to young people who were not finding success in traditional education settings. Yet as the policy was rolled out by State Training Services, arbitrary bureaucratic choices that limited the number of approved providers based on "capacity" coupled with an inadequate application process that dealt with school-based apprenticeships as an afterthought, means that Smart and Skilled does not reflect the original intentions.

It is a closed shop that protects those with contracts and those who conform to the traditional model of training which results in consistently low apprenticeship completion rates. It is somewhat ironic that, even though we operate in a school setting with almost daily face-to-face interaction and support of our students in small groups, we failed on pastoral care since we could not tick the box for offering online support. For Trades Norwest, Smart and Skilled means added cost and reduced flexibility to respond to the needs of students as we attempt to source trade training from other approved providers who are just not geared to deliver to our students. Smart and Skilled has at its core some worthy principles, as the Minister has outlined, and we support them. Yet to achieve these outcomes in practice, it needs some major renovation as a policy. As a start, a dedicated application process for school-based apprenticeships, which focuses on student outcomes rather than capacity, would be welcome.

Sydney Anglican Schools Corporation wants to work with the New South Wales Government in providing the educational and training pathways for young people who see their future in a trade career. We would invite you—either as a Committee or indeed individually—to come and see the tremendous trades future being developed at Trades Norwest Anglican Senior College.

**CHAIR:** Ms MacKinnon, do you have an opening statement?

**Mrs MacKINNON:** No, I think Andrew has explained it really well.

**CHAIR:** Would you like to table the opening statement?

**Mr GUILLE:** I am happy to table it.

**The Hon. GREG DONNELLY:** Thank you both very much for coming in today, and thank you for your submission, which is very comprehensive. Thank you for your opening statement, too, which obviously gives some context. You made a point in your opening statement, which you also picked up on the third paragraph of page 8 of your submission under the heading "Case studies". With the introduction of Smart and Skilled is it not the case that you had to seek private training companies to deliver trades training, which was not the case before its introduction?

**Mrs MacKINNON:** That is right. We had the funding under the approved providers list. We were operating very successfully with that funding. The current students in year 12 and beyond are still being trained out under that funding scheme, but our new students who started with us in year 11 this year were not eligible to receive any funding, because we did not get Smart and Skilled funding for them. It means that once they are apprenticed, to charge them full fees for their training is not possible because under the modern awards that they are employed under as an apprentice, the trainer has to pay for the cost of their training. So, even if we wanted to charge them \$12,000 or \$13,000 for their course, it would be stupid for an employer to commit to that when they know that they can try and get into a TAFE and only be paying the student contribution fee of \$2,000.

So it was essential for us to contact other providers who might have school-based funding—school-based funding is the critical thing; not just regular funding for apprentices—in order to provide training to the students at a fee that is accessible to them and their employer. The irony is that one of the carpentry training organisations that we contacted, who did have funding for school-based apprenticeships, ended up with unlimited funding for school-based apprenticeship training when they really were not interested initially in school-based training because most of their training is done with very large companies—they have contracts, for instance, for training apprentices on site at Barangaroo. That is the sort of level that they are training at. They got the training for school-based apprenticeship, I think, because they ticked that box—because they thought, "What the heck?"—but they really were not specifically aiming for that market. We felt particularly concerned that they had all this funding. We were specialising in school-based funding and we received no funding for it.

**The Hon. GREG DONNELLY:** I presume there was a sense of disappointment when you found out that you were not going to receive funding with the introduction—

**Mrs MacKINNON:** There was enormous disappointment.

**The Hon. GREG DONNELLY:** Was there any follow-up discussions that took place with the relevant authority which helped shed some light on why you had missed out?

**Mrs MacKINNON:** We initially got the email with the feedback. That was a very unpleasant format for receiving the feedback. It was just a bland email. If you tried to ring State Training Services to get any further response on that email, they were instructed not to speak to anybody over the phone. So we could not speak to anyone immediately. We then had to make an appointment to go and meet some people from State Training. I did that with my chair of school council, who has just retired as the former head of WorkCover NSW. We went and met with them. Basically they said to us, "You did not tick all the boxes that were required in the online format so there is no possible recourse for you, unless you want to make an appeal based on the grounds of unfairness." We did feel that we had been treated unfairly in the application process. We did put in an appeal but it took a long time to get a response to that. Then they finally wrote back to us via email and said that the appeal was unsuccessful.

**The Hon. GREG DONNELLY:** Are you aware that a review is currently underway?

**Mrs MacKINNON:** Yes.

**The Hon. GREG DONNELLY:** I presume you will be giving consideration to making a submission to that review?

**Mrs MacKINNON:** I have taken part in a roundtable meeting with Australian College for Private Education and Training [ACPET]. I was part of a roundtable where they were developing a proposal for its response to that review.

**The Hon. GREG DONNELLY:** Given that we are almost through the first year of Smart and Skilled and that in a sense you have been left out in the cold, what are your plans for next year?

**Mrs MacKINNON:** Our plans for next year are to increase our fees to try and more effectively support the cost of training. We have proposed a way to actually charge full fees to our students who have left school which seems to be reasonable. We think we have a way that will meet the requirements of the award as well as students, but that will be putting a big impost on the families who will actually be paying the full fee for the course. We have got a challenging budget. We have to trim everything we can and run it very, very tightly.

**Mr GUILF:** If I could just add to that? We have done some long-term financial projections and with the withdrawal of this particular component of funding it is not financially sustainable into the future. We need to look at other solutions and other choices need to be made.

**The Hon. DANIEL MOOKHEY:** How old is the Norwest Anglican Senior College?

**Mrs MacKINNON:** The first intake of students was in 2008.

**The Hon. DANIEL MOOKHEY:** It was deliberately built around being the principal provider of vocational- and apprentice-based training in the Anglican system?

**Mrs MacKINNON:** No. It was initially a Commonwealth Government initiative and they established 24 of these colleges around Australia. The corporation was operating it for the Commonwealth Government at that time.

**The Hon. DANIEL MOOKHEY:** Today it is the biggest provider in the Anglican system?

**Mrs MacKINNON:** Yes.

**The Hon. DANIEL MOOKHEY:** How many students do you have?

**Mrs MacKINNON:** The history of the college has been a bit up and down. Last year we initiated a very new program for a combination of Higher School Certificate study and trade training. So last year we ran a pilot group of students in years 11 and 12. Overall we only had 15 students to test out this approach and to make sure that it fitted in with the Board of Studies, Teaching and Education Standards NSW [BOSTES] requirements. This year in year 11, which is really our first year of running, I have 43 students.

**The Hon. DANIEL MOOKHEY:** Essentially the premise is that you created a form of innovation in the school-based system?

**Mrs MacKINNON:** Yes.

**The Hon. DANIEL MOOKHEY:** That system was in the process of being tested as a precursor to it being scaled?

**Mrs MacKINNON:** Yes.

**The Hon. DANIEL MOOKHEY:** And the change in the system has disturbed the financial model that would have underpinned its expansion?

**Mrs MacKINNON:** Yes.

**Mr GUILF:** To be fair, one of the difficulties with trade training in the school context is that, particularly at the Federal level, inconsistent policy has been applied. In 2007 a policy for Australian Technical Colleges [ATCs] was rolled out. Then with the change of Federal Government we moved to trade training colleges in schools, which was just a capital policy basically, no operational costs. Then on the back of that we have now got the introduction of Smart and Skilled. It is almost the last straw in terms of trying to run these at cost, which for a not-for-profit charity—as we are—is always the aim.

**The Hon. DANIEL MOOKHEY:** So the preliminary thinking for next year is that the inability to access the Smart and Skilled funding will be covered by families?

**Mrs MacKINNON:** An attempt to try and cover it from the families, yes.

**The Hon. DANIEL MOOKHEY:** Is it your contention that the flaw in the ability to get Smart and Skilled funding is because the system is not geared to recognise diversity or innovation of offer, rather than a one size fits all approach?

**Mr GUILF:** The design of the application process reflects the traditional structure of trade training courses, which is effectively for post-school students—people who have left school and moved into the TAFE system. I suppose it has really been designed around those sorts of operators. But in the hard skill sort of environment in which we operate in the non-government sector whilst still having a student at school, there was no scope for us to answer honestly or comprehensively about what it is that we do and to provide our distinction, which is a better outcome at the end in terms of completion rates.

**The Hon. DANIEL MOOKHEY:** You said earlier that the organisation that got the school-based funding had the school-based component as an ancillary function to their main offer?

**Mrs MacKINNON:** It was part of the funding entitlement that was given to them.

**The Hon. DANIEL MOOKHEY:** But that is not what they would describe themselves as being?

**Mrs MacKINNON:** No.

**The Hon. DANIEL MOOKHEY:** A predominant provider?

**Mrs MacKINNON:** That is right.

**The Hon. DANIEL MOOKHEY:** Are they well known or reputed in the school system?

**Mrs MacKINNON:** No, they are not known in the school system at all. They just happened to get an entitlement for school-based funding. When I was looking at options for us to move forward and try to support our students I went onto the State Training website and found that they did have funding for school-based so I contacted them.

**The Hon. DANIEL MOOKHEY:** To the best of your knowledge, are they a provider with a longstanding history?

**Mrs MacKINNON:** Yes.

**The Hon. DANIEL MOOKHEY:** Are they a long-term provider?

**Mrs MacKINNON:** Yes, I think they are.

**The Hon. DANIEL MOOKHEY:** But they are not predominantly in the school space?

**Mrs MacKINNON:** No.

**The Hon. DANIEL MOOKHEY:** Are you aware of anyone else predominantly in the school space of a similar capacity to you who has received funding?

**Mrs MacKINNON:** Only TAFE colleges. The provider I was talking about was only in carpentry; I have yet to find a private provider that does electrical. We have also contacted TAFE to see if we could partner with them; at the moment that has not been able to go anywhere.

**CHAIR:** My question relates to Smart and Skilled. Once you found that you did not qualify for funding was there an appeal process?

**Mrs MacKINNON:** We submitted an appeal. The only ground on which they would accept an appeal was on the basis of fairness. We tried to make a case that the application was unfair to our operation.

**CHAIR:** Was it a written submission?

**Mrs MacKINNON:** Yes.

**CHAIR:** Or was it face to face?

**Mrs MacKINNON:** We did have a meeting with them face to face initially to discuss with them the feedback they gave us in which they told us we were unsuccessful. At that meeting they said if we wanted to appeal we needed to submit a written appeal based on the grounds of fairness, so we did that and that was unsuccessful as an appeal.

**CHAIR:** Can you explain to the Committee what a school-based apprentice is? How does it work? How it fits those who are square pegs in round holes so to speak.

**Mrs MacKINNON:** Absolutely. A school-based apprenticeship allows a student to be signed up as an apprentice.

**CHAIR:** In year 9 or year 10?

**Mrs MacKINNON:** At the moment our college is only years 11 and 12. But we have applied to the Board of Studies for an extension to year 10 next year, and it looks as if that will be approved at the next Board of Studies meeting in October. We are looking to expand our program because we are getting significant queries from year 10 parents who are beside themselves about what to do with those year 10 students who are not fitting into the traditional school environment and are in danger of dropping out of school.

**CHAIR:** Is the school-based apprenticeship conducted within school hours?

**Mrs MacKINNON:** Yes.

**CHAIR:** The student goes to school by bus, does his or her apprenticeship and then returns home by bus?

**Mrs MacKINNON:** Yes.

**CHAIR:** That is a real plus. If they are in year 11 they are probably dabbling with their L- and P-plates, which they would have in year 10. That would be a really good opportunity.

**Mrs MacKINNON:** Being able to offer the full certificate III training in carpentry and electrical on our site with the trainers we have employed, who are specifically geared to training school students at certificate III level, is a real advantage.

**CHAIR:** During school hours?

**Mrs MacKINNON:** During school hours.

**CHAIR:** In regional and rural areas the issue of accessibility is particularly important. Kids cannot drive until they are around 17 so to be able to do this within school hours is fantastic. This sounds like something that we should really take advantage of.

**Mrs MacKINNON:** We are hoping that this will become the exemplar of a model for the State. The other advantage is that once they finish year 12 they can keep coming back to us to finish off their training. So parents really appreciate the fact that for the student it is a one-stop shop—from the start of their senior school education to the finish of their qualification.

**CHAIR:** Can you walk the Committee through that. Students who have finished the Higher School Certificate can—

**Mrs MacKINNON:** Because we are training to certificate III level, when they are full-time apprentices they still come back to us for one day a week to finish off their training.

**CHAIR:** With qualified teachers who have taught them prior to the Higher School Certificate?

**Mrs MacKINNON:** Yes. And the exciting thing is that this week fourth year electrical apprentices have just come back to us and the whole group successfully completed the capstone assessment, which means they are now eligible to be licensed electricians.

**CHAIR:** Is that 100 per cent?

**Mrs MacKINNON:** Yes, 100 per cent of them this week.

**CHAIR:** You must be very proud of that achievement?

**Mrs MacKINNON:** Absolutely.

**CHAIR:** From what I hear that is a very hard examination?

**Mrs MacKINNON:** Yes, very hard.

**CHAIR:** I do not believe that you can get much wrong in that examination.

**Mrs MacKINNON:** You cannot get anything wrong; you do not want them too either.

**The Hon. CATHERINE CUSACK:** In what year did they leave school?

**Mrs MacKINNON:** They left school two years ago.

**CHAIR:** Mr Guile mentioned that they do not have to deal with the traditional HSC-based issues.

**Mrs MacKINNON:** That is right.

**CHAIR:** Can you explain to the Committee how that works? Once again that is another scenario for the square peg in a round hole.

**Mrs MacKINNON:** We are very excited about this. Last year when we started this new program my initial thought was "What do young people really need in order to become successful trade people?" I believe they do need to complete their HSC because it gives them extra sophistication in literacy and numeracy. We also designed the program to expand their skills in technology access—that is not just working on their mobile phones—using word processing and spreadsheets effectively so that they can actually be useful when they are employed, work readiness skills and an understanding of basic business admin. So we packaged that altogether in a HSC program and all of the subjects that we are delivering, which comply with syllabuses for the Board of Studies, have no compulsory external HSC exams.

Once we realised what sort of a package we had there, we thought about what we could do to take it even further to better suit the students who are coming into our college to do trades. We needed to support employers taking on our students. In order to do that we needed to give the students good access to days at work and we needed to make sure that the employers had the flexibility to decide which days the students would go to work with them. So with our non-exam HSC it means that we can actually run the study program over the full year, rather than finishing at the end of term 3 and leaving term 4 ready for year 12 exams. That then allowed us to complete the required number of hours for the Board of Studies over a minimum of two days per week. This meant that students could be studying the HSC two days per week, doing their trade training one full day per week and working for their employer two days per week during term time and full time during the school holidays.

**CHAIR:** That really debunks the thinking that university is the only pathway for learning, does it not?

**Mrs MacKINNON:** Absolutely.

**CHAIR:** It is an alternative university of learning?

**Mrs MacKINNON:** Definitely.

**CHAIR:** It does not only have to be university academia. Once we address the fact that there are many ways in which to learn, the HSC can be changed because it is supposed to be about the betterment of academic learning into a professional opportunity. But you are shifting that paradigm and saying "The HSC is meant to be about a better pathway to learning." If that is university, it is university; if it is TAFE, it is TAFE; and if it is an apprenticeship, it is an apprenticeship. Is that right?

**Mrs MacKINNON:** That is right, yes.

**Dr JOHN KAYE:** Are you suggesting that school-based apprenticeships are something you have invented or something that is unique to your college?

**Mrs MacKINNON:** Definitely not.

**Dr JOHN KAYE:** You are not?

**Mrs MacKINNON:** There are other schools that will offer that option.

**Dr JOHN KAYE:** So you acknowledge that the public education system has been offering school-based apprenticeships for a decade?

**Mrs MacKINNON:** Yes.

**Dr JOHN KAYE:** And you would acknowledge that they also run them as part of their HSC?

**Mrs MacKINNON:** Absolutely, yes.

**Dr JOHN KAYE:** And that they also have accreditation for HSC?

**Mrs MacKINNON:** Absolutely, yes.

**Dr JOHN KAYE:** So, just to be clear, the aggregate system—

**Mrs MacKINNON:** There is nothing new about that, no. The only new thing is the way that we are packaging it, which is something that has overcome a lot of the issues that traditional schools—government or independent—have in putting students into school-based apprenticeships. The most difficult part of that, even if schools want to support it—and I have been in a traditional school where I have wanted to support students going into school-based apprenticeships—is that the normal school day functions on a rigid timetable and if students are going out to work and going out to full-day training at TAFE, the school timetable rolls on regardless.

**Dr JOHN KAYE:** To be fair, we heard yesterday from the deputy principal of a public school at Tuggerah Lakes where they were able to configure their timetables around school-based apprentices. Congratulations on your work but, to be fair, you are not the only people doing this.

**Mrs MacKINNON:** It is very difficult for schools to do it though. While Tuggerah might have managed to do that—and I think that is fantastic—I have been in schools where it has been very difficult to do that. So it is not a common—

**Dr JOHN KAYE:** Can I go to a statement on page 3 of your submission? You say, "There is a university focus to many aspects of school education. This can be seen in the current priority given to stem strategies". I am an old sparkie; having spoken to a number of electrotechnology teachers, they are really enthusiastic about the emphasis on stem for their trades—likewise, carpentry teachers and even business teachers, ICT teachers. I just want to get you to respond to my surprise to your statement in saying that.

**Mrs MacKINNON:** I suppose that sentence does not quite go fully to the core of the matter. Yes, basically, our college is totally focused on stem careers for students. I was asked to be part of the roundtable discussion with the Chief Scientist about stem education late last term and it was very disconcerting at that roundtable meeting, which was heavily dominated by university academics saying that the only focus for stem should be on students doing advanced mathematics and engineering at university and there was me and one

other person who were putting our hand up and saying that tradespeople are in stem careers and that needs to be a focus.

**Dr JOHN KAYE:** Parenthetically, I agree with you on that; that is a critical change in focus. Smart and Skilled, you refer to it in your submission and in your spoken words as a closed shop. The alternative to a closed shop is Victoria where they open the shop up entirely. Is that what you are arguing for or is there something in between? What is your solution? How open do you want the market? Do you want a market at all? Would you prefer just to be paid to do this?

**Mr GUILF:** Specifically, in terms of our submission, the changes we are looking for is some specific recognition of school-based apprenticeships and Smart and Skilled, and that has not appeared yet. That would be the first stage of opening it up to at least include funding for people who specialise in this area.

**Dr JOHN KAYE:** Can I just ask one technical question to clarify—

**CHAIR:** No. Members have already indicated that they want every second of their time.

**The Hon. CATHERINE CUSACK:** I would like to make a disclosure that last year at the time these changes were being brought in I was the Parliamentary Secretary for Tertiary Education and Skills and Andrew made representations to me requesting a meeting. I applied to the Minister's office and was told to decline the meeting. I sought more information by correspondence and was just given a one-sentence response. Andrew then met, I think, with Kevin Conolly—

**Mr GUILF:** Our local member, that is right.

**The Hon. CATHERINE CUSACK:** —your local member and that was the outcome of that. In relation to the appeals process, were you given any documentation advising you of the appeals process or was that something that just popped up in the face-to-face meeting?

**Mrs MacKINNON:** It just popped up in the face-to-face meeting.

**The Hon. CATHERINE CUSACK:** Have you ever seen a policy document called Smart and Skilled Policy?

**Mrs MacKINNON:** I cannot quite recall. There are thousands of documents on the Smart and Skilled website and I cannot remember if that is one of the ones that I looked at.

**The Hon. CATHERINE CUSACK:** I understand that. It is just that the committee has been unable to locate a policy document that gives us the details of the program and how it works that you would refer to; for example, when you missed out on funding you could go to the document and it would tell you what the appeals process was, who was on it—all of that. There is no such document that you are aware of?

**Mrs MacKINNON:** Not that I am aware of.

**The Hon. CATHERINE CUSACK:** Who considered your appeal?

**Mrs MacKINNON:** I do not know; we just sent it to a State training email address and got a reply back from it.

**The Hon. CATHERINE CUSACK:** Did the reply say who had conducted the review?

**Mrs MacKINNON:** I think that David Collins' name was on the emails and the replies. I do not know if he was actually responsible.

**The Hon. CATHERINE CUSACK:** If it is not confidential would you mind providing us with a copy of that correspondence?

**Mrs MacKINNON:** Yes.

**The Hon. CATHERINE CUSACK:** Is it possible to get the documentation that you have been relying on in the process of applying—assuming there is documentation in addition to the website that you used?

**Mrs MacKINNON:** I will see what I have that I looked at.

**The Hon. CATHERINE CUSACK:** I am saying this as a person who was serving in that role last year: I have never been able to understand the Government's arrangements with this program. I have never been able to understand the information being provided to people to assist them with their application and to assist them to understand the outcome. If you could help in that regard?

**Mrs MacKINNON:** Yes.

**The Hon. CATHERINE CUSACK:** In relation to work placements, do you undertake those work placements yourself or is there a service to assist you?

**Mrs MacKINNON:** We undertake them ourselves.

**The Hon. CATHERINE CUSACK:** Do you get funded to do those work placements?

**Mrs MacKINNON:** No.

**The Hon. CATHERINE CUSACK:** Government schools have got access to, I think it is a \$27 million service but—

**Mrs MacKINNON:** No.

**The Hon. CATHERINE CUSACK:** You do that. Would you like to comment on the efficiency and the cost of training apprentices under your model?

**Mrs MacKINNON:** I think that the biggest cost to our organisation is comprehensive staffing to provide the services that need to be provided. We have to employ someone fulltime to be an industry liaison officer, but he also, really, is part-time the business manager. So that is becoming more and more challenging for him as our numbers grow and our students need more support in finding apprenticeships, and it is not just work placements but it is a work placement that is going to lead to an apprenticeship, so that narrows down the number of employers that we can access and finding employers that are willing to take on school-based students and on a part-time basis; that is a challenge. Finding appropriate trainers to work with school students is another challenge and a cost to our organisation.

**The Hon. CATHERINE CUSACK:** I just want to go back to the statement you made, Mr Guile, that it is ironic that you failed on pastoral care, particularly given the outcomes that you are achieving, because you could not tick the box for offering online support. Was there any consultation with you or any opportunity for you to make input into the form that was used for the application?

**Mr GUILLE:** No. That, unfortunately, was not the process and had it have been the process we could have, I guess, educated those that were designing it through the bureaucracy to say, "Look, these are the things that we need to make certain that we take into account when you make these decisions, such as different approaches to the way we do pastoral care, such as the importance of outcomes rather than just capacity". The biggest thing that affected us was the arbitrary decision that those organisations providing training that did not have so-called capacity were just cut off completely. You almost go no further after that point in the process. For the information of the committee, page 15 of our submission details the complaint that we made on the fairness; we put that in as an extracted matter.

**Mrs MacKINNON:** And as you can see on that page, the original eligibility statements for students who could access Smart and Skilled funding started off with saying that they were no longer at school. So it was a mystery to us whether Smart and Skilled funding actually did apply to school-based apprentices until the moment that we opened up the application for Smart and Skilled funding and saw the box that was to tick to say that we were interested in school-based funding. I had been at an information session later in the year before where David Collins was speaking and I asked him several times from the audience what would be the arrangements for funding for school-based apprenticeships and he said at that time, "You will hear about that later".

**The Hon. CATHERINE CUSACK:** It sounds like trying to climb a sheet of glass.

**Mrs MacKINNON:** Yes. So at the time of making the application to Smart and Skilled we were not really sure whether our application should include information about our students. Yes we ticked the box saying we wanted school-based funding but some of the questions specifically excluded data regarding staff that you had that were involved in training school-based apprentices.

**The Hon. CATHERINE CUSACK:** As if school-based funding was sort of pasted on as an afterthought?

**Mrs MacKINNON:** It looks like it, yes.

**The Hon. CATHERINE CUSACK:** What do you really think is the problem here that we are trying to grapple with?

**Mrs MacKINNON:** I think the problem is they really did not think about school-based apprentices; I think that it was an absolute afterthought and the application process really had no relevance to an organisation that was solely dedicated to training school-based apprentices, so the questions in it were very difficult for us to negotiate and the help that was on the application form about what sort of answers you should give did not give us much guidance as to how we should be approaching it. It really left us quite bewildered.

**The Hon. CATHERINE CUSACK:** And distressed, I am sure.

**Mrs MacKINNON:** Very distressed.

**The Hon. CATHERINE CUSACK:** I thank you for the work that you do and pass you to my colleague. I am hopeful that there will be improvement in how these are managed in future.

**The Hon. SCOTT FARLOW:** Just picking up on that point in terms of school-based funding, you identified an organisation that you partnered with in terms of school-based funding. Are you aware at all of how many placements were funded in school-based funding across Smart and Skilled?

**Mrs MacKINNON:** I am not aware across Smart and Skilled but this particular organisation that we are talking to they had their entitlement changed after the initial round to unlimited funding.

**The Hon. SCOTT FARLOW:** We heard evidence yesterday about it was entitlements per person. So this organisation has unlimited funding.

**Mrs MacKINNON:** Unlimited funding for school-based apprenticeships for carpentry training. At the time that I heard that I sent off another email to David Collins saying, "I have heard an organisation has unlimited funding. You have given us none and yet that is what we specialise in", and I got an email back saying, "We cannot take it any further".

**The Hon. SCOTT FARLOW:** Would you be able to give us—and we will take it in a confidential sense—the name of that organisation? Do not provide it here but if you could provide that to the committee so that we can investigate that further it would be appreciated. In terms of the process, were you given any feedback whatsoever in terms of why you did not meet the criteria? I know you have spoken about the online portal.

**Mrs MacKINNON:** The one-page feedback.

**The Hon. SCOTT FARLOW:** Is there anything substantive on that one-page feedback at all?

**Mrs MacKINNON:** It lists six areas in assessment area 1 and we got a letter grade. The letters were to be between A and D, saying whether your performance was gauged to be in the top of the range or the bottom of the range and an overall grade was given for that particular section, and seeing as our overall grade was B we did not pass; you had to get an A to pass. That is the one-page document—that came in an email.

**The Hon. SCOTT FARLOW:** To pick up a point from Mr Mookhey previously, you were originally funded under the Commonwealth Government in terms of setting trades in all this, is that correct?

**Mrs MacKINNON:** Back in 2008, yes.

**The Hon. SCOTT FARLOW:** Do you receive any funding from the Commonwealth Government now?

**Mrs MacKINNON:** Only as school-based training.

**The Hon. SCOTT FARLOW:** Nothing in terms of trade funding?

**Mrs MacKINNON:** No.

**The Hon. SCOTT FARLOW:** Then with no Smart and Skilled funding, what is the impact in terms of the sustainability of your operation being set up originally as Commonwealth funded, then funded by the State after that and now nothing. What is the impact for you?

**Mrs MacKINNON:** The impact means a significant effort to look once again at our business model to see if there are any changes that we can possibly make to make it long-term sustainable. Certainly it will have a significant impact on us. If we are not able to get any extra funding for the trade training, it will inevitably become a significant impost immediately to the families of the students who are coming to us. There are some families who come to us who would not be able to access our training because they would not be able to afford the fees.

**Mr GUILLE:** Just to clear on the funding, most of the Commonwealth funding was for the capital purposes of set up. There was some transition funding. The New South Wales Government has historically always provided trade training funding subsidy in the form of user choice, as it was known, and that is now no longer available. So that is the big change.

**The Hon. CATHERINE CUSACK:** I did want to ask about this, as it is one of the perversities. How much funding have you received to set up the facilities for the vocational education in capital funding?

**Mr GUILLE:** The capital funding came to about \$17 million—that is taxpayer funding.

**The Hon. CATHERINE CUSACK:** So basically taxpayers have put that forward, which I think is fantastic; but now it is not being funded recurrently to actually be used.

**Mr GUILLE:** That is correct.

**Dr JOHN KAYE:** So you get no recurrent funding at all?

**Mr GUILLE:** We get schools recurrent funding obviously from the State and from the Federal Government.

**Dr JOHN KAYE:** So that is about \$3,000 from the State and \$6,000 from the Commonwealth per student?

**Mr GUILLE:** That would be about right.

**Dr JOHN KAYE:** So it is about \$9,000 per student.

**Mr GUILLE:** But for the trade training there is no funding.

**The Hon. CATHERINE CUSACK:** So there is no funding for the \$17 million worth of capital assets to be utilised?

**Mr GUILLE:** Yes, that is right; and those are specifically designed for trade training.

**CHAIR:** I note that you have extended to the Committee the invitation to come out to the Trades Norwest Anglican Senior College and have a look at that. We may consider that at some stage after we get through these two days of hearings. We are considering doing some further visits to areas across New South Wales.

**Mrs MacKINNON:** The Committee would be most welcome to come and visit.

**CHAIR:** Thank you. That would not be a bad thing to consider. Thank you very much for your evidence. It is very encouraging, and I do not mind if it is the public or the private sector providing school-based apprenticeships. I think it is a wonderful thing that we can give kids access to the opportunity to train for a job within school hours—it really removes a major hurdle for a lot of kids across New South Wales. So thank you for your evidence on that. You do have 21 days to reply to any questions taken on notice. We may put some further questions to you. The secretariat will be only too happy to help you if you need any assistance. Once again, I thank you for your time and your evidence here today.

**The Hon. CATHERINE CUSACK:** Mr Chair, through you, is it possible to have tabled the feedback form that the witnesses have received?

**Mrs MacKINNON:** Certainly.

**Document tabled.**

**CHAIR:** Thank you very much.

**(The witnesses withdrew)**

**KEVIN JOSEPH HEYS**, Spokesperson, TAFE Community Alliance, sworn and examined:

**CHAIR:** Welcome, Mr Heys, and I acknowledge the apologies we have received from Ms Linda Simon. She is unwell and unable to be with us today. We wish her well. I invite you to make an opening statement, Mr Heys.

**Mr HEYS:** Thank you very much, Mr Chair. I wish to second what the chair has just said—Linda is unwell today but she has received prepared a one-page statement which she was going to present.

**CHAIR:** We are happy for you to table that if you are going to make a different statement. We are happy for you to table the statement from Ms Simon as a separate opening statement on her behalf.

**Mr HEYS:** Is it okay if I just highlight some of the points that she asked me to mention.

**CHAIR:** Yes, happy for you to do so. You are under parliamentary privilege but she would not be until we accept any tabled document. So just remember that.

**Mr HEYS:** I will go through the statement from Ms Simon, because it does provide a bit of context to the submission from the TAFE Community Alliance. My statement is a complementary statement to that which Linda was going to present. So that is why I think it is worthwhile, on the understanding that it will be verified by Linda, to present her statement. My statement will follow, if that is okay. Linda wanted to thank the Committee for its indulgence in receiving the report and the submission from the TAFE Community Alliance. Linda wishes to explain that the TAFE Community Alliance is a strategy group that works with community groups in supporting TAFE and in ensuring that we continue to have a strong public provider of vocational education and training in this State.

Linda strongly emphasises that the Committee has the opportunity to ensure that recommendations are put to the Government that call for an end to the marketisation and the privatisation of vocational education and training [VET] in New South Wales. It will not be good enough just to tinker around the edges of this Government policy, but rather there needs to be a recognition that education is about many things, including meeting the needs of individuals, communities and industry. But it is not a business and it should not be expected to operate as a business. A competitive training market will always be wrong in education, pitting for-profit private providers against public entities such as TAFE that have a commitment that extends far beyond just skills development.

Smart and Skilled has not worked in New South Wales. The evidence is before the Committee. There has been an enormous waste of public funds in attempting to set up this system. The funds have not been allocated to the most appropriate providers. Enormous fee increases have meant that many people, both young and old, have walked away from pursuing a vocational education. The impact on TAFE NSW has been quite disastrous. Courses have been closed, students are still unable to enrol, teachers have been told to cut student hours, and thousands of members of staff, both teaching and administrative, have lost their jobs. Now campuses are being sold. How can any of this be good for the economy of this State?

Marketisation of the VET sector has not worked in other states either. The systems have been designed differently in Victoria and South Australia but the outcomes have been the same. The quality of education has suffered and TAFE has been crippled. One of the pieces of work that the TAFE Community Alliance undertook last year was to consult with community groups about what sort of TAFE we want. What came back loud and clear was that people wanted a TAFE that is accessible and affordable, that provides quality education with professional teachers, and that is able to provide the student support services that ensure a student has a strong chance of successfully completing their qualification and moving on to a satisfying career.

Finally, Linda went on to say that we strongly believe that the Government's first educational priority is to invest in its public education system. We hope that the results of this inquiry will show that the Committee also agrees that this should be the case. So those are the primary points Linda wanted to make. It was quite a strong statement, as you have heard, based on evidence from the inquiries that have been held over the last few years. The TAFE Community Alliance was formed to engage with communities and come up with views. Now I wish to make my own opening statement—

**The Hon. CATHERINE CUSACK:** Is this another statement?

**Mr HEYS:** Yes, I have added to Linda's statement. We were both going to present here today according to the timetable. I wish to thank the members of the Legislative Council Committee for the opportunity to address this inquiry vocational education and training in New South Wales. I also wish to acknowledge the Gadigal people of the Eora nation and to pay my respects to Aboriginal people past and present. I am appearing here today as an active member of the TAFE Community Alliance. We have made a 21-page submission to the inquiry which raises various points of advocacy and concern in relation to the terms of reference of this inquiry.

In addition, I wish to draw the attention of the inquiry to various background reports relating to VET and TAFE. These provide a foundation to better understand the VET sector and its development in New South Wales. I refer members to the following publications: *Spanners, easels and microchips : a history of technical and further education in New South Wales 1883-1983*; *Sweet road to progress: the history of state technical education in New South Wales to 1949*, written by Joan Cobb about the history of the technical education department; and the United Nations Universal Declaration of Human Rights from 1948. Articles 23, 26 and 27 talk about work, technical education and participation in the cultural and scientific life of a community. I also refer the Committee to the book *From Tech to TAFE : 1949-1997*, which was published just last year. It was written by Gillian Goozee, who is part of the strategy group. I wish to table this. It covers the history of TAFE from 1949 to 1997 so it does a 50-year sweep of the post-war period.

**Document tabled.**

I also refer the Committee to the TAFE restructuring report from 1989, written by Brian Scott; the Metherell report, which came around the same time and related to the way in which things were moving in the late 1980s; the Technical and Further Education Commission Act of 1990; and a report I authored back in 1998. This report provided a monograph of the Australian college of education. It is entitled "The ever-changing world of TAFE NSW". It is a seven-page report and a more concise statement. It covers the period of TAFE up to 1997. I wish to table that as a document for the Committee to be able to refer to it. It explains how we got to where we were by 1997.

**Document tabled.**

Also relevant are the inquiry into public education by Tony Vinson, and the TAFE NSW statement of owner expectations of August 2013. There are many other inquiry documents that have been published at a national and international level to provide insight and direction for the ongoing development of the supply of labour for economic and social purposes. As I am sure this Committee has been made aware of and is familiar, there is a range of national and international reports, including reports from Senate inquiries and House of Representatives inquiries at the national level. Questions arise as to what it is that we want TAFE to do and what it looks like.

VET and TAFE traditionally was known as a working person's institute which focused on practical and applied scientific knowledge and the arts. Its genesis came from the Mechanics Institute and the School of Arts. The system has evolved into technical education, TAFE, now VET and skills and training organisations. The purpose is to increase the knowledge, skills and attributes of workers and potential workers to improve the capabilities and capacities of individuals and organisations. That is what we want it potentially to do.

The motivation and the mottos that have been around as far as VET and TAFE go is to improve the foundation and functionality of the head, heart and hands. That is basically the motto. The domains of knowledge and the attributes which have been developed have been in the fields of the STEM and the HASS areas that we have been hearing about in the media in recent times: science, technology, engineering, mathematics, along with the humanities, arts and the social sciences. We are not hearing so much about the HASS areas. We are hearing more about the STEM but less about the HASS. Qualifications and courses have been developed and graded in accordance with AQF one to 10 and they run through the VET sector largely in the certificate and the diploma area.

**The Hon. DANIEL MOOKHEY:** AQF presumably is?

**Mr HEYS:** Australian Qualification Framework. I am glad you picked me up on that. Acronym land is a disaster as far as education goes, but I am grateful that you picked up on the Australian Qualification

Framework. It has been around for more than a decade and it has been revised at the national level so it fits within that framework. The purpose is to improve the capabilities and the capacities of individuals and organisations in their work and the working of commercial public and social enterprises, given the first, second and third sector economy that we actually have. The outcomes expected are to improve the bottom line measures in terms of economics or finance, education, environmental, equity, personal safety, social and sustainability measures. Those are the outcomes which are expected.

**CHAIR:** Order! I have an indication that members would like to start asking questions.

**Mr HEYS:** I will truncate my statement.

**CHAIR:** Can you make a concluding statement?

**Mr HEYS:** Yes. The challenge that is facing VET and TAFE is that we wish to have an inclusive participative, sustainable and prosperous society as a result of the TAFE and VET systems. As Ms Simon reported, the TAFE Community Alliance has canvassed widely and has come up with a view of what it is that the people want as far as VET and TAFE go and they are very concerned that what is happening with the VET-TAFE system is that the system is being thinned out and commercialised and privatised, and that it is failing to take on board the range of VET-TAFE demographics, labour markets and international perspectives that it needs to have in this contemporary age.

**CHAIR:** For the sake of members, we have had a lot of acronyms.

**Mr HEYS:** The acronym busters, yes.

**CHAIR:** There is an acronym buster sheet in your "State of Education NSW Inaugural Biannual Report 2014", the last page. If you tender that, I will get it photocopied for members.

**The Hon. DANIEL MOOKHEY:** Can you invite Mr Heys to table his statement and ideally get copies of it?

**CHAIR:** Mr Heys, are you happy to table that?

**Mr HEYS:** More than happy for that.

**The Hon. LOU AMATO:** Thank you for being here today. You mentioned that many courses have closed down. Can you elucidate on what courses they are?

**Mr HEYS:** I am somebody who has had the privilege and the pleasure of working in TAFE for four decades, starting as a part-time teacher in 1976, so I have a perspective. I worked in the school of general education and also the access programs. With Smart and Skilled, what has happened—we focused in the last decade very much in the area of access and employability skills, but Smart and Skilled has taken a lot of those courses out of its offering. It does not have the rollover of the certificate programs; it has moved more into the foundation skills area and rebadged those into a new structured format.

A number of the educational programs such as career education for women, work opportunities for women, those types of programs are being made not part of the Smart and Skilled list. As a result of that, the level of funding and the level of course provision, tertiary preparation certificate, Higher School Certificate, those courses have been chosen not to be run in a number of the TAFE provisions. The educative places, the access type courses are the ones that are being culled back in terms of overall provision.

**The Hon. LOU AMATO:** Why do you not like private providers? Private providers have been around for as long as I remember. I remember my sister doing a secretarial course 30 years ago, so they have been around a long time. How come you don't support them?

**Mr HEYS:** It is not that I do not support, and it is not that the TAFE Community Alliance does not support private providers. In fact, we are a hybrid society. We are a multicultural society. We are a mixed economy. We believe very much in a provision of a commercial as well as a robust, substantial public provider.

**The Hon. LOU AMATO:** Why would some students prefer to go to a private provider rather than TAFE?

**Mr HEYS:** What happens with the number of private providers, I think that a number of private providers have been in training in skill-based, work-based training for as long as TAFE. People have been looking to have more targeted programs, have more marketised programs, be able to promote in niches of business practices. Back in the 1930s my mother went to both private colleges and TAFE colleges. We are talking about the 1930s. My father went to an accounting area. He did that through a private training organisation.

**The Hon. LOU AMATO:** They have been around for a long time.

**Mr HEYS:** The TAFE Community Alliance is not against private providers. We are against the unbridled growth of private providers, whereby people have come in with a profit approach, to making a normal profit as opposed to an exploitative profit or an advantage profit. It is about the level of profitability. It is about the quality of the program. It is about the checks and balances within those private provider organisations.

**The Hon. CATHERINE CUSACK:** I assure you on that point that there is no unbridled growth of private providers in New South Wales. We have just taken evidence from people who have had funding cut, reduced, businesses going. The allegation of—

**Dr JOHN KAYE:** And your question is?

**CHAIR:** I think the member is drawing on a point of order on the unbridled comment.

**Dr JOHN KAYE:** Taking a point of order against the witness is a bit harsh.

**CHAIR:** Yes.

**The Hon. CATHERINE CUSACK:** I am not taking a point of order. It is Government question time.

**CHAIR:** That is right. It is Government question time.

**The Hon. CATHERINE CUSACK:** In terms of the allegation of unbridled growth, you have to concede that is not occurring in New South Wales.

**Dr JOHN KAYE:** He does not have to.

**The Hon. CATHERINE CUSACK:** I beg your pardon?

**Dr JOHN KAYE:** He does not have to.

**CHAIR:** Order! Please address your comments to the witness.

**Mr HEYS:** I can understand that I am being taken to task about the question of the use of the term "bridled" or "unbridled".

**CHAIR:** Unbridled.

**Mr HEYS:** Yes, unbridled in this case. It possibly is a colourful use of a phrase in order to draw the point but I think with the introduction of Smart and Skilled I know that the State Training Authority and the New South Wales Government in turn did ensure that there was a level of containment so the unbridled nature of the growth in private providers, but if we look—

**The Hon. CATHERINE CUSACK:** I am sorry. Can I clarify this? Do you have any evidence at all that there has been growth for non-TAFE providers? At this point I have only seen evidence that there has been a reduction. I have heard allegations of growth and even your allegation of unbridled growth—let us remove that if it is a problem. I cannot see any evidence of growth at all. Do you have figures or evidence to support the statement that non-TAFE providers are growing, because everything I have seen suggests that they have been contracted significantly under Smart and Skilled?

**Mr HEYS:** I have an understanding that the number of registered training organisations that operate within the New South Wales market, both from interstate and within our own State, have grown very rapidly during the last 10 years in New South Wales.

**The Hon. CATHERINE CUSACK:** With respect, our evidence is that very few of them were able to be qualified for Smart and Skilled.

**Mr HEYS:** I am not talking about just Smart and Skilled. I am talking about the whole of the VET sector provision and what is happening in the post school training system. I am saying that there are more than 2,000, to my understanding, registered training organisations that operate in the New South Wales training market. If we are looking at prior to the last 15 years, we are looking at probably something in the magnitude of a couple of hundred training organisations operating in New South Wales. So my take on the unbridled nature is that growth over the last 15 years from 200 or thereabouts to more than 2,000 registered training organisations operating within the New South Wales VET sector.

**The Hon. CATHERINE CUSACK:** Do you know how many went out of business as a result of the Smart and Skilled contraction?

**Mr HEYS:** I can imagine that there would have been several hundred that may well have gone out of operation.

**The Hon. CATHERINE CUSACK:** So what is your evidence to support the statement that there has been any growth at all?

**Dr JOHN KAYE:** He just gave it to you.

**The Hon. CATHERINE CUSACK:** No—

**Dr JOHN KAYE:** From 200 to 2,000 is the growth.

**CHAIR:** Order! Dr John Kaye, most people do not interrupt you.

**Dr JOHN KAYE:** Point of order—

**CHAIR:** Order! There is no point of order. Interjections by other members are disorderly at all times. Let the member have time to ask the witness questions.

**The Hon. CATHERINE CUSACK:** You have indicated that you have an understanding of growth but I am trying to tease out your evidence of that growth. We have a lot of evidence that it has contracted. If you have evidence of an increase that could be used by our Committee to refute the evidence, but at this time people have understandings and assertions but we do not have the evidence of growth.

**Mr HEYS:** I feel that what you would do is look at BVET records, you would go to the Board of Skills.

**Dr JOHN KAYE:** Can you explain what BVET is?

**Mr HEYS:** The Board of Vocational Education and Training. It is the State authority related to—pardon me, I need to get beyond the acronyms to spelling out the titles more fully. The Board of Vocational Education and Training did keep records on the number of organisations that were working in the provision of training and further education.

**The Hon. CATHERINE CUSACK:** Did you rely on those records?

**Dr JOHN KAYE:** Point of order: The Government's time has expired. You would not let me ask another question so I take a point of order against this question.

**The Hon. CATHERINE CUSACK:** We will allocate five minutes of our time to Dr John Kaye.

**Dr JOHN KAYE:** I accept that offer.

**CHAIR:** Order! Dr John Kaye has asked that you stop answering the question.

**Dr JOHN KAYE:** Do you want to answer that question?

**CHAIR:** He was indicating he would.

**Dr JOHN KAYE:** You said unbridled growth. Are you aware of the growth in student debt through the VET FEE-HELP system?

**Mr HEYS:** I have not been working in TAFE for the last two years. I retired from working in TAFE in July 2013. My understanding from general knowledge for the student debt growth—the bulk of TAFE students have been historically and traditionally in certificates I, II, III and IV. The application of debt through VET FEE-HELP has been in the diploma and associate diploma areas. The application of the VET FEE-HELP has grown, the level of student debt, by a very large amount.

**Dr JOHN KAYE:** Would it surprise you to hear that the VET FEE-HELP debt across Australia—we do not have New South Wales figures—is now as high as \$4 billion?

**Mr HEYS:** No, it probably would not. I know it would be more rampant in other States and also in New South Wales there has been a level of this as well with vocation and several other organisations.

**Dr JOHN KAYE:** That would be consistent with a growth in the unsubsidised market of private providers, given that I think the figure was more than 60 per cent or 70 per cent of that was in the private provider market. That would be an indicator.

**Mr HEYS:** Yes, and I think that probably led to my use of the word "unbridled" in my earlier comments.

**The Hon. SCOTT FARLOW:** This is unbridled evidence.

**Dr JOHN KAYE:** Which turns out to be correct evidence. I go back to the issue of competition markets-private providers. Can we sort this out a little bit? We have had a lot of evidence that Smart and Skilled has made nobody happy; nobody seems to like Smart and Skilled. From your perspective is that a problem to do with the specific details of who was allowed in, who was allowed out, whether the small private providers were advantaged over the big private providers or is there a more fundamental issue here for you about the issue of competition for public funding?

**Mr HEYS:** The issue for us is that the access to post-school education or technical and further education has decreased rather than increased under the introduction of this new system. The competition between public and private has not been a major concern because there has been a level of containment of that in New South Wales but in other States there has been a rampant fall away of TAFE's market share and if this were left to also prevail in New South Wales we would have a major concern about the core provision and the consistent provision for people having access to those technical skills, business skills and range of employability skills which they need to carry out their access to the labour market and also contribute to social enterprises and public enterprises in our society.

**Dr JOHN KAYE:** So you would be concerned about the idea that one-third of the total vocational education and training budget is now awarded in the contestable market?

**Mr HEYS:** Yes, I am concerned about the way in which the contestable money has been put out on a tender basis. The public provider was not able to access or was not as effective in accessing because of its cost structures some of those sorts of moneys that had been put into the open market within New South Wales in the last decade. TAFE has not been as competitive when we are looking at the funds that have been put into a contestable market compared to the private providers so I am concerned about that.

**Dr JOHN KAYE:** You were a foundation studies teacher in TAFE, is that correct?

**Mr HEYS:** Yes, my background was as a teacher of humanities with an economics background and a teacher of pre-vocational programs, moving through to head of studies, head teacher and faculty director in those areas.

**Dr JOHN KAYE:** So you still have contacts within the areas you were teaching?

**Mr HEYS:** Yes indeed, I do.

**Dr JOHN KAYE:** Can you describe what has happened to those faculties over the past two or three years as a result of the threat of the introduction of Smart and Skilled?

**Mr HEYS:** Yes, I can. I am very, very concerned that outreach coordinators for whom I have a responsibility—12 of those in south-western Sydney have been provided with redundancy packages and have moved on.

**Dr JOHN KAYE:** Have they been replaced by new people?

**Mr HEYS:** They are to be replaced by a broker model; eight positions are being put up for the area of a community contact person, who would provide a brokering role as opposed to an educative role and the courses which they previously provided—and there were over 300 of those courses provided on an annual basis—have all been dismissed. That means that over 6,000 students are not enrolled in those access-type programs in south-western Sydney.

**Dr JOHN KAYE:** Can you tell me something about what those 6,000 students would look like, what would be typical profiles for them?

**Mr HEYS:** The profiles of those are very multicultural. As we know, 30 per cent of the Australian population were born overseas and we know that 60 per cent of that 30 per cent come from non-English speaking backgrounds and women, youth, school access programs, people with disabilities—psychological, learning, physical disabilities—people who have been displaced from structural change in workforce areas, those access programs, returned soldiers from the front who have been rehabilitated back into our society have taken up programs. That is the nature of the profile.

**Dr JOHN KAYE:** What will happen to those people who were previously students? Can you contrast what happened to them from when the outreach programs were there to what will happen to them now?

**Mr HEYS:** A lot of them will look around for non-government organisation provision; they will look around to local community areas; they will look around for unstructured training; they will get into the market. They will not be able to go to TAFE because what has happened is that the fees which they now have to pay or the information which is available to them is being sold more as a packaged arrangement rather than as a nurtured, credible, supportive and educative arrangement and a transitional arrangement into qualification and certificate-type programs.

Those people will languish within the system. I am very worried about the level of social unrest that is happening particularly in the youth areas of high unemployment. I am very worried about women and the domestic violence issues that are backlogging on that. I am very worried about the social alienation which is occurring in our societies, particularly in south-western Sydney but in low socio-economic areas, particularly where people are not really supported in accessing education, which is a key role that TAFE traditionally provided.

**Dr JOHN KAYE:** I have run out of time but on notice would you be so kind as to provide an explanation of the brokerage model that is being instituted to replace the outreach coordinators and can you give us your critique of that system as to why that is inferior to the existing system?

**Mr HEYS:** Yes, I would be happy to do so.

**CHAIR:** Basically you are saying that every person should really have access to education?

**Mr HEYS:** Yes.

**CHAIR:** You have given a lot of your life to TAFE, which is fantastic. What would your views be on the voucher system where every student who needs to get some sort of service has the chance to choose their service provider? How do you process that?

**Mr HEYS:** The voucher system has been an approach which has been introduced to the political realm of the VET sector over a long period of time. It means that people would be given an allocation of funds in order to be able to access a certain level of course provision and that would go to whichever provider it is that they would seek to pick up their training through that particular provider. Whether that be public or private provider, they would use their voucher to cash in a level of training. I am concerned about that because it has people buying a bus ticket not really knowing where the bus is going. They need to have counselling support nurturing to be able to know which bus to get on or the consequences of getting on whichever bus it might be.

The voucher system is more like an adaptation to a user-pays model but it is a subsidised sort of model. It does at least go part of the way there but it extends to the notion of the VET FEE-HELP right down to the lower sorts of levels. The VET system is a bit of a minefield, to say the least. People need areas where they can go to with confidence to be nurtured through, to be counselled, to have their skill profiles looked at on an individualised basis and then to be able to look at areas of potential broad-based qualification, broad-based skills, particularly in the digital age whereby people are in emerging and adapting economies. They need to be able to have a good foundation of education which gives them the capacity to fish rather than just to eat fish. I am concerned that the voucher system gives them the fish but it does not really help them to know how to fish.

**The Hon. GREG DONNELLY:** Thank you for coming along today and providing us with an opportunity to ask some questions. Thank you also for the alliance's submission. Before I ask a couple of questions relating to the submission specifically I ask this question. The issue of VET and vocational training have been raised in the media in the last day or so, particularly this morning in the papers with some reflections of the new Federal Minister. I note your longstanding contribution to this area over a long period of time, in fact, many decades.

Is there really an existential debate or discussion that we as a community or nation need about vocational education and where it sits? It is underpinned by a comment we have heard bandied about over the last few years from different quarters about whether there has been an emphasis, arguably undue emphasis, on directing students onto a pathway to tertiary education, university education. I know it is a debatable point but it would be helpful to the Committee to get the reflections of someone of your experience and education?

**Mr HEYS:** We used to talk about vocational education over the years as being the blue singlet fairy in relation to the sectors of education because it was always being left out. It was sort of the working person. It was the prescribed area of skill development. If you look at the history of skill development, the need for that, the way in which education and the knowledge economy has grown in the post-World War II period, we have seen that people have had quite strong aspirations. Coming from a discipline of economics teachings for 20 years, working in high schools and universities and working as my day job primarily in the TAFE system since 1976 as a full-time teacher, my approach to this has been that we need technical and further education, we need skill formation, we need practical and applied skills.

I always really liked the TAFE system because of its practical and applied approach to teaching and learning. I always liked adult education because we were dealing with people who had a reality check: Is this relevant to me? Does this cut the mustard? The whole dialogue was always open and above board. It was a focus on what to do, how to do it and why to do it, rather than what to learn and what to know. The vocational education and training system is a system that serves the whole of society and engages probably 65 per cent of society from the point of view that people need work orientation, they need green tickets, they need white tickets, they need clearances, they need authorisations, they need foundation skills to know how to navigate with those skills in a workplace. They also need those literacy skills. There is the overlap between VET and schools and the overlap between VET and universities. There are more people who come to the vocational education system from universities than go from TAFE to universities.

**The Hon. GREG DONNELLY:** Do I take it from that answer that you think there is a need to refocus, that to some degree we have lost that focus that you believe, certainly looking forward into this century, we should be attributing to the role of vocational education?

**Mr HEYS:** At the Federal level, Simon Birmingham is articulate about his new portfolio of education and training. Malcolm Turnbull's articulation of the digital age, emerging technologies and the need for us to

have a broad-based, liberal education is welcome. We have a hybrid society. It is made up of 30 per cent migrants, and 50 per cent of people have a parent from a migrant background. Our population needs a lot of adjustment. The vocational area, technical and further education, is part of my understanding. I have had the privilege to work in other sectors as well. I have worked in research and management and the commercial side. In designing programs we needed to have a rethink about the centrepiece of vocational education and training. It is not just skills and training but education and training that need to be brought to the fore.

We should look at the reformist approaches to it. There should not be just a market approach—the belief that the market will resolve all things. We need to have leadership in that field. We need prescription about the sense of purpose and importance. We need surveillance to determine whether or not people are participating. We need a more inclusive, rather than a fragmented and isolated, society.

**The Hon. GREG DONNELLY:** Thank you for that.

**The Hon. DANIEL MOOKHEY:** Mr Heys, you just described the sense of mission that should anchor public and Government attitudes towards vocational education. Is it your contention that those design principles are not being reflected in the Smart and Skilled program? Given the time constraints, I will ask my second question now to give you the opportunity to respond to that as well. TAFE NSW has to change its curriculum and its mode of delivery to account for many things, including the emergence of newer fields like technical education. Do you think that process of modernisation is aided or constrained by Smart and Skilled?

**Mr HEYS:** Smart and Skilled has been too opportunistic and too minimalist in its focus.

**The Hon. DANIEL MOOKHEY:** You say "minimalist". Would you describe the opportunity not taken by the reform process, and the national obsession with skills education, science, technology, engineering and maths [STEM] education and VET education?

**Mr HEYS:** What is coming to the surface is that the prescriptive models are not really working as well as the commissioned model. We have moved too much to a corporatist model, which means that it is managerial in its design, as opposed to professional and commissioned in its sense of purpose and the way in which it conducts its provision of programs. My concern is that governments have been a bit too expedient by looking for more people to kick into the can, to fund the model. They have adopted the business language of corporate regimes to appeal more to the uptown end of the VET system. In the suburbs and in regional and remote areas, TAFE and VET is fundamental to those societies and a cornerstone of the social capital, along with the economic capital that we need to ensure that we have in the VET sector.

People talk about how to get the dollars in public health to work more effectively. Without education we will increase our public health bills. We will increase our police bills. We will increase our enforcement bills. Without a strong, accessible public vocational education system, people are left to their own devices. Others will fill the gaps to deal with those who have been excluded by the corporate, managerial business model. The business model does not fully meet requirements. It partly meets them. We must be smart, efficient, effective, financially responsible, accountable and transparent in the way we conduct our operations, but we also need to be public in our reach, to ensure that we have equity and inclusion. We must make sure that people have contemporary skills. We also need to look at the way in which we integrate internationally. We must look at how we are able to get into financial streams related to that and work more collaboratively with business and industry. Education is an industry in its own right, but it is also a public responsibility. Technical and further education is a core area.

**CHAIR:** Mr Heys, that concludes our time with you. Thank you for your evidence. You have 21 days to reply to questions taken on notice. The Committee may also send you further questions. The secretariat will be glad to assist you if needed. I have been on an unbridled horse, and they are pretty wayward. It jumped the fence while I was on the back of it. Your colourful terminology was relevant for me. Thank you. We wish you a very good morning.

**(The witness withdrew)**

**(Short adjournment)**

**TONY DWYER**, Acting Executive Director, Rural Skills Australia, and

**ROD COOKE**, Chief Executive Officer, Community Services and Health Industry Skills Council, sworn and examined:

**BRENDAN GOODGER**, Policy and Research Manager, Community Services and Health Industry Skills Council, and

**NORM CAHILL**, Executive Officer, NSW Utilities and Electrotechnology Industry Training Advisory Body, affirmed and examined:

**CHAIR:** Would anyone like to make an opening statement? We will start with you, Mr Dwyer.

**Mr DWYER:** Thank you for the opportunity to attend and participate in this public hearing on behalf Rural Skills Australia [RSA]. I am currently acting as Executive Director of this association. Our association was incorporated in 1995 and for almost 20 years has worked to improve rural industry involvement in education and training, and to enhance the skills and capacities of people working in agriculture and to better equip the next generation of rural and related workers with transferable, recognised and valued skills. Rural Skills Australia provides advice and assistance on rural and related skills and training to the National Farmers' Federation and its membership and related industry bodies; and works alongside industry and training system stakeholders including Australian Apprenticeship Centres, registered training organisations, group training organisations and various industry skills councils.

Over many years, RSA has maintained a network of State based education and training advisers, with funding support from the Australian Government provided through the Commonwealth Department of Education and Training. A current priority is to promote the Commonwealth Government's Industry Skills Fund. Over time, RSA has also developed and refined an innovative online learning facility—Rural Skills Online—to support blended learning and assessment for various qualifications and units from the Agriculture, Horticulture and Conservation and Land Management Training Package. Committee members might benefit from visiting our association's two websites—*www.ruralskills.com.au* and *ruralcareers.net.au*. The latter is essentially a rural career guide that is a combined resource for students and job seekers, new entrants to the industry, parents and educators, counsellors and employers. It features career descriptions, interactive displays, and education and training options to highlight career pathways in rural and related industries, as well as a recruitment guide for employers.

In closing, for almost two years our association, working in conjunction with the National Farmers' Federation, provided secretariat support to the National Agribusiness Education, Skills and Labour Taskforce [NEST] that produced the National Agriculture Workforce Development Plan in June 2014. With your permission, I will provide a copy of this report for Committee members. It does not include the appendices, but if anybody wants those—

**CHAIR:** Would you like to table that?

**Mr DWYER:** Yes.

**CHAIR:** We will take both.

**Mr DWYER:** In addition to that, for your information, I will table one of our promotion brochures, which demonstrates the diversity of training pathways within the agricultural sector.

**Dr JOHN KAYE:** Does that have the website addresses on it?

**Mr DWYER:** Yes.

**CHAIR:** Are there any other opening statements?

**Dr JOHN KAYE:** Could Mr Dwyer table his statement? It is a very good statement; it would be useful if he could table it.

**CHAIR:** If Mr Dwyer has a printed statement and he is happy we will table that, as well. It helps us.

**Mr DWYER:** I might have left some parts out.

**CHAIR:** That is okay, as long as you are happy with the statement. Mr Cooke, do you have an opening statement?

**Mr COOKE:** I represent the Community Services and Health Industry Skills Council. You may be aware that the industry skills councils are national bodies that set the curriculum, qualifications and job descriptions for workers in the health and community services sector. We also do a lot of work on industry intelligence around what is the workforce and the workforce futures, as well as supporting the industries in workforce development and change and reform. We participated in this review because we think there are some messages that the health and community services workforce need to send. Often they are not heard by governments. Firstly, I will talk about the health and care workforce. As you probably know, it is the largest sector workforce in Australia. It is the fastest growing sector workforce in Australia, with one in four jobs from now until forever being in the health and care space. One of the areas which is growing particularly rapidly is the disability workforce, which will double nationally from 125,000 to 250,000 workers over the next three years.

In aged care it is even more dire. We need an extra one million aged-care workers by 2050. The fact that there are only 300,000 people on the dole queue limits the options of where we are going to get this workforce from. It is interesting that the roles are poorly paid judging by societal relativities. That is partly because it is a predominantly female workforce but also because it is funded by the taxpayer, and governments have always been loath to provide CPI increases to most of the health and care sectors. With the introduction of consumer directed care and the introduction of technology, the roles are increasing in complexity and requirements, and there are an increasing number of requests by people—especially baby boomers—for services. That means that the workforce is becoming more highly skilled and therefore requires higher qualifications. We can talk about that a little bit later.

One of the challenges is that there is a shortfall in training. So, if we wanted to produce one million aged-care workers by 2050 Australia would need to double its national training capacity right now and for the next 25 years to meet that requirement. It is the same in the disability, community care and childcare sectors. There is a shortage of training places and therefore a shortage of trained people to fill those roles. In child care, for example, 40 per cent of the workforce still do not have the mandatory regulated qualifications. They have exemptions because there are not enough qualifications and training available for that workforce. So one of the problems is in how we provide that training and qualifications, and that links in to some of the requirements, especially in rural and remote areas where TAFE is generally the main provider and the reputable provider.

TAFE is therefore very important in producing those qualification outcomes and those training places. If you want to double the capacity, I think TAFE is the only training network that has the ability to increase and upscale quickly. There are some challenges in workplace training and experience for this sector. Some of the other problems, while not in the training network itself, are with the employers. National qualifications require people to have workplace training and experience yet there are no resources available to support employers to provide those places. If someone is doing a nursing degree the Commonwealth will pay the employer \$30,000 to provide a placement for that nursing student. But in the VET sector the amount of money available for workplace experience and training is nil. That is a shortfall where employers will not take people who have not had workplace experience.

In closing, I find it interesting that governments of all States and Federally, do not see the health and care workforce as a priority. If you look at the Federal Government's five priority sectors, the health and care workforce is not there, nor is it a State Government priority. I am bemused because all of us will be needing this care in the next 10 to 20 years, yet we are not preparing for it. So, personally, we are going to be very disappointed, and society is going to be very disappointed. We can talk more about some of those issues. Thank you.

**CHAIR:** Thank you, Mr Cooke. Are there any further opening statements?

**Mr CAHILL:** I will make a brief statement. The NSW Utilities and Electrotechnology Industry Training Advisory Body [ITAB] is State funded. Our role is to ensure that the training packages that are

developed at a national level are implemented in New South Wales. We work with employers and our industry partners to ensure that those qualifications that are developed at a national level can be implemented as apprenticeships and traineeships through the New South Wales system. We help with the development of vocational training orders by consulting with industry to ensure that there are employment outcomes and opportunities for people to be employed in those areas and that there is a legal ability, under awards or agreements, for people to be employed in those areas.

The areas that we look after are electrotechnology—everything electrical or electronic, including refrigeration, air-conditioning and instrumentation—and the utilities industries of gas and electricity. Electricity supply includes the transmission, distribution, rail and generation. The gas industry involves everything from when it is mined, through to transmission through pipelines—including LPG in cylinders—to the home. We stop at the moment, when plumbers take over. Those are the areas that we look after.

**CHAIR:** For members' information, we will have two rounds of questions, given the time. That will allow us to come back and finish off with some questions.

**The Hon. DANIEL MOOKHEY:** How long for each round?

**CHAIR:** The first round will be for 15 minutes, and then there may be five minutes on the end of that. That will give us a second chance to collect our thoughts.

**The Hon. DANIEL MOOKHEY:** Thank you for gracing us with your presence today and taking the time out. Given that we have four different industries represented here, this will be a bit of a scattergun approach. Starting with health care, it is the case right now that the healthcare industry employs roughly 1.4 million Australians and is our largest employer. As you just said, it is the case that it is the fastest growing employer and that the sector needs roughly a million people in order to cope with the projected level of demand for the healthcare and social assistance industry services.

**Mr COOKE:** We will need one million specifically in the aged-care region by 2050, according to the projections.

**The Hon. DANIEL MOOKHEY:** In addition to being able to attract that additional workforce, it is also the case that there is a huge need to upskill the existing workforce. The purpose of doing both simultaneously is, in part, to increase the productivity of the industry.

**Mr COOKE:** In part—and just to meet the unmet demand.

**The Hon. DANIEL MOOKHEY:** That productivity uplift is designed to offset, somewhat, the projected rise in healthcare costs that we, as a society and government, are budgeting for. That is a huge part of our strategy towards cost mitigation in the health and social assistance sector.

**Mr COOKE:** Yes.

**The Hon. DANIEL MOOKHEY:** That is the case. But, simultaneously, the creeping onset of Alzheimer's and dementia and the ageing aspects of health care—rather than the sickness aspects of health care; I am not a doctor, so I am speaking loosely—will play a huge part in changing the models of healthcare delivery. So we need to re-equip the workforce in order to account for the impending rise of the effects of ageing.

**Mr COOKE:** That is part of it. There are two key factors in the increasing demand. The first is that we are one of the longest-lived societies in the world. There is a great bonus in that but the cost is that each of us is using a greater number of health services. And the second is that we have an ageing demographic. Those are probably the two main factors that are leading to increases in demand and cost.

**The Hon. DANIEL MOOKHEY:** I am more interested in focusing on the required forms of health care that are rapidly changing.

**Mr COOKE:** I guess some of the trends that are changing—for me the first one is the revolution in consumer-directed care. Currently, if a doctor says "this is the way it is" then that is it, or if the aged-care

provider says "this is what you get" then that is it, but now the individual generally has the financial responsibility and increasingly in the future they will make their own decisions.

**The Hon. DANIEL MOOKHEY:** That is putting an imperative on curriculum reform and redevelopment as well as innovation?

**Mr COOKE:** And increasing responsibility. Probably the second one is because of that our costs are increasing so governments at all levels are looking at how we can get more productive, more efficient and more effective services. That is leading to significant reform in the type of service that is delivered. Most people want these services in the home or in the community rather than in a facility; it is cheaper that way as well.

**The Hon. DANIEL MOOKHEY:** So the skills that workforce now needs are different and they need to be able to access more forms of training?

**Mr COOKE:** The individual who goes into the home has to be an occupational therapist [OT], a physio, a masseuse, a homecare provider, a whole bunch of skills; whereas now they just go in and do some cleaning.

**The Hon. DANIEL MOOKHEY:** I am sorry to be so short and sharp with my questions but we have a lot to get through. I will now switch to Mr Cahill. I presume the onset and spread of solar panelling has also created the need for innovation in the curriculum so that people are given the opportunity to be reskilled as solar panel installers. No doubt this has been a huge part of the changing demand for work skills in your industry?

**Mr CAHILL:** It has been but it has slowed greatly in the last couple of years.

**The Hon. DANIEL MOOKHEY:** In respect of the Smart and Skilled program do you have any evidence to show whether the people who are providing the innovation that is so important to changing healthcare delivery models and upskilling of the workforce are actually getting the work?

**Mr COOKE:** We focus more on the national picture so we have not specifically looked at Smart and Skilled. The general feedback we get is that the funding is random. I would say as a trend I do not think that innovation was necessarily looked at nor future jobs looked at. That is a general comment; we are not that close to providing detail.

**Mr CAHILL:** Renewable and sustainable energy was very well funded until a few years ago. The program was wound up. There was a range of development of resources in that area. There was funding available especially to TAFE colleges to install the equipment needed for that development. But that has really died off as the industry was seen as not needed probably at a national level.

**The Hon. DANIEL MOOKHEY:** The solar industry was deemed not needed at a Federal level?

**Mr CAHILL:** It just did not receive any funding. At a national level we developed a certificate IV in wind generation and when we finally had the qualification done the employers in this State said, "Do not bother putting it up as an apprenticeship."

**The Hon. DANIEL MOOKHEY:** Am I correct in understanding that the pace of solar installations in the past five years has been pretty high?

**Mr CAHILL:** It has been.

**The Hon. DANIEL MOOKHEY:** And am I correct in saying approximately 1.4 households nationwide now have solar?

**Mr CAHILL:** I am not quite sure of the figures but it would be close to that.

**The Hon. DANIEL MOOKHEY:** Is it an area that you are spotting as a growing source of demand in your industry?

**Mr CAHILL:** Yes, it is. More homes are doing it, and there are new technologies coming in such as battery so you can store the power as well as putting it back into the grid. That is part of the issue that needs to

be addressed but it is mostly being done in the private sector at the moment with the development of those resources. Global Sustainable Energy Solutions is a private provider that is doing a lot of work in that area and they are actually developing textbooks and things in that area.

**The Hon. DANIEL MOOKHEY:** I acknowledge other factors may impact upon basic assessments as to whether or not this is something that should be funded or not; you said earlier that this has been dropped from the TAFE system but are you getting a sense that any of this is being returned or do you know whether or not the Smart and Skilled program is encouraging those who are able to provide this training to come forward and apply for funding?

**Mr CAHILL:** The funding is available but people are not taking it up. That is part of the problem. It is not seen as something that is going to add value to the electrician who is doing that work. A lot of people were trained in the past and have that—there was a need for that training to be put in place and it was—but the number of people going into that area of training now is not as high as it was in the past.

**The Hon. DANIEL MOOKHEY:** I understand you are a national body but how do you think this must change to account for the magnitude of need in health care in New South Wales?

**Mr COOKE:** From a general perspective I would say immediately funding needs to be doubled in every State and federally to try and keep up with demand. At the moment certificate III providers are the base entry; a lot of trends are showing that certificate IV and diplomas are entry points for some jobs in health care. So if you are not eligible for certificate IV then these people who are the working poor basically—some of the lowest socioeconomic groups—cannot really afford to pay their own way through some of this training. I believe that, as this is a service generally funded by governments, the Government should have a role in providing funding to support people to get their qualifications to enter and to maintain service delivery. From our perspective there needs to be a significant refocus of the funding. This is where the jobs are going to be at one level and although they are not seen as revenue- or profit-earning areas, they are the fundamentals of our society. So my base level would be you need to increase funding significantly.

**The Hon. DANIEL MOOKHEY:** Build it round certificate IV, not necessarily certificate III?

**Mr COOKE:** You need to open up certificate IV and diplomas as entry points.

**The Hon. GREG DONNELLY:** My question is presented across the three organisations, and to some degree this may have been partially dealt with but please feel free to elucidate further. On completing this inquiry the Committee will be faced with developing a report. That report will contain recommendations for this Government to consider. We are in the first 12 months of the Smart and Skilled program in New South Wales and thoughts are now turning to 2016. If you were given the "luxury" of writing recommendations to the Government on how we should deal with vocational training in this State, appreciating that there is also a Commonwealth layer to this, what key points would you highlight?

**Mr DWYER:** Certainly a comment I would make is—and I am not sure if people are aware of it—the Commonwealth Government has changed incentive arrangements for traineeships and apprenticeships for level two. Prior to that change basically any employer or any industry could line-up and put a trainee on—this is particularly relevant in rural-related industries. That universal access was removed by the Commonwealth a couple of years ago. Coming on top of that, and as a precursor to Smart and Skilled, or certainly with Smart and Skilled, individuals outside the cohort of 15 to 24 do not attract New South Wales funding for training delivery and in the industry areas that feed into our space that has quite significant impacts on training, particularly lower level training. In rural-related industries the largest cohort of workers remains predominantly at certificate II and certificate III levels. For the rest of it, notwithstanding the overall benefits of higher qualifications, by and large in our industry there is definitely a pyramid thing where you need very few chiefs but you need a lot of people at that lower level.

One of the reasons I tabled the document that I did was because we did an employer's survey as part of that and it basically showed from 500 employers across a variety of age and related areas that by and large the demographic was 10 or 12 per cent of workers engaged with those people were in that cohort 15 to 24. That means a lot of rural-related industry sectors rely on people in the 25 to 55 age group coming in. Now that can involve refugees, migration and this that and the other, but ostensibly those people are basically denied any sort of government training support for certificate II level qualifications if they are outside that age bracket unless they happen to be Indigenous or disabled. The impact on the ground of that has meant that typically the training

need is there, and is as real today as ever, whether it be quality assurance, occupational health and safety, chemical handling or whatever, the same needs are there but by and large the capacity for many of our industries to access funding support—to be fair, it is not restricted to New South Wales; it is a trend that has happened across other States—for probably 70 or 80 per cent of people outside that age bracket are precluded from receiving some of the training they need at that lower level.

Personally I think it was a mistake—the challenge in the agricultural space is that you are dealing across many producers who typically as a ballpark figure 60 to 70 per cent in some instances have no qualifications post compulsory schooling. So when you walk into a space and want to start pushing diplomas, advance diplomas and whatever, if you put people through those in ag or whatever—that is not to say that some are not needed—the number needed at that level is infinitely smaller than what is actually needed at the lower levels.

**Mr COOKE:** I would offer four recommendations for the New South Wales Government to consider. The first is clearly that we need some national consistency to work across all the States. The rules, regulations and differences around the qualifications—who gets what—varies massively between States and federally, so for providers that operate across State boundaries it is a minefield. Firstly, there is an ability to work with the other States and federally to look at some consistency. Secondly, there is no national workforce plan for the healthcare sector and there is no State plan for the healthcare sector. I find it amazing that people are making decisions on who is going to get what job and how when we don't even know what the future looks like. So my second recommendation would be to come up with a workforce plan for the healthcare sector.

Thirdly is clearly to increase support. I can show you statistics until they come out of your ears about why the demand is growing and why there should be further support. Probably lastly, which is a little bit out of left field, statistically completion rates for national qualifications are about 33 per cent if you only go to a training provider, but if you actually have the employer and the training provider work together as per the Enterprise Based Productivity Places Program and the National Workforce Development Fund completions go up to 80 per cent. So I would say do not give money straight to registered training organisations [RTOs], make sure it is a partnership with an employer so they can train people in their workplace and give them the real work experience. Thank you.

**Mr CAHILL:** Some of the things we put in our submission actually have been granted: the fees for traineeships have now been reduced, which allows more people into traineeships; and the expansion of the current RTOs in the system to go outside of the original designated areas—that is a bonus for us. The real problem is that the vast majority of the training we have happens in TAFE. What we have seen in TAFE is that the dollars that have been allocated to those qualifications, especially for electricians, which is our largest qualification and has gone up almost 15 per cent this year in enrolments, are being taken away from the training sector. Some \$13,100 has been allocated; it used to be \$13,800 for private providers—a couple of hundred dollars is not going to make a great difference. But when 40 per cent of that money is being taken out of the teaching sector for other reasons, that is where we are really struggling with our industry and we have seen a reduction of face-to-face teaching; in some cases that does not matter because if you have got good kids they will get through, but those that are struggling really do need that additional help.

The other area that we would like to see in our industry is an expansion of RTOs in those specialised areas that we look after—the electricity supply industry and especially the gas industry where we do not currently have RTOs that are of a standard in some of those areas. TAFE are trying to fill the void in some of these areas; they have not been given the resources in some of these specialised areas because they are very expensive to set up for. The electricity supply industry and gas industry are notoriously expensive to set up, but we do need some of the private people that have not been funded in those areas to be expanding into those areas.

**CHAIR:** Mr Cooke, I just want to go back to this plan. New South Wales has a few plans—2021 is one of them. You are saying that the Government does not have a health plan to address the needs of New South Wales say by 2050, which is probably a good target date given that there is going to be a lot of other health needs, particularly dementia—one million by 2050, never mind the ageing population, which I think it is five million between now and 2050 will be over the age of 65 and I think 75 per cent of those people that will occupy hospital beds will be over the age of 65. So we are really heading to the wall on this. I wonder if you could help me clarify a couple of things. You say in your submission that you have got 80,000 publicly funded students. Are you able to break those positions up? Are they enrolled nurses or registered nurses? What are those positions of those 80,000?

**Mr COOKE:** I might ask Dr Goodger to give you the specifics.

**Dr GOODGER:** They cover the whole areas that you have mentioned.

**Mr COOKE:** So registered nurses are not in because they have a degree and qualifications.

**CHAIR:** That is what I am trying to work out with your comment about needing a million more carers by 2050.

**Dr GOODGER:** They cover things like personal carers, aged and disabled carers—those kinds of occupations.

**CHAIR:** The NDIS, that is included in that million?

**Mr COOKE:** Yes—disability carers, community carers.

**CHAIR:** That is all in that million.

**Mr COOKE:** Yes.

**CHAIR:** Because that puts a different take on it. In terms of aged care, are you suggesting they should be bumping that up in the TAFE system or the private RTO systems?

**Mr COOKE:** It does need to be both. It is about how you increase the capacity. I have lived in Dubbo and other places and my experience in regional areas is that TAFE is generally the only RTO on the blackboard of scale to do it; so your models differ. A lot of private RTOs operate in metros; so it is really looking at you need the capacity of both. For the scale though I would suggest that probably the only organisation that has the facilities, the staff and the scalable capacity to double their output in the health and care space would be TAFE. There are not many private RTOs with that size, scale, capacity or readiness to increase its coverage.

**Dr GOODGER:** Also note too that there are particular locations in New South Wales that are ageing more quickly. Rural areas are a great example of that. We know we have got more rural people and TAFE has a clearly well-established infrastructure out there.

**CHAIR:** Ageing and place is very important. I know down south what we are trying to do is get doctors to train in our university so they will stay local and that has worked really well. I guess that could be transferred across to nurses and enrolled nurses, or the lesser of those two, which is, I think there is another level—

**Mr COOKE:** Assistant in Nursing.

**CHAIR:** Assistant in Nursing, that is the one I am looking for because that is the core thing there. That Assistant in Nursing needs to be bolstered tremendously.

**Mr COOKE:** As part of it—to divert a little bit to health and care—we currently have a health system that is probably 200 years old that is centred around a doctor and a hospital. But if you are aged you do not want to go to hospital because you die. So we need to shift our whole medical system. I am talking health and community services as a whole perspective; you cannot just look at health. Yes, there are plans for health and hospitals, but that is only one portion of that health and care system. So we need to look at how we are going to deliver it and if people want to be cared for in their home.

Not everyone is going to have a GP on tap to come into their home; that is just a high cost and we would never be able to produce the numbers of GPs that we need. So we need to look at how do we assist at the local capacity, which is generally the VET skilled workers, the home and community workers, the community assistants, the assistants in nursing, the enrolled nurses perhaps, the Aboriginal and Torres Strait Islander health workers who are embedded in those communities; how do we provide them with the skills and support to be able to deliver broader levels of health and care support.

**CHAIR:** This inquiry has been really focused on the younger generations transitioning from school to TAFE or to private training but I think in health care one of the greatest treasures that awaits us really is people who are over 50 that cannot find jobs probably could find a lot of jobs in health care if they were retrained.

**Mr COOKE:** Statistically that is already the case. Probably child care is an area where there are a lot of school leavers, but generally in the caring professions the average worker is female, 47 and working part-time. So generally they are second careers or longer careers, so I guess I would be actively promoting transitional careers for those who are moving from their first or second job into another position.

**Dr GOODGER:** But those workers will need quite strong, dedicated support because they are older and they have got other associated injuries; when they are transitioning they have got other learning issues that they will need to be supported with. It is not a matter of simply a transplant, so to speak.

**CHAIR:** My experience of mature-age students—let us call them that—is they do very well once you establish them and get alongside them; they become very strong assets to any company. Mr Cahill, in terms of the electrical side of things, we are seeing with other decisions made by the State Government that through IPART a lot of people are moving out of the electrical industry. How will that affect the situation with training up new people—the ebbs and flows?

**Mr CAHILL:** There is no training happening in the electricity supply industry at the moment. Essential, Endeavour and Ausgrid did not employ apprentices this year and they are not going to employ apprentices next year either. They are currently continuing to train their current apprentices, but when they are made redundant or they are let go and not given future employment unless there is a vacancy, which at the moment there is not, the other problem we have is that there are a large number of people that were trained pre-1998 in the electricity supply industry; we did not have formal, nationally recognised qualifications in that industry until that time and what is now happening is that a lot of those people who are going to be made redundant in that area may not be able to gain employment with a contractor even in that industry because under the current regulations they need the current qualification to be able to work in that industry as an authorised service provider.

We are working with the Department of Trade and Investment and we are working with State Training Services to try and see if we might be able to alleviate that. We did some work a number of years ago in that area. But currently the number of apprentices in that area has declined by 66 per cent this year. It is only the private sector that is employing apprentices at the moment and it is going to leave a gap in the industry. At the present time the funding for maintenance and a whole range of other works in that area has come to an end. It was a huge position to get it—people say it is a gold-plated network; we would not say that—up to a national standard. By not employing apprentices for a number of years we are really setting ourselves up for some incredible opportunities in the future that are not going to be there; we are not going to have the skilled workers. The last time that this happened we had 22-year-olds that were completing apprenticeships ending up as district managers for Essential Energy and that is the sort of thing that we could see in the future.

We need to continue to invest in that area. We have got an \$85 million training facility out at Silverwater, which is virtually abandoned now; there is another training centre out at Hoxton Park, which is much underutilised as well, and we fear for the future of those facilities. Hopefully, if the sale of the assets goes through the new owners of those assets will see the value of them and allow people such as TAFE to actually access those areas now. TAFE does not have the facilities that these people do and they do not have the access to those facilities.

**CHAIR:** That is an interesting point that you make there because when we were at the Hunter in their lab a particular individual said they would not let anyone in that lab from a third party provider. So you have got it the other way around; you are saying—

**Dr JOHN KAYE:** That is a bit unfair. You are being a bit harsh.

**CHAIR:** It was a comment made.

**The Hon. CATHERINE CUSACK:** "Not while I'm the head teacher", he said.

**CHAIR:** It was a comment—I am not going to say who it was—but it is interesting that there the shoe is on the other foot: they want access to those opportunities to train, which is more important.

**Mr CAHILL:** If people are not utilising those facilities let someone in who wants to utilise them.

**CHAIR:** Hear! Hear! Well said. Mr Cooke, I just want to reflect on one of Mr Cahill's comments. It seems to be an issue that we have got coming that if you are pre-1988, was it?

**Mr CAHILL:** 1998.

**CHAIR:** We have got the same thing with healthcare workers; there are a lot of registered nurses out there, particularly women, who have gone to have children, they are out of the industry and they virtually sterilise their qualification, like it does not exist anymore, and then there is only a very small stream that can go and get the 10-week program that brings them up to scratch. Yet many of those people could run rings round the people coming out of university because of their experience, but they are sterilised from getting back into the industry. Do you have a comment on that?

**Mr COOKE:** I do; it is a general comment. Most of the funding around is for initial qualifications. Yet in our sector we are finding every two or three years each sector is reforming so quickly that jobs require change enough significantly that the qualification is different. We are very good at pumping initial qualifications through but do nothing about professional development about how do we allow people when the jobs are shifting to upgrade their qualifications and their training to be able to meet the new job. One of the problems is, of course, if you have got a certificate III barrier or you only fund a certificate III; if somebody in two or three years time their qualification has changed, who is going to fund that upgraded qualification for that individual to broaden their skills and meet the new standard? I would agree that one of the problems is how we keep people's skills and current qualifications to the industry standard when the jobs are changing so rapidly, and that is going to be exacerbated as we move into the future.

**Dr JOHN KAYE:** I am just going to concentrate on Mr Cahill for a bit—it is not that I am saying that the other industries are not important but, as some people know, I have a background in the electrical supply industry so I have a particular interest there. You identified the impacts of the \$13,180 delivery price for the apprenticeship certificate III in electrotechnology electrician training and you identified the hours lost that TAFE cannot provide at that rate. You identified 140 hours cut from most TAFE colleges and 218 hours of delivery cut from one particular college. Can you comment on the consequences of that for the capacities of the electricians that will be training?

**Mr CAHILL:** I think the quality will come down significantly. We are very concerned as to that. We are only now one year in most of the colleges but two years in one particular college into reduced hours and I am concerned as to the quality of people that will be coming out at the end of that system. There will be some that will get through, that are clever and will get through no matter what you throw them on, but we currently have about 62 per cent completion rate in our industry. We can see that fall even further.

**Dr JOHN KAYE:** Would you say that there are consequences for those that do get through? Would there be work health and safety consequences for those individuals?

**Mr CAHILL:** There very well could be. To the extent where there is some discussion in our industry as to whether or not there should be a test similar to what Victoria does for their licensed electricians, their regulator down there runs what they call the LEM—licensed electric mechanics—exam separate from the RTOs and there is some discussion as to whether or not that might be something that is needed in New South Wales.

**Dr JOHN KAYE:** Correct me if I am wrong but I think the State of New South Wales some years ago abolished separate licensing of electricians.

**Mr CAHILL:** No, we still have licensing for electricians.

**The Hon. CATHERINE CUSACK:** Mutual recognition?

**Dr JOHN KAYE:** No. Let us not delay on that; I want to ask other questions. So what about for households and other workers downstream? What would be the consequences of having an undertrained electrician or an electrician with a gap in their knowledge base as a result of this reduction in hours?

**Mr CAHILL:** It could be deadly.

**Dr JOHN KAYE:** It could be deadly?

**Mr CAHILL:** Absolutely.

**Dr JOHN KAYE:** A witness yesterday said Smart and Skilled, the whole box and dice, could end up in the NSW Coroner's Court. Do you agree with that?

**Mr CAHILL:** In a worst-case scenario, yes, it could. But it is not really to do with the dollars that have been allocated. The \$13,100 allocated is enough to train an electrician. The problem is that in the TAFE sector dollars are being taken out for reasons other than teaching. The private providers are not having 40 per cent of their funding in our industry taken away from them. I have spoken to them, and they are not. But the TAFE colleges are, and that is where the real problem lies. If the \$13,100 was fully allocated to the teaching section, that would be enough for them to deliver. There is a whole range of issues in there to do with how TAFE delivers their training. I was at a TAFE college yesterday. It is the school holidays so the college is closed and there is no-one there. These are things that we probably really need to look at too.

We really need to look at how the training is being delivered. It is okay if you are going to reduce the hours and give them some other form of delivery for the training, whether it be online or whatever; but that is not happening. There has also been some discussion about the employer delivering this sort of training to them. If you are a big employer and you have a number of people able to do some of those things, you might be able to do that. The problem is that nobody has discussed this with the employers, and the vast majority of employers who employ electrical apprentices are small- to medium-size electrical businesses that are not in the business of training. Some of those guys are my age, and what is being taught to students today is far and away above what they would have learned when they were apprentices. I do not do electrical work myself any more—I do not trust myself. So that is one of the major problems.

**Dr JOHN KAYE:** That is alright—nobody ever trusted me either. So that is fine.

**The Hon. SCOTT FARLOW:** Just to pick up on that point, Mr Cahill, in your view what are the private providers doing differently? What are they doing in order to overcome that 40 per cent gap that TAFE has? Is it that they have much lower overheads than TAFE?

**Mr CAHILL:** They would have lower overheads than TAFE in that they do not have the libraries, they do not have some of the wonderful buildings and they do not have the counsellors. They do not have a whole range of things that are there at TAFE. So they are able to deliver at that price. If we want TAFE to be the premium facility that it is and that it has been in the past, and it probably still is the premier registered training organisation [RTO] in this State, it needs to be funded. Those funds should not be coming from those dollars that have been allocated for the training of apprentices in those areas, because it is reducing the quality of the training that is going to be delivered to those students.

**The Hon. SCOTT FARLOW:** Mr Cahill, what are you finding in terms of the outcomes that you are seeing from people who are graduating from private providers compared to TAFE?

**Mr CAHILL:** The Smart and Skilled program and the funding reduction has only been running now for about 12 months so we have not seen any outcomes yet from that. But in the past private providers have been able to produce a quality similar to what TAFE has been able to.

**The Hon. SCOTT FARLOW:** I know that Ms Cusack will have a lot of questions for you also. I have a couple of questions for Mr Dwyer. Mr Dwyer, I was interested in your submission at page 8 where you talked about the role of industry in assessing competency. This is one of the things that we have heard from all quarters in a sense—that you cannot trust the competencies that are coming out. I think in your submission you wrote that there was perverse incentive in terms of the payment system for providers to graduate people and that there needed to be some sort of independent assessment mechanism. I was just wondering how you would envisage that assessment mechanism working, in particular in your industry? Would that be something set by the National Farmers Federation, for instance?

**Mr DWYER:** Potentially it could. It really comes back to the point that at the moment Australia is a bit different from some other Western countries in that sort of space, where you do have a differentiation between those roles and responsibilities. But to put it into context, payments are made when people are signed

off as having satisfactorily completed the course. It relates to incentives as well as payments to the providers and all the rest of it. There has always been a tendency if someone is line ball or marginal to carry them across the line, with the view that the provider can then access the funding. I am not sure what happens at this point in time. It used to be the case that TAFE as a rule would be funded upfront for the qualification. Private providers get paid in arrears—

**The Hon. SCOTT FARLOW:** TAFE is under the same system now.

**Mr DWYER:** If it is done in the same way then that is fine. In that space this issue has been kicked around. One of the real challenges in the space is the assessment processes and whether or not it is actually a level playing field. Some of the smaller private organisations just do not have the resources or the people to develop the stuff that is necessary and required in this space. I was at a training providers conference in Victoria the other day, and several providers from around Australia indicated that if you went back 20 years, picking up on the point made by Mr Cahill, in terms of the funding that was provided 70 or 80 per cent of what was provided would have been directed towards the actual training delivery—the teaching time, the face-to-face time and so on.

Whereas today there is all the compliance and everything else that goes on in this space. Representatives from at least four or five States basically said that, in their view, it has swung around to now where about 70 per cent of the money provided is actually chewed up in compliance costs, infrastructure, regulation, red tape, and whether you are doing X, Y and Z. So a significantly smaller amount of funding is being provided to the training delivery side. I suppose if that is what is happening through the funding models, the training delivery is one element of it but the assessment process is another. Potentially, it could cost as much to do properly as what the training delivery does—if you are actually going to have people signed off and accredited in that sort of way.

The Commonwealth Government at different times has considered that sort of approach in terms of an alternate independent body being established, whether an industry body or something else. Potentially it is a way forward. It is not unusual to find in some institutes and some disciplines teachers or trainers using supporting documentation and teaching resources that have been around since Adam was a boy. Notwithstanding that some parts of the job have not changed, as I indicated before, jobs do change and people have to do some things differently.

The people who are in that space and still delivering outdated stuff or whatever are effectively signing people off—to some extent regardless of what is in the training packages or what has been specified as required. So it comes back to whether or not potentially there is a real conflict of interest in having the people who are signing off basically being the end point trigger for those sorts of payments to be made—the Commonwealth incentive to be paid to the employer and the payments to be made to the training organisation.

**The Hon. SCOTT FARLOW:** Is that the feedback you are getting in the industry—that people are coming out with qualifications that really are not up to the job and are not demonstrating the skills that they should have from passing those qualifications?

**Mr DWYER:** I think it goes back to my earlier point about the certificate II. There is a real push in schools more generally to do certificate IIs or equivalent through years 10 and 11. In some cases, if the school has the appropriate links with industry, if the school is actually involving employers, and if the school is complementing what it is doing through the school system with practical on-farm work and all the rest of it, it is fine. But there are plenty of people coming out—and this is not restricted to just New South Wales; it is happening in other States and territories too—with a school-provided certificate II qualification that for all intents and purposes is certainly underdone. In real terms those students probably need to be almost retrained to get to the industry standard. That is at the certificate II level.

**The Hon. SCOTT FARLOW:** I was interested in some of the comments in your submission which are similar to other comments we have heard in regards to the marketing, effectively, of careers in the agricultural sector through schools. In terms of some of those VET courses in schools, I think there were a couple of opportunities presented in your submission regarding industry involvement. What do you think we could do better to show people that there is a career in agriculture? We are concerned more and more about people leaving the bush and coming to the city. Many think there are no careers in the country when effectively it is one of the greatest growth areas for Australia, particularly in foreign trade.

**Mr DWYER:** Potentially the opportunities are there. But you have to put it into context. In the last 10 or 12 years the actual size of the agricultural workforce and rural and related workforce has decreased by almost 30 per cent. If you went back to the late 1800s, for example, five or six out of 10 people in Australia would have had a direct link to somebody who was actually engaged in primary industry in one way or another—whether they were a farmer, a farm worker or working in the sector. In this age that percentage and that link has lessened. Nowadays only one in 20 people has a link with somebody who has an agricultural background. The number of farmers has decreased substantially. The level of production and productivity across the board and in terms of what is produced in this country is almost off the dial.

It comes back to the fact that in the areas where you want it the pathways are there. There are different skills that are now required and that people need to apply. People still need the practical hands-on skills but they also need technology skills in this space. As I say, sadly in a lot of the areas where the jobs are, the people are not there. It picks up on the point that a lot of people grow up in the country and then move to the city. In saying that, having spent probably 15 years on the careers circuit and going to field days and all the rest of it, for every five out of 100 kids who come through a careers expo and show an interest in rural and related or agriculture probably two out of five will be talked out of it by a careers adviser. The adviser will say, "Oh, don't do that; you'll find yourself sitting on a tractor chewing a straw."

There is a lot of misinformation. I have worked for an organisation which produced careers CD-ROMs that were provided to every high school in Australia. For example, I went into the school where my two children went and the careers adviser had not even opened the parcel. I said, "Well, that's not a great look." He said they get so much of that stuff and they are not really resourced for it. To some extent we may as well not have bothered for all the impact it made. School students more generally are a difficult group to reach. When you talk to parents, and I have spoken to thousands over time—

**The Hon. CATHERINE CUSACK:** Mr Dwyer, sorry to interrupt but we do need to get some more questions in. Mr Cahill, I want to ask some questions about gasfitters. In your submission you say that it is a very specialised area that was being delivered in-house.

**Mr CAHILL:** They are not gas fitters. That is a common misconception. A gasfitter is part of the plumbing trade, looking at what goes from the meter into your dwelling. We are talking about mains gas. It is like the difference between an electrician and somebody who works for Endeavour Energy or the like. So the gas people we are talking about look after the mains and they look after LPG cylinders and that of thing. So they are not gas fitters.

**Dr JOHN KAYE:** It is a different skill set.

**Mr CAHILL:** Yes, it is very different.

**The Hon. CATHERINE CUSACK:** So they were being trained in-house by industry according to your submission?

**Mr CAHILL:** Yes.

**The Hon. CATHERINE CUSACK:** When they embraced the national standards they had to find a registered training organisation [RTO] to conduct that training.

**Mr CAHILL:** Yes.

**The Hon. CATHERINE CUSACK:** It sounds like it was very difficult to do—someone came and left.

**Mr CAHILL:** It was.

**The Hon. CATHERINE CUSACK:** And a subsidiary of Jemena called Zinfra took on the role. Then they did not win the contract under Smart and Skilled, is that correct?

**Mr CAHILL:** Yes, that is correct. We had taken about you to get them into the old approved provider list [APL] system. They were only on there for a number of months and then Smart and Skilled came in. Because their head office was in Victoria, they were not eligible. The only other RTO that had it on their scope was New England Institute, which had never delivered in that area. They were awarded the contract to do that.

**The Hon. CATHERINE CUSACK:** To be clear, in New South Wales there was only one RTO that was delivering this training.

**Mr CAHILL:** Yes.

**The Hon. CATHERINE CUSACK:** They were ruled ineligible because their head office was in Melbourne.

**Mr CAHILL:** Yes, as I understand it.

**The Hon. CATHERINE CUSACK:** And a TAFE which only offers this service in Tamworth now.

**Mr CAHILL:** Yes, and had not delivered prior.

**The Hon. CATHERINE CUSACK:** According to your submission, they had no equipment and they had no qualified trainers to deliver that course.

**Mr CAHILL:** That is as I understand it.

**The Hon. CATHERINE CUSACK:** How could they possibly have been cleared in the submission process to even tender to offer that training?

**Mr CAHILL:** They had gained the qualifications through applying to have their scope varied to include it through ASQA. What ASQA did to verify their training, I have no idea.

**The Hon. CATHERINE CUSACK:** According to your submission they have now admitted that they cannot offer the course?

**Mr CAHILL:** That is correct.

**The Hon. CATHERINE CUSACK:** When I go to the Smart and Skilled website and look it up, it is still listed as being available on the Tamworth campus of TAFE?

**Mr CAHILL:** Yes.

**The Hon. CATHERINE CUSACK:** But they are not accepting any enrolments.

**Mr CAHILL:** No.

**The Hon. CATHERINE CUSACK:** So the course is now not offered in New South Wales at all.

**Mr CAHILL:** The course is on offer but you cannot enrol. They believe that they will be able to do a small part of the LPG under the contract as a part qualification and they could do LPG training in that area. That is what we believe they will be doing as part qualifications.

**The Hon. CATHERINE CUSACK:** Your submission states:

In regard to VET in schools, independent and catholic college's high schools have been especially disadvantaged in our industry sector.

Can you perhaps talk more about that?

**Mr CAHILL:** The private and Catholic schools have to pay full fees now to TAFE to deliver. Very few of the school colleges can offer electrotechnology and increasing the amount of funding that TAFE now needs to charge those schools has gone up considerably under this model. You would have to ask the school sector what it has gone from, but I believe they now are charged the full \$13,100 if they want to do the certificate III as a part-time apprenticeship and the certificate II traineeship is I think about \$10,000.

**The Hon. CATHERINE CUSACK:** I understand that you have undertaken research from nine of the 11 current New South Wales RTO bids and your submission says that research would be available on 24 August 2015.

**Mr CAHILL:** Yes.

**The Hon. CATHERINE CUSACK:** Has that been completed and is that research that you could make available to our Committee?

**Mr CAHILL:** No. After consulting with a number of other people, it has been decided not to release that research. It was done in April and a lot of the information that was provided in there has subsequently been addressed following the new Minister's appointment. There have been a number of changes, so it was deemed that it was out of date and will not be released.

**The Hon. CATHERINE CUSACK:** Can you elucidate on what those improvements have been since the new Minister was appointed?

**Mr CAHILL:** Additional opportunities for RTOs to move out of restricted areas that they were given, the fees for trainees have been reduced so it is now \$1,000 for all traineeships. Some of them, especially in the health area, were exorbitant. There has also been additional pre-employment training places made available and part qualifications are now available as well under those programs.

**The Hon. CATHERINE CUSACK:** One issue you have raised is that some people were tendering to provide services, expecting that they would get a large number but then found that they were stuck with a handful of contracts in relatively remote areas, which they could have managed in the context of a bigger contract but were unviable in a small one.

**Mr CAHILL:** Unviable, yes.

**The Hon. CATHERINE CUSACK:** What has the impact been on trainers? Has that contributed to a reduction in the number of trainers?

**Mr CAHILL:** It has, and some businesses are no longer providing those services.

**The Hon. CATHERINE CUSACK:** Can you give a specific example?

**Mr CAHILL:** I think J. B. Hunter would be one in the Newcastle area. It was a small telco, only ever delivered in the Hunter region and I believe it was given a couple of places in the Riverina where it had not delivered before. So it just was not viable for them.

**The Hon. CATHERINE CUSACK:** So they folded?

**Mr CAHILL:** They have not folded but they do not offer in that area any more. They are only fee-for-service now.

**The Hon. CATHERINE CUSACK:** I said gas fitters. It is not gas fitters. What is the term I should be using?

**Mr CAHILL:** Gas supply.

**The Hon. CATHERINE CUSACK:** Gas supplies. If those courses are only going to be offered on the Tamworth campus of TAFE, how will they get work experience?

**Mr CAHILL:** They are apprentices. They are actually employed by Jemena. There are 14 currently; eight in second year and six in first year. They are all employed in Sydney at Pemulwuy and the training is like any other apprenticeship.

**The Hon. SCOTT FARLOW:** So they train in Tamworth?

**Mr CAHILL:** No. They do all their training in Sydney. Jemena pays an interstate RTO to deliver that training for them.

**The Hon. CATHERINE CUSACK:** So they are paying for?

**Mr CAHILL:** They are paying fee-for-service for someone to come from interstate to deliver the training.

**Dr JOHN KAYE:** Mr Cooke, you made the observation that, given the massive increase in the workforce in your sector that is required, there was no organisation other than TAFE that could pick up the slack in the time available. Would you therefore describe TAFE as a strategic asset?

**Mr COOKE:** Yes I would.

**Dr JOHN KAYE:** Would you therefore say that steps need to be made to protect the capacity of TAFE to increase its capacity or grow its capacity at the rate required by the anticipated workforce needs of your sector?

**Mr COOKE:** Yes, I think they are a key part, though there are some areas of expertise that TAFE does not cover so you would also have to look at some private RTOs probably to provide the coverage across the health and care sector for different jobs, but TAFE will be a key component to that.

**Dr JOHN KAYE:** In your earlier evidence you talked about a workforce plan. Part of the outworkings of that workforce plan would be to identify the assets that were needed to fulfil that and to take steps to do that. Do you think a competitive market would do that?

**Mr COOKE:** It would be more challenging. As I said, it is not a well-funded sector. The workforce does not seem to have political clout and the comment that it is not on anyone's agenda shows that it does not seem to be a high priority. So I think it would be difficult to do that. You need to promote the profile and provide the resources to support them.

**Dr JOHN KAYE:** Mr Cahill in answer to earlier questions from me said that we need to move away from the idea of just funding TAFE—if I am misquoting you here, Mr Cahill, please dive in before the Liberal Party does. He said we need to move away from straight per qualification funding and look at funding that recognised the greater role that TAFE undertakes. Would you accept that that would be important in the personal care sector, that it would be necessary to do the same?

**Mr COOKE:** If you look at probably some of the lower SES demographic and especially Aboriginal workers, they are predominantly serviced by TAFE, so the support required to remove some of the barriers to people moving off the unemployment queue or in remote areas or perhaps who are Indigenous, you need to provide a lot of support around numeracy and literacy, which is one of the other great unfunded areas in Australia at the moment that is holding our society back. TAFE generally does provide a wide array of supports for students that private RTOs with a more profit focus do not. Yes, I would agree that TAFE should be funded to provide some of those supports to remove some of the barriers to get people to move into employment.

**Dr JOHN KAYE:** And that funding should be ongoing. At the moment TAFE, for example, gets community service obligation money but that is up for review next year or the year after. They get operational base funding but the message coming through loudly from the Minister yesterday and earlier was that OBF was going to disappear over time. You would see that there is a need for secure ongoing funding to secure the future of TAFE?

**Mr COOKE:** Yes.

**Dr JOHN KAYE:** Dr Goodger, I saw you nodding your head. Would you like to comment on that as well?

**Dr GOODGER:** As you know the research is pretty clear on this. A lot of the students come from outer metropolitan, rural or remote areas. Because of the issue of thin markets, it is not viable to get other commercial providers operating in that space. Those TAFE assets need to be protected or supported in order to encourage students to come along, the barriers to each industry need to be reduced because those are the

workers who, once they come in from a rural, remote Aboriginal background they tend to stay because they are in their community. They tend to stay and therefore you do not have quite so much the churn and the burn that happens in our industry quite so much. That is why I was nodding in relation to that.

**Dr JOHN KAYE:** Thank you. That is a useful comment.

**The Hon. DANIEL MOOKHEY:** Mr Cooke, I will start with you but I would like to get everybody's input as well if we have the time. One aspect that we have been looking at is the quality assurance framework, both at a national level and at a State level, the national level led by ASQA and the State level essentially led by the contract framework that exists for the Smart and Skilled provider system. Can you tell us, not so much focusing on the ASQA qualification and certification aspect of it or the RTOs but the actual audit compliance enforcement aspects of ASQA's responsibilities, how well they do? We have heard a lot of evidence that suggests that the prime enforcement strategy of the New South Wales Government relies upon ASQA led enforcement. Can you give us a sense as to whether you think that is good, bad, indifferent, needs to be improved, or how it could be improved?

**Mr COOKE:** With regard to ASQA, I cannot comment on Smart and Skilled in this State, but ASQA compliance and regulation is a difficult space and they picked up seven State groups and had to merge them together. They are really only in three years of life and they have only just gone through their first review cycle of all the RTOs that are registered with them. I would generally say they are doing a good job in the legislation framework—

**The Hon. DANIEL MOOKHEY:** Do you think they are resourced—

**Mr COOKE:** They got an extra \$48 million over three years last year. They could always use more resources. It just depends on what the cost benefit is on how much more you give them. Generally, I think they have weeded out a number of providers, some of the renewals. I was sitting through a session with the chief commissioner a couple of days ago and some of the statistics he showed were quite compelling; they are having an impact and they are improving quality across the sector. I would say that ASQA is doing a good job and is improving year by year, and I think they will improve into the future as extra resources kick in and as their experience level picks up.

**Mr CAHILL:** I would agree with that. ASQA's change of funding recently has allowed them to do additional audits. Before they had to gain their money through doing assessments of RTOs and there was no funding in it for them to go and chase the bad guys. That has now changed and I think they are doing a much improved job at the moment. I can comment on the quality outcomes for New South Wales. While we had some concerns as to who was provided with the qualifications in the first place, and there are probably reasons behind that, as an ITAB we have reported problems to State Training Services and State Training Services have acted quickly on any of our complaints in those areas.

**Mr DWYER:** I will comment more generally on ASQA. They have been around for three years or four years and I think more generally they are doing quite an effective job in that space. I think their statistics indicate—well, there have been 500 fewer RTOs out of 5,000 that are either no longer registered or I think some of them have voted with their feet and moved out of the space. Some of them have been rubbed out. One aspect from where I sit in the space I have been in for the past 25 years is that they tend to use a one-size-fits-all approach and from where we sit from an organisation that operates across State and Territory boundaries they do not seem to put any real heat into what level of funding is provided for various qualifications and the variations across State and Territory lines, and they can vary to the extent of not a couple of hundred dollars—it can be thousands of dollars.

The expectation is that when the regulator steps in they actually audit people on the basis that it is actually a level playing field and, sadly, in many instances, in many industries and many qualifications it is not. When you can have a variation of \$3,000 or \$4,000 across jurisdictions in what is paid, you are doing the best that you can in your State and Territory and you may be found out or the regulator might pick you on this or that point but somebody in another State might be getting ten grand to your six and they are being assessed, by and large, on the same basis. I think that area of inconsistency in the funding approach more generally needs to be addressed.

**CHAIR:** That has been very helpful. Thank you very much for presenting to the inquiry today. If you have taken questions on notice you have 21 days to reply and the secretariat will help you with that. Committee

members may forward to you further questions, given your evidence today. You have a wide range of experience and we have learned a lot about what we can be doing. We will certainly take up some of your concerns on your behalf and that of your industry.

**Mr COOKE:** Thank you for the opportunity.

**(The witnesses withdrew)**

**(Luncheon adjournment)**

**MARK GOODSELL**, NSW Director, Australian Industry Group, and

**GAIL SILMAN**, Education and Training Advisor, Australian Industry Group, affirmed and examined:

**CHAIR:** Thank you for attending the inquiry this afternoon. Would either of you like to make an opening statement?

**Mr GOODSELL:** Thank you. I just draw the Committee's attention to the fact that we have made a submission on this. By way of background, Australian Industry Group's [AIG] membership is in what I would call the middle part of the economy, centred on manufacturing but not limited to that. That has a long and very important engagement with vocational education and training, particularly through the apprenticeship and traineeship system. It is the lifeblood of skills that the industry relies on, although the nature of that engagement has changed as technology and economic circumstances have changed.

I will just summarise the submission we have made and some of our recommendations and key observations. Some of them go to important issues about preparation of young people or entrants to the VET system in terms of their understanding about the labour market conditions that they will come out into with particular qualifications and making sure that as far as we can we match people with a course of study that they will engage with rather than finding out that it is not really their patch halfway through. We identified the important issue for our industry of stem skills, which is an issue that emerges from school education; it is not limited to vocational education but is an important prequalification issue for many of the skills that we require. We think that there is important work to be done on improving the articulation of VET and higher education. I do not think that is a surprising comment but what is happening with our industries is that their skill needs are increasingly blurred as to whether it is an engineer or a tradesman that you need and better articulation in that area will lead to better outcomes.

It is not a black-and-white clear line as far as the companies are concerned about what is the best training provider for them. Particularly as their skill needs go up the curve, their need for tradesmen is now increasingly a need for higher skilled tradesmen, advanced trades, and with the technology that they are working with, there is a big crossover with engineering and higher education outcomes. It is really important that we manage that division, or lack of division as we see it, that should be between VET and higher education. We also observed that there are important support issues for VET students, particularly how easy it is for them to get to their training provider. We know from personal experience from our members that that can often be a make or break issue for whether somebody either starts or continues with vocational education, a traineeship or an apprenticeship.

Finally, in debates about funding, we do see sometimes a rather simplistic argument about the amount of funding. We are much more concerned with the quality of outcomes that come from VET funding, not just the amount of money that is put into it and we are not supporters of putting more money into a system that is not producing good outcomes. We would much rather there was a concentration on both issues—the volume of funding and also the quality of the outcome from that funding because we understand that we live in fiscally constrained times. The Government has a lot of calls on its public purse and we are not naive enough to join the queue of people saying, "Please spend more money on us and ignore all the other people asking you for money" because, indeed, in other areas we are asking you for money too. It is about quality outcomes and for us even the issue of vocational education starts misses the point that it is really vocational education completions that is important and if we can see an outcome where there were less starts but with a high completion rate, that would be a better outcome for us.

**The Hon. SCOTT FARLOW:** Firstly, thank you for not coming here and asking for more money on this occasion at least; it is much appreciated.

**Mr GOODSELL:** Is it on offer?

**The Hon. SCOTT FARLOW:** I want to go to part of your comment about outcomes. As the TAFE system has continued in its form for quite some time, from an industry perspective what have you found about the outcomes that are being coming through the TAFE system in New South Wales, particularly in comparison to other States?

**Ms SILMAN:** I think our members have been quite happy with their outcomes in terms of apprenticeships and traineeships. I would not comment on the other States at this stage but I do think that feedback from our members is that they are happy. We have written in the paper that our members are big users of the TAFE system historically and they are loyal as well but that does not mean that they do not want some changes as well.

**Mr GOODSELL:** There is traditionally a very strong relationship between our industry and the vocational education system and TAFE and they are often spoken as if they are the same thing but of course they are not. Where there is a bit of frustration with TAFE, I think it comes from its flexibility and its ability to change. Now some of that we know they inherit from the system that sits behind them that determines training packages and things like that. TAFE and other training providers are the deliverers of a system that is much more than them but they often get blamed for some of the systemic issues that stand behind them so if the training packages are not updated frequently to reflect the latest technology, then TAFE gets blamed for teaching the wrong things but it is not actually their fault; it is actually the training package development, so anything we say about frustration with TAFE or any other training provider needs to be read that they are the front for a broader system that probably needs to be more flexible.

**The Hon. SCOTT FARLOW:** But you found that broader system to not be reflective of what industry needs at this stage?

**Mr GOODSELL:** There is an emerging tension that the pace of change in technology is outpacing the system's ability to keep up with it and that is not anyone's fault. I think even people in the system know that this is an issue. We recently hosted some visits between some people from TAFE to go and talk to some companies because they were saying, "How can we get better integrated with you because we are finding that by the time someone finishes their apprenticeship, the technology that we started training them on in the beginning has gone?" It is a systemic issue. It is not a blame thing. The system needs to make a systemic response to the fact that technology is changing; it is becoming more integrated.

Companies that traditionally might have been a sheet metal company are now doing all sorts of weird things with sheet metal, plastics and 3D printing. They need to do that to stay in business in a more open economy so there is a challenge for the whole vocational education system to mix the importance of having quality outcomes, quality control—those kinds of things—and looking after public money with a nimbleness to actually meet industry needs in circumstances where industry cannot always articulate its needs say in three or four years time. That is a challenge for the whole system.

**The Hon. SCOTT FARLOW:** From your feedback from industry, are your members finding that private providers are any more responsive or nimble than TAFE?

**Mr GOODSELL:** They do not have a lot to do with private providers in their core apprenticeship and traineeship business. I do not think the courses that our members look for in those areas, because they are quite high cost, are as attractive to private providers. They use private providers for other vocational and training needs and I think they probably find the private providers a little bit more responsive and nimble but they like the quality that they have got out of TAFE traditionally, although that is under a little bit of challenge because of keeping teachers up to date, et cetera. I think they see it as horses for courses. I do not think they say one is better than the other; they are just different purposes.

**The Hon. SCOTT FARLOW:** What do you think TAFE can do to tie in better with industry's needs and demands and to be more nimble? What constructive things do you think TAFE could implement to address some of those issues?

**Mr GOODSELL:** I think a key foundation—and I have spoken to TAFE about this—is to know what they do not know. They have not had to have a very good business development engagement model. They have done it in a certain way but the current circumstances require them to have a much more modern way of engaging with industry and they need to develop that capability because I do not think they innately have it. They have not needed it, so it is not surprising that they do not have it. In other contexts you would call it design integration, a co-design type thing—being able to spend time with your customer, see the world from their point of view and then present your offering in a way that meets the needs of the customer rather than the traditional approach that lots of industries have taken, "Well, this is what we make here. Go and buy it"—the Henry Ford, "I make it in black. You take it."

There is still an element of that. I think TAFE realises that model does not work anymore but because they have not had it in the past, they really do need to work on the capability to know what good engagement feels like, looks like and sounds like because unless you have done it, it is very hard to know that you are doing it well.

**Ms SILMAN:** I was going to say that greater industry engagement is what they want. Employers love it when TAFE comes out and walks around the factory. They do; they get engaged.

**The Hon. SCOTT FARLOW:** So on-site engagement, understanding their needs?

**Ms SILMAN:** Yes, understanding the needs. It will be difficult for TAFE to ever afford the level of technology in the workplace that some of our members have, so there is a need for greater engagement, going into the workplace to see what the technology is and adapting that way. Blended learning, learning delivered on-site as well as in the classroom, is the way to go.

**The Hon. SCOTT FARLOW:** Thank you.

**The Hon. CATHERINE CUSACK:** Thanks very much for coming today. In your submission, in response to the term of reference about students choosing to become apprentices, you refer to research from the Australian Constructors Association. The figures are fascinating. They break down apprentices into categories and find that 30 per cent are the contented stayers, those who enter their trade with a positive attitude and are motivated but are only there because it is positive. Your submission says:

The 'Accidental Apprentices' (20%) are those young people who just fall into VET studies, either because they missed out on university, couldn't find direct employment and decided to try an apprenticeship. Finally, there are the 'Square Pegs' (24%); students who do not match the apprenticeship of their choice.

We have heard evidence that non-completion is very expensive to business. It is also destructive to TAFE's finances when that occurs. You seem to suggest that there needs to be a better gateway, such as careers advice. Would you give us some suggestions as to how we might go about that? Are you suggesting that that occur in the school environment or should there be pre-assessment or streaming for people who want to do VET, to assist the institutions to know what their literacy level is and what their aptitude is?

**Ms SILMAN:** It is pretty much all that you have just said. Some of the research came from the Board of Vocational Education and Training report entitled "A Fair Deal". That was recently backed up by the research of the Australian Constructors Association. It is about the provision of career information at school. I do not want to slam careers advisers. Everybody has a go at the careers advisers, but they are the only ones who are involved in this process. Parents need to be better informed, as do teachers. Certainly, the information should start at school about the requirements for vocational education and training, apprenticeships and traineeships.

We talk about science, technology, engineering and mathematics in our submission. Many young people do years 11 and 12 before entering an apprenticeship now. In the past they would have left in year 10. That is the level of mathematics that they need now to enter an electrical trade, for example. Any traditional trade requires a certain level of mathematics. It needs to start in school. There needs to be better information. There needs to be a collaborative approach between industry and schools at the local level. That is where real engagement can happen. Often employers will choose the apprentice that they want. I am reluctant to say that we should screen people out. Often people take their own children on as apprentices. TAFE cannot say to them, "No, you cannot have that person as an apprentice."

Better screening at that point for their levels of literacy and numeracy would certainly assist apprentices through their apprenticeship and trainees through their traineeship. Once you have a benchmark then you can provide additional service to help them get through the apprenticeship. We have good people once they get into the apprenticeship. They may not have been engaged at school, so their levels of literacy and numeracy might be lower than you would like, but they will make very good tradespeople and technicians further down the line. It is about providing them with an opportunity. Would I recommend some sort of screening? Yes, but so that it can assist the young person through the process.

**The Hon. CATHERINE CUSACK:** Is it possible to get a copy of that research?

**Ms SILMAN:** Yes, absolutely.

**The Hon. CATHERINE CUSACK:** That would be lovely. It is a bullseye for that term of reference. Thank you very much for agreeing to provide it. Mr Goodsell, you are a member of the Skills Board, as I understand it.

**Mr GOODSELL:** Yes.

**The Hon. CATHERINE CUSACK:** Are you able to answer any questions about that or would you rather not?

**Mr GOODSELL:** I would prefer not to. I am here and as the Director of Australian Industry Group. I am appointed to the Skills Board as an individual, so I would prefer to talk only about our members' view of the system.

**The Hon. CATHERINE CUSACK:** Okay. Thank you. They did not make a submission. I was interested to hear their view, but I will respect that.

**The Hon. LOU AMATO:** During the inquiry we have heard concerns, including from the NSW Business Chamber, about the literacy and numeracy levels of school leavers. It seems that the standard drops between leaving school and entering TAFE.

**Ms SILMAN:** It is interesting, is it not? We are responding to the feedback from our members. When they assess young people for apprenticeships and traineeships, we get constant feedback about the standard of applicant. It could relate to a number of things. It is not like it was 30 years ago.

**The Hon. LOU AMATO:** We are talking about year 11 and 12 standards.

**Ms SILMAN:** Yes. It is a concern. You would possibly have heard from some group training organisations. They pre-test before they take people on as apprentices and trainees. They are concerned about the number who do not pass the maths test. Trainers in the electrical trades certainly express that concern.

**The Hon. LOU AMATO:** Those people have been through higher education, but they are not at the same level as they were in years gone by. In the past, when people finished year 10 they had a better level of education than they do when they finish year 11 and 12 now. That seems to be the general perception.

**Ms SILMAN:** Yes.

**Dr JOHN KAYE:** Point of order: It is our time to ask questions.

**CHAIR:** Yes it is, but this is an important point. The evidence is about the literacy and numeracy levels. Ms Silman, do you want to complete your comment before we go to questions from Dr Kaye?

**Ms SILMAN:** I was talking about the feedback from our members.

**CHAIR:** The feedback is that there is a gap between the level of literacy and numeracy and expectations.

**Ms SILMAN:** Yes. I would not want to comment on what is happening at school.

**CHAIR:** That is fine. There is enough evidence in the newspapers about that.

**Dr JOHN KAYE:** Your predecessor organisation was the Metal Trades Industry Association, was it not?

**Ms SILMAN:** Yes.

**Dr JOHN KAYE:** Its predecessor I think was called the Iron Industry Association. I suspect that if we had been having this conversation in this place in 1890 we would have heard exactly the same thing being said. It is always better in our parents' generation than it is in our generation. Can I ask you about the Gateway process? We heard evidence from a non-government provider in Newcastle who was very proud of the exceptionally high completion rate. It sounded great until he explained to us that he screened every student

coming in and flicked off those who would not make through his qualification. Screening means that you are shutting the door on equity. How would you balance completion rates—we all want higher completion rates—and the equity of allowing people who come in without the best preparation and perhaps not even fully formed motivation but who will develop those skills once they are in education and training and will develop that motivation as a result of exposure to the workplace?

**Mr GOODSSELL:** The answer to that lies in being aware that that is what you need to do. You need to have a much more discerning process on the way in and throughout the vocational training. It should not be seen as a process where you go in through a door and something happens and you come out. It is about making sure that people who go into vocational education have as much information as possible about what is required of them and in general terms what the labour market issues are when they come out with the classification. There is a paradox at this point, particularly for young people. On one hand we tell them that they can do whatever they want with their life. On the other hand, we want to look after taxpayers' money and employers' interests by making sure that there is a perfect match between every trainee and every employer. That is a societal issue. We do not want an Eastern European system of putting a tick against everybody and saying who will be a doctor and who will be something else. This is a subset of that problem.

Information is important. We make that point in our paper. It is important to make sure that people know what they are getting into. The feedback we get is that the single biggest cause of non-completion of apprenticeships is that people did not know what the job was. They did not know what they were getting into. Anything we can do to open their eyes about what they are getting into is a good idea. The problem then is that they want to get into it but they are not prequalified in the sense that their maths or literacy is good enough. It needs to be articulated that that will be a challenge for them. I agree with you. We recently had the experience where a young apprentice in our group training scheme was really struggling with the TAFE studies but was a brilliant apprentice. We found a way through for that person. They were able to take their exams in a different way and they have become a good tradesman. They were struggling with the more formal parts of the apprenticeship.

If the system can identify the opportunities and do something for that person, that is helpful. There are three issues. One is information. One is the issue of raw capability. The third issue is that they can get through if the system is flexible enough to help them. If we identify that they are the three issues that we need to recognise and the system has a response to them, we can do a lot about completions.

**Dr JOHN KAYE:** Thank you for that answer. Do your members see TAFE as a strategic asset, separate from private providers in the market? Do they see the survival of TAFE as an entity as an important strategic asset for their industries?

**Mr GOODSSELL:** The answer to that has to be yes. It has been thus for so long that I do not think many of them could conceive of it in any other way. It is not just a perception. They feel that it is a strategic asset for them.

**Dr JOHN KAYE:** If it were true that the training prices or the competition in a particular market were undermining the viability of TAFE, would you support a separate kind of funding for TAFE?

**Mr GOODSSELL:** If there was clear evidence that the funding model was the problem then we would be silly to do otherwise. We are not getting unambiguous evidence that the funding is the issue.

**Dr JOHN KAYE:** Would the loss of 2,300 employees in four years be a sign of a system in trouble?

**Mr GOODSSELL:** It would depend on how many there were to start off with, what value they were adding on the way through and the value that the employers saw. I cannot answer that. Many of our members have lost that number of employees and would probably say that they are better businesses at the end of the process than they were at the beginning.

**The Hon. LOU AMATO:** That is a very good point.

**Dr JOHN KAYE:** They might well say that. Mr Goodsell, in your introductory remarks you said you are not asking for more money; you want more completion and smarter use of money. Page 5 of your submission says:

Vocational education and training funding needs to be increased to meet the needs of industry.

I am confused. What message are you sending us? Do we need more money or do we not need more money? You have written that the funding needs to be increased to meet the needs of industry. On the other hand you are sending us the message that it does not.

**Mr GOODSSELL:** The proper interpretation of that submission is that funding needs to match the needs of industry. Assuming there is an expanding economy, we would expect that the money going into vocational education to support an expanding economy and expanding skill need would be continued.

**Dr JOHN KAYE:** But would it not be true that in an economy that was not expanding or not expanding at the rate at which you would want, your members and society in general would be looking for more skills to feed into growing businesses to grow the economy? There would be an argument to grow the capacity of the vocational education and training sector in both situations.

**Mr GOODSSELL:** It comes down to whether you see this as a supply driven thing or a demand driven thing. There is a tendency sometimes in this debate to say that if we train more people they will get more jobs. That sometimes works at one level but it does not work at another level. It is not as simple as: we will train more people, therefore there will be more employment. We know that that does not always happen. Sometimes in the political debate you suspect that training is an alternative to saying that people are unemployed. I have just come, this morning, from a roundtable discussion on Aboriginal economic development. It was very good.

There were businesspeople, Aboriginal affairs people and Government people there. Someone made the observation that some Indigenous people had been trained in six or seven different trades but still did not have a job. It is about matching. Our experience with the traineeship system and the apprenticeship system has been good because there has been parallel employment and training. Maybe that clouds our view of the issue but this model works for us, because there is no doubt that there is a job for the person who is being trained.

**Dr JOHN KAYE:** You equated more money with more people trained. I was talking more about the quality of skills. You said that more money would be for more skills. Is it not also true that more money could create higher quality skills, more flexible skills and more apposite skills?

**Mr GOODSSELL:** I think that is more a function of the capability of the organisation. There is an issue about the technical capability—the type of machinery that TAFE can access—but that may be chasing a truck that is going away at a faster rate than TAFE can run, if it tries to do that across a whole range of areas. TAFE has to understand its core capability. The capability of engaging with industry and understanding industry's needs we see as a core capability. It has not always been in the right form or in the form that is needed now. Secondly, there is the capability of being able to help people absorb new skills. That may not require more money; it may need different people or a different mindset about the organisation.

**CHAIR:** One of the comments was about matching jobs with training. Concerns were expressed in some evidence we had earlier from the health sector, where we need a million jobs by 2050. If you do not have a Government that is focusing on all those needs—the view of the person given the evidence was that planning had not been done to train for those jobs—basically one of the pillars will be left out of the building in terms of job matching and job training and skills. Would you have a concern that there may be cracks where the Government is not particularly focused on key industries—such as the health industry—and are therefore not producing traineeships for potential healthcare workers?

**Mr GOODSSELL:** Labour market forecasting is often seen as more risky than foreign exchange forecasting.

**CHAIR:** This is forecasting where we know that we are going to have an ageing population and we know that GDP is going to health care.

**Mr GOODSSELL:** The answer is yes. The system—government and industry—needs to have a time horizon that allows for skills to be developed. Therefore you need to look out five years, 10 years or whatever it is, in terms of the infrastructure you put in place. As I said earlier, you are still juggling with this. You still have to get a group of people who want to go into those industries.

**CHAIR:** This is my point. We need to job-proof all industries, not some industries.

**Mr GOODSSELL:** One of the issues that we have discussed internally is that a lot of people start a qualification but do not finish it. They do not get anything. They do not even get any acknowledgement of the set of skills that they may have obtained, which could be quite useful in another area. That is another area that the system could concentrate on. If people do not complete a qualification, or if they do and there are no jobs, we need to examine the kinds of skills they have learnt because to say to them, "You have nothing," is counterproductive.

**CHAIR:** Absolutely.

**Mr GOODSSELL:** I think it would be useful to say, "In the course of doing that level of training you have learnt a lot of things." I think we need a workforce in the future that accepts that it is going to have to keep learning a lot of things.

**CHAIR:** I just put on the record that organisations like the YWCA are doing that in their Links to Learning program, where they are just doing simple coffee training for kids who are never going to engage in university but who can obtain that set of training. You are right; they are just adding to those kids' lives a set of skills. It may not be where they go, but at least it is a start.

**The Hon. GREG DONNELLY:** Thank you both for coming along this afternoon. I wish to pick up one of the points you made earlier, Mr Goodsell, about the rate of change and the issue of TAFEs perhaps struggling to keep up with the investment in machinery and technology and related matters to enable them to train to the highest standards required by industry. You used the analogy of the truck accelerating away.

**Mr GOODSSELL:** Yes.

**The Hon. GREG DONNELLY:** Does that agitate the scenario that, looking into the future as far as we can, there will be a greater need for TAFE to engage more thoroughly with industry and employers, and take training out into workplaces perhaps more than they do now? Would that be your submission?

**Mr GOODSSELL:** It would, yes. In fact, that has been happening. Some of our members have effectively had a division of TAFE set up in their establishments because they had great machinery, a commitment to training and enough apprentices to run a class. I think in some cases, they took apprentices from other workplaces.

**The Hon. GREG DONNELLY:** Can I just pause you there? In that scenario—feel free to give us a specific name if you wish; that is up to you—did the employer or the business find that TAFE were very open to being engaged and to set up that sort of scenario and co-operate?

**Mr GOODSSELL:** I believe so. I do not know how hard they—

**Ms SILMAN:** I am quite familiar with that.

**Mr GOODSSELL:** The company is no longer under the same ownership. It was Broens—an aerospace and automotive high-end engineering company in Ingleburn. I think they are now owned by somebody else. They were very good at getting the most out of TAFE. They had an unusual skill set to do that. They were quite on the front foot about it. Most companies, I think, tend to approach a big institution like TAFE and cop what they get.

**The Hon. GREG DONNELLY:** It is quite niche.

**Mr GOODSSELL:** They were on the front foot and they said, "This is what we want," and "Can we do this?" They were entrepreneurial about their relationship with TAFE, whereas a lot of other entrepreneurs are entrepreneurial about their markets but they think TAFE or any other Government department is something you cannot tinker with, because that has been their experience. So it took a bit of effort, I think.

**Ms SILMAN:** We have other examples. One organisation did a \$5 million plant upgrade. TAFE were in there at the workplace looking at the level of technology that was so high that it did not exist anywhere in Australia. So they did adapt. They delivered training on site and the organisation was very happy with that. There are some very good examples of that.

**The Hon. GREG DONNELLY:** That shows a cutting edge to TAFE. Thus far we have not been presented with a lot of evidence about that. To engage with companies at that level and then to deliver training to those sorts of standards is pretty impressive.

**Ms SILMAN:** We have other examples of TAFE delivering. I think that people do have that view about TAFE but I know of some instances out in Western Sydney where TAFE was delivering to all the shifts. So if the company was running on a 24-hour cycle TAFE turned up at 3.00 a.m. and delivered on that shift.

**The Hon. GREG DONNELLY:** That certainly shows a flexibility and adaptability, does it not?

**Ms SILMAN:** There are pockets of very good examples.

**Mr GOODSSELL:** It might not be fair to say, but it smacks of exceptions that prove the rule, in a sense. Some of these things happen. They are not isolated examples; they require particular people in TAFE with a particular access to decision-making and funds to do certain things. You would not say that it is an across-the-board attribute of TAFE.

**The Hon. GREG DONNELLY:** No.

**Mr GOODSSELL:** Like any big organisation, there are some parts of it that are doing things really well. Parts of TAFE are leading the organisation and saying, "Look what we are doing; it actually works." Other parts of TAFE are waiting to see whether anyone does it, to see if it works. Frankly, parts of TAFE are probably doing it and not telling anybody they are doing it.

**The Hon. DANIEL MOOKHEY:** Firstly, I concur with my colleagues in welcoming you. I would like to set the scene about where you are at and where the manufacturing sector which you represent is at. I presume that your tendency to emphasise quality of training stems, somewhat, from the fact that competitive and comparative advantage of Australian manufacturing is now, in large part, to do with labour productivity.

**Mr GOODSSELL:** Yes.

**The Hon. DANIEL MOOKHEY:** A lot of your businesses operate in the global market place and are part of the global value chains so your ability to attract investment upgrades is, in large part, very dependent on the quality of your human capital.

**Mr GOODSSELL:** It is—productivity and innovation. Those are two separate concepts.

**The Hon. DANIEL MOOKHEY:** They are two things. They are related, of course.

**Mr GOODSSELL:** Yes.

**The Hon. DANIEL MOOKHEY:** You were talking about the quality aspects of the framework. Your sector has undergone a pretty dramatic transformation in terms of structural decline and re-emergence, I would say. Is that true?

**Mr GOODSSELL:** Yes.

**The Hon. DANIEL MOOKHEY:** It has gone from roughly 15 per cent of the labour force in 1995 to roughly 6 per cent in the last year?

**Mr GOODSSELL:** I think it is a bit higher than that, but it is going through structural change as a result of globalisation, energy crisis and a whole—

**The Hon. DANIEL MOOKHEY:** In general, the sector has gone up the value chain, and it is now less around volume, and far more around speciality manufacturing. That is where a lot of growth is in the sector. You were talking about the interaction between stem skills and—

**Mr GOODSSELL:** Yes. You are talking in broad generalities. It can be dangerous to do so because there is quite a complex mix. What we call manufacturing is very diverse—

**The Hon. DANIEL MOOKHEY:** We often do trade in broad generalities here.

**Mr GOODSSELL:** I will allow you to do it in this case, because it is reasonably fair to say that going up the value chain is the short-hand description of the challenge that faces most manufacturers.

**The Hon. DANIEL MOOKHEY:** Are a lot of your manufacturers regional based?

**Mr GOODSSELL:** No. Probably half our membership is in Western Sydney.

**The Hon. DANIEL MOOKHEY:** Is that where half the manufacturing sector is concentrated?

**Mr GOODSSELL:** There is an awful lot of Australian manufacturing in Western Sydney. Do not tell the Victorians and South Australians that.

**The Hon. DANIEL MOOKHEY:** No, that is fine. We are allowed to be parochial; this is a State Parliament. With respect to the contraction of TAFE campuses do you think, in net terms, that that is going to aid the employers to interact in the manner that you have just spoken about or detract from that?

**Mr GOODSSELL:** We would be alarmed if TAFE was not reforming itself and changing shape and even changing location. Every time a TAFE facility ceases to operate there is some angst, particularly from the companies who use that campus. But generally our members appear to have broadly gone with the flow in terms of going to where the capability has congregated.

I understand that the Chullora facility in Western Sydney was a large facility but was very hard to get to. A lot of people had trouble using it because it was in a transport dead zone, particularly for young people. Those are the kinds of decisions I am talking about. Something may have a lot of shiny machines and bright lights but if people cannot get to it, it would be a good idea to use your resources more efficiently. There is some angst that there has been a consolidation. There are some courses or some trades which can only be done in one location in Sydney or at one location in the State, but, by and large, our members seem to have absorbed that.

**The Hon. DANIEL MOOKHEY:** In the three minutes left to me I turn to the quality aspect of the framework to which you were referring earlier. Do you think in general the system is being designed around quality? Is that the sort of feedback you are getting or has your involvement with the system been a bit more distant to allow you to form an opinion?

**Mr GOODSSELL:** I think quality of training outcomes is something I see recognised in pretty much all the training systems. Whether we are getting it right or not is another issue, but I see it certainly as a priority. Because I think everyone who understands vocational education understands that if you are not producing quality—and quality in the sense of not doing the best thing; not giving everyone a Rolls-Royce but giving those who want a Holden a Holden and those who want a Rolls-Royce a Rolls-Royce. So giving people what they want when they want it, and in the form that they need it, produces value for them.

I think broadly speaking people in the vocational education system in New South Wales understand that unless you have that as a priority then you are dealing yourself out of the game. Whether we are responding to all the market pressures and changing quickly enough to keep that priority satisfied is a separate issue, but I do not fear that it is not seen as a priority.

**The Hon. DANIEL MOOKHEY:** For example, are you a registered training organisation?

**Mr GOODSSELL:** We are.

**Ms SILMAN:** We do have an RTO, yes.

**The Hon. DANIEL MOOKHEY:** Presumably a lot of your members use RTO services or buy RTO services?

**Ms SILMAN:** Yes.

**The Hon. DANIEL MOOKHEY:** Have you had any feedback from them as to their experiences over the past nine months, since the start of the Smart and Skilled program, or were the comments you were making more of a general nature?

**Ms SILMAN:** Some of our members may not have even noticed that there was a change. If they have taken on apprentices in the past they will send them down to the local TAFE. They sign up and do whatever they have done in previous years. We have not had a great deal of feedback at this stage. I think it is fairly early in the process and I know that it is under review. I would be more interested to see what comes out of that review down the line, if you like, but I have not had any feedback. Certainly AI Group was consulted in the period leading up to Smart and Skilled. So we did have some input in that and quality was one of our concerns.

**The Hon. DANIEL MOOKHEY:** Did your RTO apply for a contract or participate in an application process at all?

**Ms SILMAN:** Yes, it did.

**The Hon. DANIEL MOOKHEY:** Was it successful?

**Ms SILMAN:** Yes, it was.

**The Hon. DANIEL MOOKHEY:** What training does it provide?

**Ms SILMAN:** Mechanical engineering, fabrication mostly in the Riverina area. I am now struggling to think of the other things they might have on their scope.

**The Hon. DANIEL MOOKHEY:** You can take the question on notice.

**Mr GOODSSELL:** It is a separate part of the organisation.

**Ms SILMAN:** It is, yes.

**The Hon. DANIEL MOOKHEY:** If you could take that question on notice it would be great.

**Ms SILMAN:** Yes.

**CHAIR:** Did you get a 2015 Smart and Skilled Contract Application Feedback Summary? If so, would you supply the Committee with a copy on notice?

**Ms SILMAN:** Separate to the—

**CHAIR:** One of the other witnesses had one.

**Mr GOODSSELL:** This is as an application for funding?

**CHAIR:** Yes.

**Mr GOODSSELL:** I do not know.

**CHAIR:** Would you please check.

**Ms SILMAN:** To see if our RTO received that?

**CHAIR:** Yes.

**Ms SILMAN:** Okay, but as Mark said they are a separate part of the organisation.

**CHAIR:** I would be interested to see what sort of feedback you got. Thank you for your evidence. You have 21 days in which to answer any questions taken on notice. The same applies to any additional questions that may be asked of you by Committee members. The secretariat will be glad to help you if you need further assistance.

**(The witnesses withdrew)**

**IAN BAKER**, Director, Education Policy and Programs, Catholic Education Commission NSW,

**SUE WATTS**, VET Manager, Catholic Schools Office, Diocese of Lismore,

**GEOFF NEWCOMBE**, Executive Director, Association of Independent Schools of NSW Ltd, and

**DARRYL BUCHANAN**, Director, Professional Learning, Association of Independent Schools of NSW Ltd, sworn and examined:

**CHAIR:** Would any of you like to make a brief opening statement?

**Dr NEWCOMBE:** Yes. Thank you for the opportunity to lodge a submission and to appear before the Committee. Next to me and to my right is Mr Darryl Buchanan, director of Professional Learning at the Association of Independent Schools of NSW Ltd [AISNSW]. In his portfolio he is responsible for vocational education and training. I am sure that he will be able to answer any questions I am not able to. In addition to the information in our submission may I add that AISNSW has successfully managed a registered training organisation for more than 20 years; there are 13 courses on its scope, 12 of which are currently delivered in schools. Hospitality is the most common and 46 per cent of vocational education and training students are doing that course.

There are 78 independent schools in the RTO and of these 71 per cent have a socioeconomic status [SES] of less than the median 104—so they are relatively low SES schools. Approximately two-thirds of independent school students complete their VET studies within their own school. Of the students from the 103 independent schools who access externally delivered VET courses some 73 per cent have an SES of less than 104. In the AISNSW submission comment was made about the overall value of VET courses to students and the value of learning new skills particularly of a practical nature. This value has broadened even more following the raising of the New South Wales school leaving age in 2009.

VET in schools is not new to the non-government school sector. The sector has been a player in this space for many, many years and we intend to grow our involvement. The standards of VET provision in non-government schools are of the highest quality and compare favourably with those of external providers. It is worth quoting from the Australian Skills Quality Authority [ASQA]. In November last year AISRTO had a registration audit. The ASQA report stated:

Following the site audit (at 10 independent schools), the auditors noted the excellent facilities and equipment available to students during their studies. The auditors also noted the initiative to develop consistent assessment tools in independent schools across the RTO. The auditors also recognised the professionalism, enthusiasm and commitment of all staff in the audit process.

Despite this glowing report there are some significant barriers to schools, teachers and students accessing VET courses. These barriers extend beyond those of non-VET courses; many of them centre on cost. For example, the rising costs both of initial teacher training and of professional learning in response to changes by industry to training packages. These costs are partially offset by funding from the NSW Skills Board—around \$1 million—but as the professional learning needs of teachers to retain currency keep increasing there is little funding left to support schools with other costs.

AISNSW also receives funding, again around \$1 million, from the NSW Skills Board to subsidise externally delivered courses. On average when distributed to schools this funding amounts to \$670 per course to support only one course per student. That will vary on the number of students who are doing VET courses in that year. In many cases the additional cost of these courses is being paid by parents in independent schools. From 2016 parents in independent schools will pay the cost of the mandatory work placement. These costs previously were met under a Commonwealth national partnership, which has now been discontinued. While this funding was supposedly paid to schools through the new funding model—the Commonwealth funding model—with the loss of targeted and other programs, and the additional "drip feed" of the new funding model, the same quantum of funding simply does not now exist.

The other area of concern is rural and remote schools. While our sector views the reform of TAFE as timely and appreciates the transparency around the new charging model, and acknowledges that there will be both increases and decreases in course charges, it is critical that a continuing VET presence in rural and remote schools be established. We hope that the reform agenda is sensitive to this very important issue. Chair, I wish to make a correction to our submission. On page 11 we commented on the certificate II course in construction

pathways. We stated that under the new model the cost would increase by \$2,397, it should have been \$1,377. It is still significant but not as much as first stated. Finally, I just restate the AISNSW recommendations: funding for VET in schools, at the very least, be maintained but, as importantly, certainty be given to this funding through a minimum three-year funding agreement, and additional funding for teacher professional learning be considered; and funding for externally delivered VET be increased to reflect increased course costs where appropriate, particularly in rural and remote areas. Thank you.

**Mr BAKER:** Many of the issues are common across the three school sectors; we work closely together and I will not repeat many of them. But I do want to contextualise the submission, which I will let stand and happily answer questions on. First of all the commission does not own or operate schools; it represents the people who own and operate Catholic schools in New South Wales. The commission is not an RTO. There are nine Catholic school sector RTOs in New South Wales and that explains the sort of brain trust seated behind me—Vince Connor, the chair of our vocational education advisory committee from the Bathurst diocese, and Gerry Delaney, our State coordinator for VET.

Catholic schools come to this discussion about VET with a long history, as indeed would the three school sectors in New South Wales, but it is worth reminding ourselves of the history—as Goethe said, "Those who don't learn from history get to relive it." Before the Wyndham report was implemented in the mid 1960s there was a network of Catholic technical high schools across New South Wales. Indeed, there was a network of government technical high schools.

The Wyndham Scheme what it brought with it where we arguably pick up the contemporary story of DET, and this is important to understand where we have arrived and where we will be going next. In 1977 the then Fraser Government held the Williams committee inquiry into employment, education and training and it gave birth to the then Department of Employment, Education and Training and everything that hung off that—we do not have time to go down that memory lane, except that a lot of the foundational work for where we are in school-based VET today was laid out of that Williams committee inquiry, including the development at that time of what were called link courses with TAFE, which were the precursors to the modern TAFE-delivered vocational education and training [TVET] program.

Then we go forward and in the early 1990s we had the Finn, Mayer and Carmichael reports. Many of you will remember Laurie Carmichael—who could forget—who was the champion of the Australian Vocational Certificate, and New South Wales Catholic schools engaged with that and from that came the first generation of VET in school programs known as the Industry Studies Courses, which were developed by the then Board of Studies. Also out of all that came the Joint Secondary Schools TAFE Program. We wind the tape forward a bit further and we get to the McGraw review of the HSC, which we refer to in our submission, and the recommendations of the McGraw review that VET be an integral part of the HSC and that the framework courses be developed and implemented, and that, indeed, has happened.

More recently we had the Australian Technical College initiative of the Howard Government and then the Trade Training Centre initiative of the Rudd Government and we point out in our submission that we have 36 Trade Training Centres located in different parts of New South Wales, which is to say we come to this debate with history and with experience; we come to it with some fairly clear views of where the journey should continue and we come as firm supporters of VET being delivered in the secondary school setting both in comprehensive schools and in specialist settings.

**CHAIR:** Thank you, Mr Baker. If you are happy with that we will table those opening statements. We will now go to the Opposition.

**The Hon. GREG DONNELLY:** Thank you all for coming along this afternoon. I will put my questions and the two sectors can respond as you see fit; I am sure you both have views you want to present. It has been put to us by other witnesses that with respect to the formulation—these are my words; I am paraphrasing—of Smart and Skilled there may not have been a thorough and full and complete consideration of where TVET fits within that reform that was announced for New South Wales. We find ourselves now nearly 12 months down the track at the end of this year of its first period and then rolling into the second 12 months. Would you like to respond to that proposition, whether you think that is a reasonable proposition and, if you do not think it is why it is not?

**Mr BAKER:** TVET and its precursor, the Joint Secondary Schools TAFE Program, while a valued program, through its whole history has had problematic elements attached to it in terms of availability of courses

and in terms of transparency of costing, so we see Smart and Skilled as a step towards trying to address some of those issues. We do not subscribe to the golden age theory of history that everything was fine in the past. Having said that, I think everyone would agree that there are issues in relation to the Smart and Skilled model in thin markets; that is to say, obviously, if a school in the greater metropolitan area of Sydney or Newcastle or Wollongong it will have more access to more options for implementing TVET courses.

The Catholic Education Commission—I will ask Geoff to speak for himself—was one of the early advocates to free up the joint schools TAFE money and to allow us to expend the funds on non-TAFE providers. I am not sure if that answers your question, but we do not subscribe to the theory that there was a golden age and we have left it behind; we see this as a way of opening flexibility.

**Mr BUCHANAN:** The competitiveness that comes with the Smart and Skilled, that has always been apparent for us; we have been able to tap into non-TAFE providers and have done, although the majority of independent schools that do undertake TVET clearly do it through TAFE. We too appreciated the transparency that came with Smart and Skilled, with the very clear base price being established. That was always an area of concern for schools in the independent sector: the uncertainty around prices for different courses each year and the lateness at which they were advised of that.

In terms of the negatives, there has been some increase in cost for a number of the courses that independent schools will tap into, and that is a challenge. As Ian Baker mentioned, sometimes that will be exacerbated in rural areas where the competition is not as great because the market is not so large. In terms of consultation, we were involved in some meetings with TAFE around Smart and Skilled and how TVET would play into that. I daresay they were fairly late in the process but I think it would be fair to put on the table that we appreciated the consultation, the way it was done. In terms of the outcome of that consultation, I think, as you have heard from both of us, there are some pluses and there are some minuses.

**The Hon. GREG DONNELLY:** The actual Smart and Skilled is being reviewed as we speak; terms of reference are out there and, as it has been explained to us, it is going to be done in two phases: by October there will be a preliminary report and then a further report in the first quarter of next year. Will your respective organisations be making a submission to that inquiry?

**Mr BAKER:** Yes, we will. The hesitancy is that it is on the to-do list. A further reflection: As I said, there are different dynamics, to use the economic language, between robust and thin market country areas and certainly we want to raise some issues as to what we would see as unintended consequences in some of the rural areas. The short answer is yes we will.

**The Hon. GREG DONNELLY:** In your submission I presume you are going to, amongst other things, raise that particular point; that is one you have identified as being—

**Mr BAKER:** Yes. My colleague here is based in Port Macquarie and she has some colour to regional issues.

**The Hon. GREG DONNELLY:** Please elucidate.

**Mrs WATTS:** At the moment we have been waiting for some time for the costings to come through so we can analyse them and budget for next year for all the students that are wishing to do TVET. TVET is a great opportunity for students in remote and regional areas where schools do not deliver a vocational education subject, so this is an opportunity, a pathway, that we really support. It comes down to a costing. At the moment I think that the amounts may be out there, the costings, from yesterday and I have not had a chance to analyse whether the 10 per cent extra loading for regional towns and the 20 per cent remote loadings are going to be passed on to the students, the schools and the parents. That is something that I am a little bit worried about because that might deter enrolments. What will happen then is they may not get the classes up if they do not get the numbers and then we do not have that class running in those areas.

**Dr NEWCOMBE:** We will also make a submission and, as I said in my opening address, we are worried about that rural and remote, but I am also worried about the very low socio-economic status [SES] schools; their fees are low and if the costs increase significantly it may have a detrimental effect on the number of kids who can do VET because it will be basically paid for by parents.

**The Hon. DANIEL MOOKHEY:** Presumably your RTO has got some element of funding under the Smart and Skilled program or some of the contracts?

**Mrs WATTS:** No.

**The Hon. DANIEL MOOKHEY:** Did they apply?

**Mrs WATTS:** No.

**Dr NEWCOMBE:** They were not eligible.

**The Hon. DANIEL MOOKHEY:** It is not the school-based apprenticeship aspect to the policy?

**Mrs WATTS:** Students go to school and the schools are paid for them to be at school; so it would be double-dipping.

**The Hon. DANIEL MOOKHEY:** Predominantly relating to aspects of your submission, particularly the Association of Independent Schools and Dr Newcombe, to do with the cost of delivery of VET in schools, looking at page 10 you put a pretty strong emphasis on the cost of training VET teachers as being of pretty big import, I presume because there is a pretty strong correlation between the quality of the teacher and the quality of the education that is provided. Do you think that the funding model that is anchoring Smart and Skilled is adequately designed to pick up those factors or is it that it omits some aspects of the costs that are included and therefore results in your institutions having to pick up the gap or otherwise pass them on?

**Dr NEWCOMBE:** I will let Darryl comment but—

**The Hon. DANIEL MOOKHEY:** The other question, because I am about to run out of time, is you made a point about the funding cycle. We are working off 12-month rolling contracts for Smart and Skilled; do you have any input about whether or not that is adequate, whether it should be lengthened, whether it should be shortened, whether or not it provides enough stability? That question goes to both systems.

**Dr NEWCOMBE:** We are not a system, by the way; we are an association. "System" is an absolute dirty word. On the question of stability, I think that is a crucial point. I was talking to Ian; we need three- or four-year funding agreements, not this rolling agreement where we do not—

**Dr JOHN KAYE:** Stability of funding or stability of costs, or both?

**Dr NEWCOMBE:** Both, I think.

**The Hon. DANIEL MOOKHEY:** The point is that the way it is currently designed does not provide stability in either respect?

**Dr NEWCOMBE:** Yes, that is right. I will get Darryl to comment. When we talk about the training of teachers there seems to be, and this is pretty anecdotal, a reasonable turnover of teachers. There is no doubt that VET teachers have a fairly heavy load and I think that training, that constant turnover, means there is more and more expense in the training of these people. I think sometimes teachers think, "This is all a bit too much and I will move out of VET and into something else". As I say, we have not collected any data on that, but anecdotally that is what I am hearing.

**Mr BUCHANAN:** In terms of the teacher training there is an initial training cost to ensure that the teacher is suitably qualified to deliver the particular course. The reasonably frequent changes to training packages often results in a requirement for additional training or teacher training upgrades; so there is an initial upfront cost for the training and then there are the ongoing upgrades and maintenance requirements.

**Dr JOHN KAYE:** Currency?

**Mr BUCHANAN:** Yes. So those costs are somewhat particular to VET that are not of the same requirement for teachers teaching other subjects in schools; so there is a financial cost to that, not just in terms of the course cost itself but also the associated costs of travel, accommodation, teacher release and so on that are required. By and large, a lot of this teacher training is not optional; it is a requirement and so there is a

significant cost there. As I say, the turnover that Dr Newcombe alluded to, again it is anecdotal but it is real and that is an additional cost because it requires the training of new teachers.

**Dr JOHN KAYE:** First of all I will address my questions to Dr Newcombe, but some of them will be relevant to the Catholic Education Commission as well. These questions are purely money questions: You get two buckets of money—one in respect of schools in your system's costs with respect to TVET and schools with respect to vocational education and training in schools [VETiS]. Can we start with TVET? How much do you get?

**Dr NEWCOMBE:** It is about a million dollars, I think, in each bucket.

**Mr BUCHANAN:** TVET, I think, was \$938,000.

**Dr JOHN KAYE:** Of the order of a million dollars. Is that delivered as a per student amount or is it block amount?

**Mr BUCHANAN:** Block amount.

**Dr JOHN KAYE:** So regardless of the number of students you have in TVET or in VETiS.

**Mr BUCHANAN:** The formula is based on a guide in terms of the proportionate numbers.

**Dr JOHN KAYE:** Could you provide us with that guide?

**Mr BUCHANAN:** Yes. The three sectors are funded in that way.

**Dr JOHN KAYE:** Yes, that is why I directed my question to you first, but I will come to the Catholic education system in a minute. Roughly speaking per student how much does that work out to be?

**Mr BUCHANAN:** In TVET it around the \$670.

**Dr JOHN KAYE:** So it is \$670 per student.

**Mr BUCHANAN:** There is some additional funding if that is required for some other things like supporting Aboriginal and Torres Strait Islander students and students with additional learning support needs.

**Dr JOHN KAYE:** What about in terms of VET in schools?

**Mr BUCHANAN:** For VETiS it is about \$1 million. We have just over 2,000 students in that.

**Dr JOHN KAYE:** So it is about \$500 per student. I notice on page 11 of your submission that you talk about it as if you know the 2016 costs for TVET. At the bottom of your submission you talk about a price, for example, for certificate II in construction pathways.

**Dr NEWCOMBE:** That is the one I changed, Dr Kaye.

**Dr JOHN KAYE:** I appreciate that, Dr Newcombe; and I understand that arithmetic errors creep in. My question is: When were you given the price list for 2016?

**Mr BUCHANAN:** One of our officers used a document from Sydney TAFE which has TVET estimated 2015 course costs.

**Dr JOHN KAYE:** I am looking at the 2016 data at the bottom of the page. Have you been given the 2016 figures?

**Mr BUCHANAN:** I will need to take that question on notice. The data was compiled by an officer in my team. I will have to check where she located that.

**Dr JOHN KAYE:** There is obviously the 2015 data, which is at the top of the page. Maybe Mr Baker or Mrs Watts can answer this as well. I understand that TAFE was to set prices on 18 September for TVET. Have you heard anything? Is that your understanding as well?

**Mrs WATTS:** Yes, that is my understanding. We were sent an email last night with a login, which I have not had time yet to have a look at and analyse.

**Dr JOHN KAYE:** So you were sent an email by the North Coast Institute?

**Mrs WATTS:** I will just check with my colleague. It was sent from the Department of Education.

**Dr JOHN KAYE:** So it came from the Department of Education not from the Department of Skills?

**Mrs WATTS:** TAFE provided those costings.

**Dr JOHN KAYE:** Was it the TAFE commission or was it the institute?

**Mrs WATTS:** It was each institute.

**Dr JOHN KAYE:** So you got an email from your local institute giving you that figure.

**Mrs WATTS:** Yes.

**Dr JOHN KAYE:** But that only happened last night so I cannot ask any questions about it really, can I?

**Mrs WATTS:** No, I am sorry.

**Dr JOHN KAYE:** That is a shame. Okay. Roughly speaking it looks to me like there is a \$1,500 to \$2,000 difference on TVET between what your schools are funded for and what you receive from the Government in respect of that.

**Dr NEWCOMBE:** Yes.

**Dr JOHN KAYE:** There is also of course, and this is the way it works in public education, an assumed reduction in teaching load for which you are still funded through your other grants.

**Dr NEWCOMBE:** Dr Kaye, you will remember the EBA. I remember the position of your party on the EBA.

**Dr JOHN KAYE:** I do remember the EPA. If I may interrupt you for a moment, first of all we have to say what the EBA is. It is the enrolment benchmark adjustment. It is not the enterprise bargaining agreement, which is a different topic. It is a different EBA. I do recall the EBA. I was personally strongly opposed to it, as was I must say the Labor education Minister in New South Wales at the time.

**Dr NEWCOMBE:** Yes, that is right—on the grounds that if you took a few students out of a class it made no difference to the expenses of the particular school.

**Dr JOHN KAYE:** Just to correct the record, that was not my objection to it; but that is not relevant here.

**Dr NEWCOMBE:** Okay, what is relevant is that students who come out of classes in a sector to go to TAFE really make no difference to the expenditure of the school. That is the first point. The second point is that with some of these schools, and I am just looking at a couple of the low socio-economic status schools, their published fees are around \$2,300. Their actual collection fee is usually about 10 or 15 per cent below that. So they would be looking at something like \$2,000 for their total school fee per year. So if you start taking out \$1,000 from that school fee, there is not much left.

**Dr JOHN KAYE:** Yes, it is a substantial amount. Can I ask you a relevant question on that, and Mr Baker might want to answer this question as well, in respect of the \$1 million you get from the State Government for TVET, do you act as a post office or do you redistribute that according to some formula?

**Mr BAKER:** It is the later—we redistribute it according to some formula. I might say that none of this is new. Ever since the joint school TAFE program—

**Dr JOHN KAYE:** I appreciate that, Mr Baker.

**Mr BAKER:** We have always contributed—and when I say "we" at the end of the day that is the parents—a co-contribution to the cost of what was historically the Joint Secondary Schools TAFE program and is now the TVET program. Historically parents with children in Catholic and other non-government schools have always made contributions. We could have had this conversation 20 years ago, seriously. That was one of the reasons why we argued for contestability—because we thought we could get a better deal somewhere else outside of TAFE. So we have always supported contestability.

We allocate the money across our 11 dioceses which own and operate the schools and the 44 independent Catholic schools according to a formula. Roughly speaking that money meets about 70 per cent of the costs, and 30 per cent of the costs have to be funded by the parents. But there is also a whole hidden cost. We acknowledge that there is a whole, unknown number of students who are discouraged, and we are concerned about this. We have been concerned about this for 20 years; it is not an artefact of the current policy.

**CHAIR:** Mr Baker, you talked about parents having to fork out. Does that happen in the public system?

**Mr BAKER:** No, and that is where I picked up the conversation. There is more than one way to skin the costings cat. We pass on part of the cost as a co-contribution, and are very sensitive to equity issues. Government schools have decided to absorb the cost by reducing staffing. We do not think that is a good way to do it but that is the way the government schools have done it, and we acknowledge that it is a cost.

**CHAIR:** I just want to make an observation from the submission. It says the "importance of maintaining financial support is particularly significant given that the overwhelming majority of independent school students enrolled in VET come from low socio-economic communities and that many schools would be unable to continue to offer VET without this support". Do you want to make any final comment on that particular point?

**Dr NEWCOMBE:** It is interesting to note that we have spoken to some parents who have a child at a non-government school and a child at a government school—

**CHAIR:** I have children at both as well.

**Dr NEWCOMBE:** It is fairly common and very healthy. They have commented to use that for the child at the government school they do not have to contribute at all to their VET course whereas for the child at the non-government school—be it independent or Catholic, and I will let Mr Baker speak for the Catholic schools—they certainly have to contribute, sometimes quite significantly.

**CHAIR:** So what is the difference between the two students?

**Dr NEWCOMBE:** In what way, Mr Chair?

**CHAIR:** In any way?

**Dr NEWCOMBE:** There is no difference between them.

**CHAIR:** Exactly.

**The Hon. LOU AMATO:** I thank you all for being with us today. During the inquiry we have heard from the NSW Business Chamber and industry leaders out there. They mentioned that the promotion of VET in school subjects as a pathway direct into work is not appropriate given both the very basic and incomplete

qualifications which they confer at this level and the lack of skilled jobs for young people with these qualifications. Would any of you care to elaborate on that?

**Mr BAKER:** I will make a general comment and then defer to my colleague who works in a real Trade Training Centre. If I understand the proposition correctly, basically the argument is that this is not achieving its purpose.

**The Hon. LOU AMATO:** That is correct. That seems to be the concern.

**Mr BAKER:** We do not agree with that. Frankly, if we did agree then we would withdraw from VET. We are not about to do something that is not in the best interest of our students. We sincerely believe this is in the best interest of our students. We do acknowledge, however, that there is room for improvement. Our submission talks to some of the structural problems around the opportunity to have a second look at how VET fits into the Higher School Certificate and the Record of School Achievement [RoSA]. So at a policy level we actually believe it does produce real outcomes. Obviously with the pressure of time we cannot go into all the various supporting evidence. But my colleague here works in a Trade Training Centre so I will pass over to her.

**Mrs WATTS:** I am the VET manager for the Lismore diocese, and I look after Armidale, so I cover the area from Port Macquarie to the border with Queensland for senior high schools. In that diocese I have a number of Trade Training Centres and one former Australian Technical College [ATC]. The post-school destination surveys, particularly for Newman Senior Technical College in Port Macquarie, indicate very high levels of apprenticeships, traineeships and full-time work—even to the point of a non-Australian Tertiary Admission Rank [ATAR] university entrance. I think there were about 20 students last year who got an entry into university with a non-ATAR. The fact that they are completing a certificate III in children's services, education and care or aged care—and that qualification is about to change—provides them with a pathway into university to undertake nursing or education.

We have students who do a certificate III in business. They complete the qualification and go onto university and begin a certificate III in business. We have a student doing a certificate III in financial services. He is going to university and will get credit. They will all get a certain amount of credit going into university. Another example I would like to leave you with is St Paul's College at Kempsey. It is a very low socio-economic status community. I think it is about a 92. It is a very hard town in terms of opportunity.

**CHAIR:** Is that according to the Socio-Economic Indexes for Areas [SEIFA]?

**Mrs WATTS:** No, I am talking about the SES index. It is very low. VET has been a very important aspect for a lot of students for their self-esteem and all those personal development and softer areas, such as communication, occupational health and safety, and sustainability. One of the main ones that is very strong is hospitality. The teacher identifies the students who want to get a good ATAR to get into university. They might want to do medicine, law or something along those lines. The teacher makes sure that they are really well prepared. They get their certificate II in hospitality, but they also are getting band fives and sixes. When we compare that with other students doing more traditional courses, like geography, we see that their hospitality scores lift them higher and they end up with a higher ATAR. So it can be used to get a really good outcome. So I disagree with those comments you mentioned from the NSW Business Chamber. I would like to hear more about where that is coming from.

We have a problem with engineering at the moment—Manufacturing Skills Australia and the training package. They are a peak body but they are not representing local industry. In the towns along the North Coast, engineering is a very strong industry. Local industry wants students trained and qualified at certificate II level—with higher skills in CNC and writing robotics. They use different software that designed the A380 planes. That is where a lot of the jobs in engineering are going—they are the clean-type jobs of computer operation. That is what local industry wants. We are not able to deliver that because the training package says you must be employed as an apprentice trainee or fully employed before you can study those competencies. So we are going through a revision of that training package at the moment.

**Mr BUCHANAN:** I would dispute that also, and I would say three things in response. The first thing is that I think school-delivered VET is very real VET. It is just the context that is different in terms of where it is delivered. From our perspective, I would argue that it is supported by how the Australian Skills Quality Authority responded when they did the registration of the Association of Independent Schools [AIS] registered training organisation [RTO] last year. Dr Newcombe referred to their quote earlier.

The 2014 report "Expectations and destinations of NSW Senior Secondary Students" indicated that 20 per cent of year 12 students moved into VET pathways when they left, and a number of those will have come with partial steps taken down that path already. The third and final point is that there have been enormous success stories in schools. I know in our sector some of the greatest success stories are where they do things like hospitality and they have a commercial kitchen on site. Not only is that used as a classroom learning site; often it is also a going concern and contributes to the school community. So they service functions there. So the students are actually learning there during the day and also doing tangible practical work there.

In the case study in our submission, St Phillips, Newcastle, they have a commercial kitchen that they run as a going concern that the students work in and it provides the service for their entertainment space where they run live productions. They often combine the two. That is a very real world experience for the young people, the students, in terms of applying their learning.

**Mr BAKER:** For independent verification of the benefits of school-based VET, we would certainly point to the work of the Dusseldorp Skills Forum and its reports, and the National Centre for Vocational Education Research, which I understand is based in South Australia. Those reports are warts and all. We are not pretending that everything is perfect in school-based VET, and our submission speaks to areas where we think there can be improvement, but we would strongly argue that there is independent research—so it is not just us—from those quarters, the Dusseldorp Skills Forum and the National Centre for Vocational Education Research, that speak to the worth and value of school-based VET.

**Mrs WATTS:** I would like to add that on the North Coast students are offered pathways because of the relationships that schools and towns develop. It is schools and TAFE's and other external training providers, the relationships they develop provide opportunities, pathways that students can then complete their full certificate.

**The Hon. SCOTT FARLOW:** Mrs Watts, your experience was interesting. You mentioned working with business. How do you align the courses you provide with what you say is business demand for future employment?

**Mrs WATTS:** The courses we offer are certificate II in business and certificate III in business administration. In our areas in the different towns we look at what is the local need, what is the industry that is in the town that we can provide outcomes for our students, because some of them will not go to university. They want full-time work. So in every business virtually in every town there are positions required for business administration, whether it be the receptionist, anyone who just does the administration—not just, that is very important. There is a lot of demand and one of the other positive aspects of schools is that we are very aware of local industry needs.

Sometimes it is a little different when we are told what is required in a metropolitan area and what is a skills shortage and it may be completely different in our area, as in aged care in Port Macquarie. The aged-care facilities went to the college and said, "If you deliver certificate III in aged care, we will put on six trainees a year". Over the past couple of years they have just finished off their thirty-sixth trainee in aged care—big industry.

**CHAIR:** I note that your submission contains quite a few recommendations that we can glean from. Thank you for them. They are consistent with what other stakeholders are saying, which is great. Thank you for your evidence. You have 21 days to answer the questions taken on notice. We may contribute some further questions. The secretariat will be glad to help you with receiving or answering those questions. Once again, I appreciate the evidence you have given. You contribute to an important sector, and it is important that this inquiry and the recommendations are right for the Government to continue to build on the prosperity of New South Wales and jobs for our kids in this case.

(The witnesses withdrew)

(Short adjournment)

**KERRIN ANNE McCORMACK**, Private Individual, sworn and examined:

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

**Ms McCORMACK:** I am a private individual, having retired recently from TAFE.

**CHAIR:** Do you have an opening statement?

**Ms McCORMACK:** Yes. I thank the Committee for inviting me to speak and meet with you today. Certainly, given the fact that you have been sitting for lengthy days, I appreciate that, and I also appreciate having been able to sit as an observer and listening to other people. For almost 40 years I have been a staunch advocate for TAFE and its courses and meeting the needs of people from the whole community, and often the most needy areas. I have advised many thousands of people on their journey to fulfilling their hopes, dreams and aspirations. It is well acknowledged that education and training leads to employment. Breaking the poverty cycle across multiple generations of unemployment positively impacts on society and reduces the need for other social services like medical, legal, psychiatric and other community services that all cost the Government far more money.

By increasing access to TAFE and private colleges for people experiencing disadvantage through free courses in the long term increases employment options and reduces the need to access already stretched social services. I wish to highlight the impact of Smart and Skilled on people with special needs, as well as those with multiple special and complex needs. I refer you to Legislative Council report No. 45 in 2012 on transition support for students with additional or complex needs and their families. I have copies if you would like this little summary.

**CHAIR:** Yes, thank you. You can table that.

**Documents tabled.**

**Ms McCORMACK:** In this Legislative Council report the focus is obviously on school students but does mention in 2012 post-secondary options in recommendations 8.70, 14.85, 19.121 and 1.21 of chapter 5. These students grow up and move on, most often to TAFE, as do those with invisible disabilities, as mentioned in 1.23 in chapter 7. How is it that in the school sector there is an understanding that people do have complex and multiple needs but not in the VET sector? Smart and Skilled only acknowledges one disability with one fee exemption a year. I have addressed the support TAFE has provided in my report but with adjustments to accommodate the Smart and Skilled reforms.

These supports are being eroded and reduced for Aboriginal and Torres Strait Islanders, students with disabilities, the educationally disadvantaged, refugees and those with mental health problems. In terms of responding to changes that have occurred because of Smart and Skilled, I refer you to a few case studies that I have also tabled and circulated and I can discuss those. This is where, on occasions, people come into TAFE to see a counsellor after experiencing difficulties with private colleges, and these experiences have not necessarily been positive. I will leave it at that.

**The Hon. SCOTT FARLOW:** First of all, thank you very much for being a keen observer of the inquiry over the last couple of days. We have definitely noticed your presence in the gallery. I am interested in some of the comments from your submission, particularly this one on page 1 where you say, "So gaining skills for one career puts people at a disadvantage when work changes, people are promoted, or made redundant, technology changes, or they have workplace injuries." I am interested in your views on how those sorts of issues can be addressed and how you think the TAFE system at present or previously has addressed some of those issues?

**Ms McCORMACK:** In the past it has been an open field and people have been able to progress or take time out and come back but with Smart and Skilled it is virtually like you get one bite of the cherry and if you are moving up through the different certificate or diploma levels, then there is an okay progression there. But if you have actually completed a qualification, you then find, as Mark Goodsell and other speakers were saying, that technology is changing, you are needing to increase and add on more skills, but you can find that you are actually penalised because you have actually got that.

One of the case studies included a young person who had gone to a private college, done a management diploma and found he could not get employment so he decided he would follow his parents' advice and go after a trade, only to find that because he had done a diploma course, he now would be up for full fees on that sort of thing even though it was a targeted area. That means he is further disaffected. We have lots of stories about people who come into TAFE, whether they have been made redundant, injured at work, need retraining, need upskilling, or they are going to take a totally different change of direction, and in the past TAFE was able to accommodate that but now you have to be so careful in your choices because you do not know if you have actually blown—it is not a voucher as such but it is almost because you have actually got some ticket that says you have had that level and further upwards progression is fine, university is fine, but do not expect you can go backwards.

**The Hon. SCOTT FARLOW:** Do you accept, though, that there is a limited fund of resources that we can spend?

**Ms McCORMACK:** Absolutely.

**The Hon. SCOTT FARLOW:** Do you see that in terms of some of those paths that in the past the Government has paid for an individual to undertake a course but they then determined, for whatever reason, they cannot find a job or, as we have heard in some instances, people have not wanted to pursue a career in that area after doing that course and the Government then provides more money for another course or training? Do you think there is any other way we could better target it? I know in your submission you talk about how in the past people in your role have sat down with people and worked out the right course for them and where career opportunities are. Do you think anything can be done to make sure or to help—we can never make sure 100 per cent—people come to an outcome where they will be able to find rewarding employment?

**Ms McCORMACK:** It is almost asking for the magic bullet. I do not think there is one and people are unbelievably fluid. Some people have very clear ideas about what they can do, where they are going and how they are going to get there. Other people are totally chaotic. We have already heard mention of people coming out of the school system and their numeracy and literacy levels where they may not yet be at a skilled level to cope and taking the path of basic education tutorial support to go alongside their trade training. Now it is a small component that they can get a bit of help with, but they certainly cannot address the deficits that might be shown up there on specific needs and learning that they have. I do not know. I think there has been an attempt with looking at careers advisers and the school to say, "How much more can they do?"

I have often found that young people are only at a readiness stage to really listen when they have left school, so doing VET courses and TAFE vocational education and training is helpful because it gives them an insight but that ready to listen—"I am now out of school; I am looking at the big world. I have had a try at something and I haven't been successful. Obviously I've got to do something", that is the stage they are then ready to listen. I have run training for careers advisers over many years and have had wonderful feedback from them as they send me more and more of their students but they are just one person on a staff of maybe 60 or 70 teachers who are influencing all those young people. We know that the HSC is notionally preparing them for university and that message is extremely hard to break and say, "Look, it is just as viable that you come into a TAFE world or a vocational world, that you develop skills and, yes, at any later age you can come back to university as a mature age student." They do not even know that message.

**The Hon. SCOTT FARLOW:** One of the difficult challenges for TAFE—and we have heard it through some of the evidence—is the view of TAFE as a second chance education in a sense, but also we hear from industry the need to have vocational education and training as a first choice as well; trying to get that balance right. Is there any way you see that that can be addressed where TAFE can be a second-chance education but also we can lift the perception of TAFE as a first choice for many people as well?

**Ms McCORMACK:** I would love it but in nearly 40 years TAFE has always been a poor relation in comparison. You look at the heavy pushing and marketing that the universities and private colleges invest. When I have been in career markets and things like that I get a little table like this and I am meant to discuss 1,200 courses and I have about half a dozen pictures or something. People grab the message and it's really difficult to say, "This message is incredibly deep, complex, rich and wonderful and, yes, it is viable, and to reassure many of the parents who come from overseas that this sector that they have never had in their countries is real and has proper qualifications through the AQF, Australian qualification framework; that their children will not be disaffected, that they are not going to be left on a beach as a nothing person.

That sort of message through to the parents, careers people and teachers in the school is really valuable. It is not just the young people; it is across the age spectrum. People who have tried TAFE have found it to be fantastic. It is wonderful when you see them start to build up the skills and confidence, and come back later to do more courses. They sometimes become employers themselves and take on students. It is fantastic.

**The Hon. SCOTT FARLOW:** It is about telling the success stories.

**Ms McCORMACK:** Yes. I have fantasised about TAFE being able to open up for one month a year and invite people who have done anything in TAFE to go back to the colleges and say thank you.

**The Hon. SCOTT FARLOW:** I will pass to one of TAFE's success stories, Mr Amato.

**The Hon. DANIEL MOOKHEY:** He is not that successful; he is a member of the Liberal Party.

**The Hon. LOU AMATO:** I am a success story because I am not with the Labor Party. You did not look after the workers, did you? Ms McCormack, you gave an example of a student who had done a certificate III at a private college. You mentioned that, had she come to TAFE first, you would have placed her in the right course. We met students in the Hunter Valley last week who had already done one course, were not happy with it and were going to do another course. What direction do they get and who gives them direction?

**Ms McCORMACK:** A lot of it is pot luck. If they come to TAFE then they come through general information staff or careers and counselling service staff. Some people will simply go straight to where they think they want to be. There is sometimes a mismatch between what they think they want, what they think they can do, and what they actually can do.

**The Hon. LOU AMATO:** Have there ever been any careers advisers in TAFE?

**Ms McCORMACK:** That is us. That is what we have done. It is a combination of school counsellors and careers advisers in the one role. Anybody from the community can also come in to see us and discuss what they want to do with their lives. Obviously we do not see all the students. At Bankstown I was the senior counsellor.

**The Hon. LOU AMATO:** I went Bankstown TAFE. I did automotive studies.

**Ms McCORMACK:** Before it went to Padstow and then Campbelltown.

**The Hon. LOU AMATO:** The last year was at Padstow.

**Ms McCORMACK:** I had three counsellors and clerical person there. We had 12,000 students.

**The Hon. LOU AMATO:** It was a long time ago, I might add.

**The Hon. SCOTT FARLOW:** I thought it was last year.

**The Hon. LOU AMATO:** I wish.

**Ms McCORMACK:** There were three of us for 12,000 students, as well as anybody from the community. Our ratios are large. There is no way we can see everyone who comes through. We see the ones who are undecided or those who go to information sessions, have queries and are referred. The teachers say, "This person probably needs more time to think about things and weigh things up." In the example of the lass who did certificate III, it was evident quite quickly that she had learning problems. A referral at an earlier stage could have got her some disability support and an earlier assessment.

**The Hon. LOU AMATO:** If you can tackle the problem early on and get on the right path early, there are obviously substantial savings to the taxpayer and the Government. It also enables people to enter employment more quickly, rather than wasting time doing a course that they are not suited to. The NSW Business Chamber talked about school careers advisers as follows:

School guidance staff are often teachers who have taken on the role (with or without additional qualifications) and have therefore usually entered the workforce through a university-based pathway. Their knowledge of other types of pathways may consequently be weak.

They might not be assisting students to seek the right employment path or trade.

**Ms McCORMACK:** Often people are fairly good at what they do. They go on to university, get qualifications and sometimes come back to teach at the school that they left. That is a little unusual, but I have known it to happen. Do they have a wide knowledge of the world of work, the variety of work? I hear teachers tell students that they want to do the best for them. They advise them to go to university like they did. That is good advice if it fits them, but if a student is not capable of passing university then it is not good advice. It is not a good match for that person. Equally, when you talk to parents or friends they are giving their opinion based on their own lives. They are not necessarily standing aside from their lives and looking at that person and their issues. That is what skilful counselling can do.

The band levels in the HSC now show how students are coping. Previously everybody passed. Everybody felt good about going through school and coming out with the HSC. If you see an ATAR of less than 30 you know that is a woeful HSC score. They have got older but they have not necessarily learnt a lot. Years ago I said to the head teacher of electrical trades that students had to have strong maths ability to do that. He said, "Not any more."

**Dr JOHN KAYE:** Thank you, Ms McCormack, for your submission. You were a senior counsellor at Bankstown TAFE.

**Ms McCORMACK:** Yes.

**Dr JOHN KAYE:** When you first started doing counselling work at Bankstown, how many counsellors were employed there?

**Ms McCORMACK:** Three.

**Dr JOHN KAYE:** How many are employed there now?

**Ms McCORMACK:** Two. There are no senior counsellors in the South Western Sydney Institute. The two clerical people, one at Granville and one at Bankstown, have gone too.

**Dr JOHN KAYE:** Am I correct in saying that Bankstown is part of the South Western Sydney Institute?

**Ms McCORMACK:** Yes.

**Dr JOHN KAYE:** Across South Western Sydney Institute, do you know how many counsellors there were three years ago?

**Ms McCORMACK:** We had a staff of just over 20.

**Dr JOHN KAYE:** How many do you have now?

**Ms McCORMACK:** We have seven and a half.

**Dr JOHN KAYE:** It has been reduced by two-thirds. What do you put that down to? Why are there fewer counsellors? Is there less need for counsellors?

**Ms McCORMACK:** I do not think so. The VET sector is far more complex and the need for decision-making help is far more complex. The people coming in with needs are also complex.

**Dr JOHN KAYE:** The management of TAFE would have known that.

**Ms McCORMACK:** The payment comes in under Smart and Skilled is for teaching. It is not for counselling.

**Dr JOHN KAYE:** The management of TAFE would have known how significant counselling was. You are saying that the competitive market model did not provide sufficient funding for TAFE to continue counselling services.

**Ms McCORMACK:** No.

**Dr JOHN KAYE:** Would a better funding model be to fund counselling separately?

**Ms McCORMACK:** It is interesting. Under the standards of the National VET Regulator [NVR], counselling is one of the services that is required to be provided by registered training organisations, but it is not funded. The Tertiary Education Quality and Standards Agency Act also requires professional counsellors where TAFE runs higher education courses, alongside universities or sometimes in partnership with them.

**Dr JOHN KAYE:** How are the smaller private providers maintaining that provision?

**Ms McCORMACK:** I do not know. Under the NVR standards, counselling is not defined. You can talk to anyone on staff. They say, "I have three courses that you can choose from."

**Dr JOHN KAYE:** That would make them a counsellor.

**Ms McCORMACK:** That would be seen as receiving counselling.

**Dr JOHN KAYE:** In the context of TAFE, counselling means two things. It means career advice and psychological testing.

**Ms McCORMACK:** Psychological background, yes.

**Dr JOHN KAYE:** It is a two-skilled occupation. Would you describe to the Committee what the massive reduction in counsellors will mean for TAFE?

**Ms McCORMACK:** If TAFE ends up losing half its students because of competition, people voting with their feet and not engaging with study, then the logic is that staff numbers ought to be reduced as well. Each institute is trying to prepare for and address the changes. It is understood that there will be loss. New England lost its senior counsellor, but that was one out of four counsellors in that area. I know of two institutes that have no senior counsellors for selection, training and supervision.

**Dr JOHN KAYE:** So the effect and threat of competition have undermined the counselling capacities at TAFE.

**Ms McCORMACK:** Yes.

**Dr JOHN KAYE:** I appreciate that you have been here throughout the day. You have heard a number of criticisms of Smart and Skilled from TAFE teachers, unions and private providers, each pointing to various things. If we fixed each of them, would that solve the problem?

**Ms McCORMACK:** I would like to think it would. I would like to think that people would have the confidence to come back to the vocational education sector.

**Dr JOHN KAYE:** Is there something underlying the competition for funds by TAFE that would inherently produce other problems?

**Ms McCORMACK:** I do not really know. The more I listen to the various presenters the more I think it is a minefield of different pressures affecting the Government and what it is trying to deliver to people. There is no quick fix.

**Dr JOHN KAYE:** The Committee heard evidence from a private provider in Newcastle who was boasting about his completion rate. It then came out that he was highly selective in choosing students.

**The Hon. SCOTT FARLOW:** It did not come out; he said it.

**Dr JOHN KAYE:** He made sure that the people he took in were going to be successful. Does TAFE do that?

**Ms McCORMACK:** No.

**Dr JOHN KAYE:** Can you contrast that private provider's philosophy with TAFE's philosophy?

**Ms McCORMACK:** The South Western Sydney Institute brought in an "Are you ready?" assessment of literacy and numeracy and put apprentices and new students through it. It found that only a third at certificate III level had the competence to do the course they were enrolled in.

**Dr JOHN KAYE:** But they did not then tell the other two-thirds to go away. What did they then do?

**Ms McCORMACK:** They said, "How are we going to support them so that they can be successful, given that they don't get tutorial support to that level anymore?"

**CHAIR:** How many were successful.

**Ms McCORMACK:** I do not know. It is still in progress.

**Dr JOHN KAYE:** Would it be fair to say that that is emblematic of TAFE's philosophy?

**Ms McCORMACK:** TAFE will take everybody, without prejudice, whatever their background is.

**Dr JOHN KAYE:** And then adjusts—

**Ms McCORMACK:** It tries to.

**CHAIR:** You just said that you were a counsellor. Counselling was twofold: providing psychological support and career direction.

**Ms McCORMACK:** Yes.

**CHAIR:** Is that not the same thing?

**Ms McCORMACK:** No.

**CHAIR:** Did you not tell that person, "I do not think this is the right course for you. You ought to go this way"?

**Ms McCORMACK:** Not as bluntly.

**CHAIR:** But did you do it?

**Ms McCORMACK:** Yes. I want to explain to them what the steps are along the way, to try to build success. I do not want to set people up for failure so that they jump in at diploma level. One young man, an international student, had done diplomas through private colleges. He came to TAFE and did a business diploma. There were issues with the teaching staff. He was feeling aggrieved. I told him that I had never known anybody to start at diploma level; normally people come through the different levels to build the skills. How did he jump that? He just enrolled. They tried to make up subjects for him but he could not meet the competency. He discontinued. He came back and said, "I did what you said. I went to Ultimo and did certificate III. I have done certificate IV. I have now finished the diploma. Thank you very much."

**CHAIR:** Using your wisdom and your heart, telling somebody that they do not have the capacity to do a course is not being discriminatory; it is being caring.

**Ms McCORMACK:** It is being caring.

**CHAIR:** I daresay the evidence from the provider in Newcastle reflects the same situation. He knew what it would take to pass. He made sure that he was not setting up students to fail. That would be a fair comment, wouldn't it?

**Ms McCORMACK:** It is, but it is skewing your success rate because you are being highly selective.

**CHAIR:** I understand that. You are not skewing it; you are basically setting up your opportunity to be successful because you have taken the time to manoeuvre the people who would probably be far more successful in that course. You would not set it up with 25 people if you knew that 10 of those people would fail. Just because you wanted to get them into a course you would not put them in that, would you?

**Ms McCORMACK:** No.

**CHAIR:** Or to get the funding?

**Ms McCORMACK:** No. It is also—

**Dr JOHN KAYE:** Let her answer the question.

**CHAIR:** It is a very important point.

**Ms McCORMACK:** It is very important. Also, where would you refer the people that you are rejecting? I have never had a referral from a private college into TAFE, whereas I have referred out, if what we are offering is not what meets the needs of a person.

**CHAIR:** That is a good question for this person: what did you do with these people that you rejected?

**Dr JOHN KAYE:** Is it not true that another way of looking at what that person was doing was cherry-picking the easy to educate?

**Ms McCORMACK:** Yes.

**Dr JOHN KAYE:** And that TAFE was taking a society-wide commitment to provide educational outcomes for everybody?

**Ms McCORMACK:** In some of the more competitive courses TAFE have done that as well. They have run interviews or selections and things like that. Where they have had competitive numbers and they have not been able to accommodate everybody, they have tried to pick the best, most-likely-to-succeed students. The provision is there, so in tourism and so forth they have had screening tests. They would refer students back to us to say, "You do not meet our requirements at the moment." I would refer them back to a business administration course to build up computer skills and say, "Come back in the next semester when you are stronger."

**Dr JOHN KAYE:** Is that the difference? In TAFE when somebody does not make the grade for a course they are put into a pathway of learning.

**Ms McCORMACK:** Yes.

**Dr JOHN KAYE:** Would you call it a pathway of learning?

**Ms McCORMACK:** Yes.

**Dr JOHN KAYE:** TAFE creates pathways of learning.

**Ms McCORMACK:** It can be that way, yes, and it can work well.

**CHAIR:** That is providing that they have those pathways.

**Ms McCORMACK:** Yes.

**CHAIR:** One of the things that the inquiry is looking at is: are we cutting off some pathways to learning for people who are not job ready and are not able to complete some—

**Dr JOHN KAYE:** Or they are not training ready? They are not at certificate III or certificate IV level.

**CHAIR:** They are not job ready. They are not in the right training because the training is getting a bit more specific now, looking at what are the skills shortages and what are the skills that we need. If they are outside that, where do they go? We need to have that certificate II and certificate III and the pathway to learning.

**Dr JOHN KAYE:** And the pre-apprentice courses.

**CHAIR:** Yes.

**Ms McCORMACK:** The pre-apprenticeship is a wonderful thing for young people—

**CHAIR:** Yes, it is.

**Ms McCORMACK:** —and even older people to try something out. Different packages have been tried over many years. Sometimes it has been a six-month course, which is effectively like a certificate II. Sometimes it can be a term at certificate I level. That is sufficient for them to gain some skills to know whether it is a good fit and whether they can see a potential. They can meet the teachers. Sometimes from that they can get introductions into a very informal arrangement where TAFE, not being an employing organisation, can say, "Two or three should go for this job at so-and-so."

**CHAIR:** We will move to Opposition questions.

**The Hon. DANIEL MOOKHEY:** Thank you, Ms McCormack, and congratulations on your retirement. Was that 40 years of service?

**Ms McCORMACK:** It was 39½—but who is counting?

**The Hon. DANIEL MOOKHEY:** Congratulations, that is a great contribution. In your 39 years of service to the vocational education sector is it your experience that TAFE is generally an institution that caters to people who are more likely to have an aspect of disadvantage or are otherwise restarting their education in some form?

**Ms McCORMACK:** Yes.

**The Hon. DANIEL MOOKHEY:** In response to that, over a period of time, TAFE as a commission and as an institution in its various forms, has developed a whole bunch of ancillary services including counselling. Are there others that you would point to?

**Ms McCORMACK:** I have mentioned the others in my report.

**The Hon. DANIEL MOOKHEY:** Could you mention them very briefly, if you do not mind.

**Ms McCORMACK:** Briefly, we have had labour-market coordinators in the past who have looked at the long-term unemployed. We have had multicultural coordinators and disability coordinators as well as Aboriginal coordinators.

**The Hon. DANIEL MOOKHEY:** That is all somewhat reflective of the demographics of your student population.

**Ms McCORMACK:** Absolutely, yes. Some of them are State-wide activities. They are fairly consistent. The change with Smart and Skilled has meant that the multicultural service has basically gone out. The labour market people have gone out.

**The Hon. DANIEL MOOKHEY:** I would like to explore that in a bit more detail in 10 seconds. I am sorry to be short and sharp but we only have 12 minutes.

**Ms McCORMACK:** That is all right.

**The Hon. DANIEL MOOKHEY:** In addition to being reflective of student need, based on your 39 years of experience are you able to give us any advice about the correlation between the provision of those services and completion rates?

**Ms McCORMACK:** I think it makes a huge difference if they get support. They may just use disability support, or they may use counselling and disability support. They might have used multicultural supports—the plain English and basic education—and some of these things—

**The Hon. DANIEL MOOKHEY:** So success is correlated with the existence of these services?

**Ms McCORMACK:** Yes. But it also comes back to the person acknowledging that they have a problem, or several, and being willing to accept that, because there are lots of people—

**The Hon. DANIEL MOOKHEY:** So the existence of these services create a culture where a person is more likely to come forward.

**Ms McCORMACK:** Not necessarily; it is up to the individual. If they deny that they have a problem they are quite at liberty to fail like everybody else; but if they acknowledge that, yes, they are struggling and ask, "Is there anything to help me?" some of those needs can be met and supplemented.

**The Hon. DANIEL MOOKHEY:** But the general correlation is that the existence of these services have a huge impact on completion rates.

**Ms McCORMACK:** I believe so.

**The Hon. DANIEL MOOKHEY:** High completion rates save money over the long term because you are not paying for a part education, and that saves the taxpayer. Is that your evidence?

**Ms McCORMACK:** I believe so but I do not have statistics on that. One of my problems in counselling is that I could not put a little pink dot on my people and watch them as they progress, and then celebrate at their graduations.

**The Hon. DANIEL MOOKHEY:** That is okay. We have heard a lot of evidence that, generally, higher completion rates save money over the long term, as opposed to part-funded education. I want to turn to the extent to which that sequence that I laid out for you is reflected in the Smart and Skilled framework. I note the case examples that you provided. They provide a bit of background. Since the emergence of Smart and Skilled what services have dropped out, and what do you foresee as being the implications for completion?

**Ms McCORMACK:** Given that 66 per cent of customers in south-west Sydney are in the lowest socio-economic areas—youth unemployment is four times higher than the national average, and up to 54 per cent, and sometime 60 per cent come from CALD backgrounds or their parents do—

**The Hon. DANIEL MOOKHEY:** Just for the Hansard, CALD stands for culturally—

**Ms McCORMACK:** CALD means culturally and linguistically diverse. Forty-five per cent have some mental disorder at some stage, as well. You are looking at multipliers of problems. In looking at the success rate, I have seen that in the multicultural area that we used to have, we had plain English tutors, who would offer supplementary classes. They would make plain English in company law and some of the accounting type of terminology. They would go into some of the areas of welfare. Sometimes they would team teach and sometimes they would have separate classes.

**The Hon. DANIEL MOOKHEY:** Sorry, just to bring you back, with respect to Smart and Skilled, is it your contention that the Smart and Skilled funding model does not pick up those people?

**Ms McCORMACK:** It does not pick up.

**The Hon. DANIEL MOOKHEY:** The result is the contraction that you have been describing.

**Ms McCORMACK:** We do not yet know how disadvantaged that is going to make people and whether that is going to mean that fewer of them complete or succeed.

**The Hon. DANIEL MOOKHEY:** Before I hand over to my colleague I would like to ask you two more questions. Your long exposure to the sector presumably means that you have also had exposure to the private RTO structures, as well.

**Ms McCORMACK:** Yes.

**The Hon. DANIEL MOOKHEY:** You would have picked things up through industry knowledge.

**Ms McCORMACK:** Yes.

**The Hon. DANIEL MOOKHEY:** Can you give us a bit of a sense about, particularly, south-west Sydney—the area where you finished your career. Are you able to tell us the extent to which the private providers in that market offer like services to do with counselling?

**Ms McCORMACK:** I do not know of any.

**The Hon. DANIEL MOOKHEY:** So you do not know whether the ancillary services that you were just describing at TAFE are also provided at—

**Ms McCORMACK:** I do not know whether it is provided. Some of the students that have been in private colleges have said that they did not get any disability support or any counselling support. They did not complete their courses. It was only when they came to TAFE and got the extra support that they started to be able to complete.

**The Hon. DANIEL MOOKHEY:** The omission of those criteria in the Smart and Skilled funding model presumably has the same effect on the private sector as it would on the public sector.

**Ms McCORMACK:** Yes.

**The Hon. DANIEL MOOKHEY:** Are both sectors are disadvantaged by its omission?

**Ms McCORMACK:** Yes.

**The Hon. DANIEL MOOKHEY:** Thank you.

**The Hon. GREG DONNELLY:** Thank you very much for coming along today, and thank you very much for your thoughtful submission. Other witnesses have made observations. With respect to the counselling that students receive at school, specifically at high school, about their futures and their career opportunities, in recent times—by that I do not mean a couple of years; I mean a number of years—there has been a skewing towards directing students to tertiary education. It appears that there has been a bit of a struggle to get a discussion going on vocational education. In your role as a TAFE counsellor in talking to students that come to TAFE—and in discussions you may have had with school counsellors—would you agree that there has been a bit of skewing that has been happening?

**Ms McCORMACK:** There are two services in schools—the school counsellors, who largely deal with students and their adjustments and coping from K to year 12. They have a more psychological background. The careers advisors are in the high schools only. Some of them are involved with work placements. Some of them are involved with TVET and VET courses. We have worked with both groups and have received referrals from both groups.

**The Hon. GREG DONNELLY:** In terms of the careers advisors, specifically?

**Ms McCORMACK:** The schools have pushed for some things. You can see, in the Dusseldorp Forum reports and things like that, recommendations that they go on to year 12 and that there are vocational high schools and senior high schools and things like that. The expectation, when students are completing the Higher

School Certificate is that they will go on to university. The teachers are largely trained and prepared, and that is the way they go. Even a fantastic—

**The Hon. GREG DONNELLY:** Sorry to interrupt you but are you saying that that is an almost embedded understanding.

**Ms McCORMACK:** Yes, it is.

**The Hon. GREG DONNELLY:** The understanding is that after year 12 they go off to university. Where does that leave vocational education in the discourse with students?

**Ms McCORMACK:** As a poor relative. It has been for all the years I have been in TAFE. It is a major sales pitch to get the students to turn that perception around and to consider TAFE. Often they only start to consider it when they have an ATAR result in their hands. A student might say, "Miss, I cannot tell you." I ask, "What did you think you were going get and what did you actually get. I need to know how close you were to the score of 60, or how far away you were. We need to consider whether it is worthwhile doing some subjects and accumulating your HSC at TAFE or whether it is better to look at an alternative vocational pathway altogether and look at mature-age entry to university later. In trying to get the schools to be very positive and proactive I have found huge ignorance.

**The Hon. GREG DONNELLY:** Do you think it has got worse in recent times or has it been an issue for some time?

**Ms McCORMACK:** I think it has been that way forever.

**The Hon. GREG DONNELLY:** Do you think that that is a fundamental problem in looking at the range of students and their capacities and abilities as they go through school?

**Ms McCORMACK:** Yes, I do, because I think they have been led to a false belief that if you finish high school you go to university. And we know that only about 30 per cent do go on to university. Then you are getting somebody who is disaffected, instead of looking at a first choice—a positive choice—with the knowledge that mature-age entry over 21 means that you can get to university based on a completed certificate III equivalent to an HSC or that you have work experience and other things and if you need and want to go to university you can.

There have been a number of people who have come to me wanting to do child studies in order to get to be a primary school teacher. I say, "Here's the newspaper article saying that there are 40,000 of them unemployed. Universities have graduated all these people. They do not have jobs but there are jobs for childcare workers." I just want them to change perspective a little bit.

**The Hon. GREG DONNELLY:** This inquiry is obviously considering a number of things. Would it be your submission that some focus should be given to the way in which careers advisors at schools are, themselves, educated and trained? Indeed, they should be trained in how they express to the people who come to them—that is, students—how to look at the possibilities, which may include university but may also include, as a very viable alternative, vocational education.

**Ms McCORMACK:** I think that is probably a bit harsh because I think that a lot of the careers advisers, who are members of career associations and meet the CICA requirements—the Career Industry Council of Australia requirements—as professionals. Many of them have gone through—the new ones go through—a postgraduate certification in careers. They learn about the VET sector and these positive steps for young people. I see a larger resistance in the general school teaching population.

**The Hon. GREG DONNELLY:** That is interesting.

**Ms McCORMACK:** You might have some fantastically progressive careers advisers but they are on a big staff.

**The Hon. GREG DONNELLY:** Fair point. I refer you to page two of your submission. At the top of that page under sub-paragraph (iii) Barriers to participation, including students in the non-government education and home schooling sectors it says:

Many people need to test themselves in a number of lower level courses to develop their talent.

In your four decades of experience has that always been around or is it something relatively new whereby people are looking to explore different possibilities?

**Ms McCORMACK:** It is not new, no. You asked Mr Farlow previously, "Is the Government meant to pay for it?" Well this is the debate. Some people can be very clear and knowledgeable about their options and their pathways, and they can work towards it and achieve it. Other people will be absolutely, "I want to do spray painting or I could do cooking." How are these things connected? There does not seem to be anything. Some will say, "Well I want to do something here at Bankstown." Now that is nice, but what about going north or south a few kilometres? They will say, "Oh no, I do not go across Canterbury Road." So you have got that sort of school mentality—the high school is in the next suburb—and things like that. When you are starting to look at this area, you are asking them to travel to where they will find more satisfaction in what they are looking for.

**The Hon. GREG DONNELLY:** Certainly the absence of counsellors must make that more difficult?

**Ms McCORMACK:** Yes. I mean automotive, for instance, has moved to Campbelltown. You have got people who have said, "Yes, I would go to Padstow but if I have to go to Campbelltown then I will go to Ultimo." So there is a mobility issue.

**CHAIR:** We are out of time. I can assure you that spray painting and cooking works for me. When I cook it looks as if I have spray painted.

**Ms McCORMACK:** I have some other things that I would like to table.

**CHAIR:** Very well.

**Documents tabled.**

**CHAIR:** You have 21 days in which to reply to any questions taken on notice. If you have any concerns the secretariat will be more than happy to assist you. I thank you for your 39½ years. That shows me that not only were you very passionate about also what have done was very heartfelt. Indeed, you may never see those students again but many of them no doubt will go on to make a real impact in their communities.

**Ms McCORMACK:** When I got second generation students coming to me it was lovely but "Oh my."

**(The witness withdrew)**

**NGILA BEVAN**, Manager, Advocacy Projects and Communication, People with Disability Australia Ltd,

**THERESE SANDS**, Co-chief Executive Officer, People with Disability Australia Ltd, and

**JOHN MACMILLAN**, Senior Sector Development Officer, National Disability Services, affirmed and examined:

**CHAIR:** Would any of you like to make an opening statement?

**Ms BEVAN:** Yes. Thank you for the opportunity to provide information to this inquiry and also for the opportunity to appear before the Committee today. People with Disability Australia [PWDA] is the national peak representative organisation for people with disability. We are also the peak representative voice for people with disability in New South Wales. In recent years we have made a number of representations on issues relevant to this inquiry to individual vocational educational and training providers, to the Minister for Education through the people with disability TAFE reference group, and through the Disability Network Forum. We also work on many of the issues raised in this inquiry through our individual advocacy service, which operates across New South Wales and nationally, and have been involved in an increasing number of disability discrimination cases against VET providers.

Today our comments are focused exclusively on the Smart and Skilled reforms because these are the primary issues our membership has raised directly with us. In summary, Smart and Skilled reforms are failing people with disability. They are actually creating barriers to their continued education, their future employment opportunities and their economic security. Similar to the primary and education system, disability inclusion is not embedded into the structure of the VET framework as an education provider; rather, accommodating students with disability is often seen more as an add-on requirement, as opposed to a matter of course or general standard of inclusion and participation. This fundamentally needs to change. In our view the Smart and Skilled reforms are a retrograde step in achieving this.

I would like to briefly highlight three main issues. The first issue is that the disability loading of 15 per cent, which was introduced by Smart and Skilled to fund disability supports, is not working. In fact, it is unworkable. A loading of 15 per cent is enough to provide support for some people but flexibility is required. There is inconsistent application of this funding between students and also in the way that providers are using the system. It appears there is uncertainty amongst students that support will be provided. The lack of consistency in the provision of support means that some people with disability do not enrol in courses they wish to pursue, they drop out before the end of their course or perhaps funding is not provided for the duration of their course, which means they are forced to drop out and sometimes this leaves them in substantial debt.

Recent figures from the State budget suggest that since these reforms were introduced the number of people with disability enrolled in VET courses has dropped by more than 5,000. There is also a lack of transparency as to what this 15 per cent loading is spent on—for example, if a provider is providing generic support for people with disability based on the type of impairment they identify with, whether they are providing tailored support to individuals or whether those supports are being used to pay for staff. As it can be seen from our submission, there is also the problem of unscrupulous providers exploiting vulnerable people, including those with disability, into signing up for courses they will not complete. People with disability are not receiving support in being able to choose courses that might be suitable for them.

Overarching all of these issues, which I am sure we will go into in more detail later, is there is no real effective complaints mechanism to address any of these problems. Complaints under the Disability Discrimination Act are possible—which is the legislation that should be used to deal with these issues—but it is a very long process. In the meantime the education of students with disability is suffering and also their employment opportunities are also being affected. Secondly, the VET system is not supporting people with disability to transition into employment. As we all know, failures in the provision of disability support within the education system, whether it be secondary or in the VET sector, will lead to reduced life opportunities for people with disability and life chances, including an increase in debt for many. Educational outcomes for people with disability are poor across the board. This leads to poor economic security in adult life, a reinforcement of low expectations, inequality and poverty as the "norm" for people with disability.

Our submission contains some statistics but I will reiterate them. Recent figures suggest that only 54 per cent of people with disability are employed, as opposed to 83 per cent of the general population; and

45 per cent of people with disability live in or near poverty. Indeed, Australia recently ranked 26 out of 27 of all Organisation of Economic Co-operation and Development [OECD] countries in terms of the number of people with disability living in poverty. Employment is also a key priority in the Premier's 12-point plan. It has also been emphasised as one of the four key strategies in the NSW Disability Inclusion Plan. Improving these employment outcomes really requires action of inclusive education and training opportunities. It also requires an investment in a sustainable disability support system and a change in attitude to one of assumed inclusion as opposed to ad hoc approaches to participation, including in the VET sector.

Finally, we would suggest that there are lessons to be learnt from the National Disability Insurance Scheme [NDIS]. The NDIS is changing the disability system, which has traditionally focused on crisis, to one that will operate through person-centred approaches, choice and control. This kind of idea really should be translated into the VET sector so that the provision of disability supports is also flexible, transparent and accountable and meets the individual needs of people. For example, a person who requires support equivalent to a 2 per cent loading can have that and one who requires support equivalent to a 30 per cent loading can also have that.

I would like to highlight that the NDIS scheme will provide support to a person with disability to get to VET, TAFE or any RTO but once they arrive it will not assist them to participate in their learning. The VET sector is responsible for providing those reasonable adjustments for that student to be able to learn, and the sector will continue to be a barrier to the economic and social participation of people with disability if some of the matters we are raising are not addressed. Ultimately this will impact on the success of the NDIS, to which the New South Wales Government has been making a significant commitment and contribution.

In conclusion, people with disability have a right to equal access to vocational training and this should be readily available without recourse to disability discrimination complaints. At an absolute minimum, the 15 per cent loading for disability support must be quarantined so that people do have access to the 15 per cent they are entitled to. We recommend that the Smart and Skilled program be reformed to inject some flexibility, transparency and control into the funding of disability support in the VET sector. We would also recommend that there be increased oversight of the way in which this disability funding is used and the outcomes being obtained for students with disability. Also that policies around disability inclusion and VET should not be seen in isolation but they should be considered in light of the other policy commitments that the New South Wales Government has concerning education and disability inclusion more widely.

**CHAIR:** A comprehensive opening statement. We will go to the Opposition.

**The Hon. GREG DONNELLY:** Thank you all for coming along this afternoon to provide us with an opportunity to ask you some questions on what are detailed submissions. In relation to embedding into VET training proper accommodation for people with disability, I think the implication we take from that is that the way in which Smart and Skilled has been formulated and the way it has been applied is that there is not, as you submit, a full incorporation and consideration of people with disability. Is that a fair assessment of the point you are making, that you think it is deficient, essentially?

**Ms BEVAN:** I think so because for disability inclusion to happen there needs to be an across-the-board attitude or culture of inclusion and the way that this system works is to attach a cost ceiling to inclusion.

**The Hon. GREG DONNELLY:** Which is the 15 per cent.

**Ms BEVAN:** Which is the 15 per cent. There are many problems there. When a person with disability enrolls onto a course, that is when the 15 per cent provision kicks in. So if that person does not put on their form that they have a disability then that funding will not come to them.

**The Hon. GREG DONNELLY:** Does that happen?

**Ms BEVAN:** Yes.

**Ms SANDS:** Absolutely it does. There are many reasons why a person may not identify as having a disability. They may feel there is stigma attached, they may not understand why that question is being asked, but also they may acquire a disability later or they may have multiple impairments and they are unclear as to what they are meant to put on that form and what support they will get depending on what they put on that form.

**Ms BEVAN:** That is an issue at enrolment. Once the student has enrolled—ticked the box for disability—that institution will get the 15 per cent loading. What happens to that 15 per cent after that point there is no transparency around. The institutions now have a discretion to decide what would constitute a reasonable adjustment for those students. So it is not a case of an individual saying, "I need X, Y, Z support"—which may be minimal cost; it depends on the person—they are given a support which the institution decides should fit them. That is the second problem and those two may not match up.

Thirdly, you have an issue where some providers may consult with individuals to discuss what their needs are; however, they may not be able to fund the entirety of their needs. I think there is an example in our submission about a student requiring Auslan interpretation. If that person requires Auslan then they will require that throughout the entirety of their course. If the institution is only able to provide them with, say, three hours a week then that person cannot do that course and they really should have been made aware of that before they enrolled and paid for it, et cetera.

There is also an issue of institutions deciding to fund generic supports for all people with disability, which are the sort of lowest common denominator supports, I would call them. So instead of funding specific adjustments for individuals they will provide whatever is the cheapest. However, in that case, regardless of what they spend on those supports they have still got the 15 per cent loading, so they could make a profit off the rest of that and there is no system to monitor what that money is spent on and there is no system for a person to say, "My supports cost \$1,000. You should have \$1,000 to spend on me because I have got this 15 per cent loading". There is no system for a person to make that kind of inquiry.

**The Hon. GREG DONNELLY:** That 5,000 that you quoted in your opening statement with respect to the number of persons with disability enrolled in vocational education courses, could you cite for us the reference for that number?

**Ms SANDS:** That has come from the New South Wales budget.

**The Hon. GREG DONNELLY:** From the budget papers was it?

**Ms SANDS:** Yes.

**The Hon. DANIEL MOOKHEY:** I just want to explore the impact that the NDIS is going to have on the sector and particularly on VET. I am quoting from a sheet published by the NDIS, and please tell me if this is your understanding, that "the NDIS will provide personal care on campus related to the participant's disability such as assistance with eating or self-care, assistance with transport to or from campus, aids and equipment", but then explicitly says that "the education system is responsible for employing teachers, learning assistants, facilitating access to educational resources". So the NDIS will not be funding things like Auslan interpreters?

**Mr MACMILLAN:** No.

**Ms SANDS:** No.

**Ms BEVAN:** No,

**The Hon. DANIEL MOOKHEY:** And it is not at all designed to provide any of those support services that you are describing?

**Mr MACMILLAN:** That is certainly what the current thinking is, it is about getting the right split of responsibility between the Commonwealth and State levels.

**The Hon. DANIEL MOOKHEY:** In fact it says that if the education system cannot fund that then there is no recourse to the NDIS to get that funded. Therefore, the question then becomes, one, that all those other additional factors that you have cited as being key to inclusion, key to completion, it is all about whether or not that 15 per cent loading is adequate to cover all those costs, but, two, the extent to which the power provided by the 15 per cent vests with the individual or the institution as well, to the extent that an individual can ask whether it is being spent on them, is the 15 per cent adequate?

**Ms SANDS:** It clearly is not for some students because we already have disability discrimination complaints by former students who have pulled out of courses because their support needs are not being met or they have been reduced.

**The Hon. DANIEL MOOKHEY:** Did you have an opportunity to talk to IPART about the 15 per cent loading, about what is being included in it and what is not being included in it? Did you have a chance to talk to State Training Services or anyone to do with whether or not that 15 per cent needs to be changed?

**Ms SANDS:** We have spoken with State Training Services. Part of our concern is that at an absolute minimum if the 15 per cent is to apply there should at least be mandatory quarantining of the 15 per cent loading within institutions, so that it is just quarantined to provide supports to students with disability. At the moment it is not. We would prefer a system that was more in line with the NDIS, which was around individualised funding supports to a student directly for them to choose the supports they need and that was tailored to them and they had control and choice over those supports. But at an absolute minimum there is no requirement for that 15 per cent to be pooled, quarantined and therefore could be used across a wide range of support needs.

**The Hon. DANIEL MOOKHEY:** If the 15 per cent is not adequate what do you think is?

**Mr MACMILLAN:** That depends entirely on the needs of the individual.

**Ms SANDS:** I think we have a problem with a percentage loading because people are individuals.

**Mr MACMILLAN:** That is not reflective; so, essentially, the NDIS model is a much more flexible model, which aligns support needs to the actual needs of the individual.

**Dr JOHN KAYE:** A hearing-impaired student versus a student in a wheelchair would have completely different needs.

**Mr MACMILLAN:** Completely different requirements.

**Ms SANDS:** Absolutely completely different costs, and we are seeing many complaints particularly in relation to deaf students who need Auslan as well as note takers because they need to be able to see—that is their first language—as well as have someone taking notes for them and they cannot do both.

**CHAIR:** We had a presentation up in Lismore of someone who was deaf and how they proceeded through TAFE. On page 5 of your submission, point number 20 about community services obligation, you say, "CSO funding is only made in 12 month blocks making it difficult for Teachers Consultants who work with students with disability to plan and fund their complete pathway of study over the duration of their course". Are you suggesting that they need longer terms of allocated funding, secured funding, or are you talking about the person's course?

**Ms SANDS:** We are talking about the person's course. If I understand your question correctly, we understand that the situation is if—

**CHAIR:** This is from your submission, is that right? I am on the right track?

**Ms SANDS:** I understand the point but if I understood your question correctly, TAFE Institutes, VET providers, et cetera, are being told that if the 15 per cent loading does not cover a student's support needs they can use the Community Service Obligation funding that is provided. But the issue with that is that Community Service Obligation is meant to cover a whole range of needs for disadvantaged people and it is not clear what the eligibility criteria is, how you would meet that, what funding is available from that pool—it becomes a competing pool and if it is applied over a 12-month block and your course is for three years and you are not clear that you are going to get that funding in the following year, it could be a significant disincentive to—

**CHAIR:** That is my point. I wanted you to say exactly that, that if the course is three years you want security for those three years.

**Ms SANDS:** That is exactly right.

**CHAIR:** That lines up with some other evidence we have had. I do not mean to be crass in what I am asking you here, I am just trying to get the gamut of the situation: Can you define "disability" in the context that you are putting it in here, in terms of TAFE and the application form? What qualifies a person in that situation to tick the box that you are talking about?

**Ms SANDS:** I have not seen the application form and exactly what it says.

**CHAIR:** I am just wondering if there is a definition of what that qualification is and how wide and broad it is, that is all, given Ms Bevan's previous comments about how many people with disability are missing out. I just wanted to see what that definition was.

**Ms SANDS:** I am not exactly sure what is on the form; I cannot provide evidence on that, but, generally speaking, in some large TAFEs there are teacher consultants for people with intellectual disability, people with physical disability, deaf, hearing-impaired, blind, vision-impaired, people with mental health conditions and there may well be other teacher consultants as well that support students with disability. It is very wide and broad ranging.

**CHAIR:** I was just trying to get the definition.

**Ms BEVAN:** But the overarching point is that when a person is filling in that form they do not know that their funding support depends on them ticking that.

**CHAIR:** I understand that. I think we even got some evidence that people need to be guided through those forms, especially the more intellectually challenged people who do need to be helped filling out those forms. The question was more: What is your definition of disability in this context for TAFE funding? I was wondering if there was a succinct definition.

**Dr JOHN KAYE:** On the paragraph in your submission that the Chair pointed out my understanding was that direct CSO funding, apart from the 15 per cent, was only available to TAFE.

**Ms SANDS:** Yes, it is, sorry.

**Dr JOHN KAYE:** You might like to give us a correction to that part of your submission.

**Ms SANDS:** Sure.

**Dr JOHN KAYE:** I think it was you, Ms Sands, who made the statement—or maybe it was you, Ms Bevan—that disability support was not embedded into the framework of Smart and Skilled and VET. Is that correct? Is that what you meant? Is it not fair to say that that disability support is comprehensively embedded into TAFE?

**Ms SANDS:** I think TAFE has a very longstanding reputation of providing significant support and very high-level support for students with disability. I think what we are referring to is probably while that support is there I think we are talking more philosophically embedded into educational expectations for students with disability that is part of not only the vocational education and training but coming through schools and then moving into vocational education and training. I would certainly see that TAFEs have provided significant supports through their teacher consultants and the way they have worked with students with disability to provide supports, et cetera, and there is obviously a focus on achieving outcomes for disadvantaged groups of people more generally than you would see, say, in a for-profit provider.

**Dr JOHN KAYE:** You would be aware of the course which no longer exists or is no longer offered—9999. Are you aware of Learner Support?

**Ms SANDS:** Yes.

**Dr JOHN KAYE:** Could you comment briefly on the consequences of that course, 9999, no longer being offered?

**Ms SANDS:** Our understanding about that course was that it was a preparatory course, particularly for students who may need to be more study-ready to be able to participate in a full TAFE course. It is a critical

post-school transition into the vocational education and training environment. It would provide foundational skills for a number of students with disability around basic computer programs, study skills, timetable programming and moving into the TAFE environment. It was particularly beneficial for students with an intellectual disability.

**Dr JOHN KAYE:** And you would be aware that it became a victim of the competitive market?

**Ms SANDS:** That is right. There was more emphasis placed on literacy and numeracy courses. Literacy and numeracy courses obviously are important, but they replaced something that was beyond literacy and numeracy with something that does not really suit the particular students.

**Dr JOHN KAYE:** On the 15 per cent or whatever percentage it is, I take your point and agree with it profoundly that 15 per cent might be adequate for one student with one set of additional needs but it would be entirely inadequate particularly in the case of a deaf student. I think somebody told me that if you are an electrical technology certificate III student, you would use up all of your 15 per cent in a day and a half or two days. Can you comment briefly on the idea that TAFE cross subsidises into many students, and if you tie it down then you are going to actually lose support for some students?

What I am saying is that if you have the 15 per cent and you tie it down to the individual student, who has that 15 per cent, right now TAFE takes money off some students and spends it on others. I am just concerned about your account. Sometimes you wish for what you want to get and then when you get it you realise that you have got the wrong thing. That accountability would only be sensible, would it not?, in a context where the amount of funding that was allocated to the student was adequate for the student's needs.

**Ms SANDS:** I think that is our broader point. I know that National Disability Services has also put that recommendation.

**Dr JOHN KAYE:** But of course you and I know that it never is—we never get to that perfect position, and that is my concern.

**Ms SANDS:** In the NDIS, and I am not sure if Mr Macmillan wants to comment on that, that is certainly a recommendation. We are talking about moving away from loadings to perhaps individualised funding supports similar to the NDIS, which goes to the student and is mobile with the student.

**Mr MACMILLAN:** Certainly that would be consistent with the model of the NDIS, which is about putting choice and control of funding into the hands of the person with the disability. If you want the VET system to be consistent with and supportive of the NDIS then there is an argument that the funding should also be controlled by the individual for their supports.

**Dr JOHN KAYE:** But doesn't that run the risk of destroying, for example, teacher consultants disability, who are paid largely out of community service obligation [CSO] funding. If we put all of the funding into the hands of the students, there would be no security to employ teacher consultants disability.

**Mr MACMILLAN:** Only if that is the only source of funding for those staff.

**CHAIR:** We will move to questions from Government members now.

**The Hon. CATHERINE CUSACK:** Thank you very much for coming today. The NDIS agreement was announced in principle in 2012. Are you aware of any work that has been undertaken by VET authorities or State authorities to have a plan for how VET funding is going to change in light of the NDIS being introduced?

**Mr MACMILLAN:** I am not aware of that, but what I am aware of is that under the Disability Inclusion Act each agency is required to prepare a disability inclusion plan. I understand that those are due to be completed at the end of this year. You would hope that any such plan would look at the alignment between a program and the NDIS.

**The Hon. CATHERINE CUSACK:** I guess the problem in New South Wales is that we have introduced the Smart and Skilled program which is an innovation. Can you see any evidence in Smart and Skilled that there was an effort to integrate the objectives and the growth of that strategy with the introduction of the NDIS?

**Mr MACMILLAN:** I have not seen any evidence, although I have not looked for it directly. Certainly our submission highlights some potential inconsistencies and recommends that there is a need for greater consistency between the NDIS and Smart and Skilled.

**The Hon. CATHERINE CUSACK:** You quite rightly in your submission talk about a whole-of-government approach, but perhaps that has not been in evidence in this area.

**Mr MACMILLAN:** There is evidence to suggest that it is not, but I am not party to discussions that have happened which may actually counter—

**The Hon. CATHERINE CUSACK:** I suppose that is another issue—consultation. Maybe this is a question for everybody. What consultation has there been with the disability sector on the actual development of the Smart and Skilled policy, on the evaluation of how it has been implemented and on the feedback about the impact on students with a disability? Are you aware of any engagement around this?

**Ms SANDS:** We were engaged in some meetings, but largely the meetings we were engaged in were called by disability sector organisations as well as representatives of TAFE teachers. We have had meetings with the Minister and with senior bureaucrats over the past couple of years around the development of Smart and Skilled. We have also raised concerns when they have arisen from our membership. Where we know students or prospective students have taken Disability Discrimination Act [DDA] complaints et cetera, these have been raised. They have been raised through the NSW Disability Network Forum with the Minister as well, which is the collection of advocacy and peak organisations.

**The Hon. CATHERINE CUSACK:** But in terms of the overarching governance framework it is not actually built into that at the moment?

**Ms SANDS:** No.

**The Hon. CATHERINE CUSACK:** In terms of TAFE in particular they receive a lot of CSO funding. Do you know what the number is? I am not sure what the number is.

**Ms SANDS:** I am sorry but I do not.

**The Hon. CATHERINE CUSACK:** I have heard that it is something over \$300 million but I am not quite sure.

**Dr JOHN KAYE:** It is a closely guarded secret actually.

**The Hon. CATHERINE CUSACK:** I guess the issue is that I am not quite clear if the 15 per cent loading is coming out of their CSO funding or how that is being organised. Does anybody know?

**Ms SANDS:** It is different to the CSO funding.

**The Hon. CATHERINE CUSACK:** So the 15 per cent loading is not being funded by the CSO?

**Ms SANDS:** No, that is a separate pool of funding for a range of disadvantaged groups. That pre-existed Smart and Skilled I think.

**The Hon. CATHERINE CUSACK:** I thank you for the statements in the submissions that suggested the point of the NDIS is for clients to have choice and empowerment, which means actually allowing them to manage all the resources that are being allocated. So instead of it being driven by the supplier, it actually comes to them to make choices. In one submission—and I am trying to remember which submission it was in; Mr Macmillan, it might have been in yours—it was suggested that it is unlikely that that is what is going to happen in relation to VET.

**Mr MACMILLAN:** I think that statement is likely to refer to the fact that it is unlikely that the NDIS will pick up what it believes to be State responsibility costs.

**The Hon. CATHERINE CUSACK:** Yes, that was the statement. Do you think it should pick that up?

**Mr MACMILLAN:** No, not necessarily. I think part of any State jurisdiction's commitment to the NDIS is broad and it includes all forms of service provision to people with disability, and that is an ongoing commitment.

**The Hon. CATHERINE CUSACK:** I am not suggesting the State should withdraw its effort. Indeed maintaining and improving its effort needs to be part of the NDIS. I guess the question is: Should we continue to do it through CSOs in a big bucket that is not transparent and have a 15 per cent loading? I presume that is an average across all students. For example, if I have had an accident and lost my left arm, and I am doing a business course, I do not need a lot of assistance. So I am assuming that 15 per cent is being averaged across all the students.

**Mr MACMILLAN:** That is our understanding.

**The Hon. CATHERINE CUSACK:** And there is a whole back office of people who are disability consultants who do not actually see students but all of this component needs to be funded from that 15 per cent in addition to the support they are getting.

**Mr MACMILLAN:** I do not know.

**The Hon. CATHERINE CUSACK:** I think that is the point—we do not know. If the students were empowered with the funding, they could actually just go to TAFE and allocate their own funding for the support that they needed. Surely at that point you have funded the student according to their disability. So that is where the inequity gets addressed, and then it is up to the student or the support. Is that a reasonable proposition?

**Mr MACMILLAN:** Ostensibly the point in our submission is that that would be consistent with the operation of the NDIS. In terms of assisting the NDIS, and, more importantly, participants in the NDIS, that consistency would have a lot of merit.

**Ms BEVAN:** There are a couple of different issues here. TAFE is very different from private providers. Many of the problems that we have are to do with providers being in breach of the Disability Discrimination Act [DDA]. So regardless of the NDIS and regardless of where the funding for disability support comes from, providers are required to make reasonable adjustments as part of their obligations under the DDA. The money that they get to make those adjustments is a separate question. So TAFE may get its funding to make those adjustments from the Government, and private institutions may also get some of their funding to make those adjustments from the Government. But if you are a private provider and you are selling somebody a course—

**The Hon. CATHERINE CUSACK:** Sorry to interrupt, but do you mind if we do not go down that track at the moment. I do agree that that is a different issue, and I want to ask some questions about that later. It is just that I do not have a great deal of time left and I am trying to get to this concept. Would you like to comment on whether it is better to empower the individual with the funding?

**Ms BEVAN:** Yes, I agree with what has been said.

**The Hon. CATHERINE CUSACK:** And there would be greater transparency around that. Thank you. Just going now to the issue that you were raising about private providers, there are a number of specialist disability training organisations, as I understand it. Do you have any information about how many did not win contracts or did not get sufficient contracts under Smart and Skilled?

**Mr MACMILLAN:** I do not have that information here. I would need to take it on notice to investigate the availability of that information.

**The Hon. CATHERINE CUSACK:** You did refer to process as having constrained capacity.

**Mr MACMILLAN:** National Disability Services [NDS] is the peak industry body for non-government service providers, and our membership includes RTOs. Certainly some of our members have reported not receiving funding or receiving reduced funding under the Smart and Skilled process.

**The Hon. CATHERINE CUSACK:** Are some of those organisations caring holistically for disabled people with an RTO embedded in that?

**Mr MACMILLAN:** Yes, so they are specialist training—

**The Hon. CATHERINE CUSACK:** And they have now not been funded to continue that?

**Mr MACMILLAN:** Yes, in some circumstances.

**The Hon. CATHERINE CUSACK:** Which is really awkward.

**Mr MACMILLAN:** But I do not have that information with me.

**CHAIR:** It might be best to take that question on notice.

**The Hon. CATHERINE CUSACK:** Thank you.

**CHAIR:** I thank you for appearing here today and for your comprehensive introduction. We have your submissions, and I note that you have suggested some draft recommendations there. We will take those into consideration when drafting our final report. I appreciate that you have condensed those down to the main findings that you think we should arrive at. You do have 21 days to respond to any questions taken on notice, and the secretariat will be glad to help you out. There may be some further questions following on from your evidence here today. Thank you once again for all that you do.

**(The witnesses withdrew)**

**CINDY BERWICK**, President, NSW Aboriginal Education Consultative Group Incorporated, and

**MERV DONOVAN**, Executive Officer, NSW Aboriginal Education Consultative Group Incorporated, sworn and examined:

**CHAIR:** I welcome witnesses from the Aboriginal Education Consultative Group Incorporated. I note that the Committee has already given an acknowledgement of country and the Gadigal people of the Eora nation. Do you have an opening statement?

**Ms BERWICK:** Just a short one. Thank you for the opportunity to be here. The Aboriginal Education Consultative Group [AECG] is a not-for-profit community organisation that has been around for a long time. It has a proud history in supporting Aboriginal education or supporting education for Aboriginal people. We have advocated for a long time around the opportunities that education gives to us and what we gain out of education, whether that be better health, better job opportunities or the like. We have a local network and one of the biggest local networks around the State—around the country, I would say—so the information we get is from the grass roots people.

We have 127 local education consultative groups [ECGs] that operate in most country towns and cities in New South Wales and from there we have a structure that enables us to listen to the issues on the ground that affect Aboriginal people, which then allows us to advocate and lobby on behalf of communities around what we need particularly in education and training, and we do that from preschool up to university. As you will appreciate, a lot of our efforts are directed to school business because that is where the majority of people sit but we still do a lot of work around early childhood vocational education and the university sector because I think we all agree that education is the key to our survival and will lead us into economic prosperity which we always have not enjoyed.

**The Hon. SCOTT FARLOW:** Thank you for coming along today and for your submission. I am interested in your second recommendation in terms of assessing the quality and also looking at employment outcomes. That is a key point in terms of looking at how the vocational education system creates jobs and employment opportunities. I am interested in your experience as to how you found in the past vocational education leading to employment opportunities. Have you found that there has been a close connection with the vocational education undertaken by Indigenous students and employment opportunities?

**Ms BERWICK:** We have worked closely with vocational education providers in the past. It is no secret that TAFE NSW is probably the one we have worked with the most because TAFE has been the public provider and I guess what we would consider providing a second chance at education for many Aboriginal people. But there have been good programs that lead to employment, for example, iProud. I do not know whether you know the iProud program.

**The Hon. SCOTT FARLOW:** No.

**Ms BERWICK:** It is a police program to look at how to get more Aboriginal people ready and willing into the Police Force. There are certificate courses that prepare Aboriginal people for entry into the academy to become a police officer and that is successful and has been rolled out around the State. We are aware that there have been a number of—you know, job opportunities are probably the most, like, is the primary role that we see vocational education and obviously job opportunities is the most important. We also see that there is a role around vocational education that builds confidence, particularly for Aboriginal people, that builds confidence to allow them to engage in further education. Now whether that is a pathway through the VET sector to higher education or whether it is just about giving them the confidence to be able to go for a job and skills to be employed, we have always found that job opportunities and employment outcomes have been quite good.

**The Hon. SCOTT FARLOW:** In talking about—this is a continuing theme when it comes to TAFE or vocational education—second chance education, are you finding it more and more an option as a first choice in education as well? That people are seeing that a career in the trades or a career through vocational education is just as important as it would be going to university or aspiring to that?

**Ms BERWICK:** I think there has been a lot of, particularly around some of the industries, they have had Aboriginal employment programs like Ausgrid and things where they actually build Aboriginal people's

skills up to partake in the trades. We were discussing this the other day, that people are actually saying that university is the thing to aspire to, and we probably need to change our language around it. It is good for people to aspire to but there are a lot of Aboriginal people, like, universities will manage people who have TAFE qualifications, which is probably a sweeping statement but it is probably generally true. You cannot have a university-led workforce because you need a skills base to operate and that has generally been our—one of the benefits to us in our communities is if they actually have trades and especially in rural and remote areas we advocate for home maintenance.

If you have a bit of carpentry behind you, you have a bit of electrical trades, you have a bit of plumbing, then you can maintain your own house and you maintain your own environment and housing structure. To get tradespeople to some of these rural and remote communities is difficult and it costs an arm and a leg. So we have done a lot of advocating and we helped build a mobile truck that goes to communities to deliver the programs in communities and the added benefit to that is that they have better housing in terms of being able to manage their own houses.

**The Hon. SCOTT FARLOW:** It was interesting in your submission the observation that, unlike the rest of the population, the Indigenous population is not getting older but younger. As we are looking at vocational education and training, we have heard already from the health sector today about the ageing population and the needs there. What do you see at the other end of the spectrum with a cohort in the Indigenous community who are getting younger? How do you think we need to rejig things?

**Ms BERWICK:** I think that is a tremendous opportunity for the economic State and for us. We have a very young population and health statistics show that we do not live long but we have a younger population and therefore that provides an opportunity to make sure that in areas of skills shortages there are opportunities for Aboriginal people for employment. It is a key to prosperity and economic independence for us but it is also an opportunity for the Government or industry to have a mobile and young workforce that Aboriginal people offer, and that is often overlooked.

**The Hon. SCOTT FARLOW:** In your comments earlier you said that predominantly you have been dealing with TAFE. Are you any private providers that you have found that have good programs for Aboriginal people or a good approach with Aboriginal students?

**Ms BERWICK:** By and large, no. The reason for that is that, look, I am not here to promote TAFE. I am just saying what we have found.

**The Hon. SCOTT FARLOW:** Yes, it is your experience.

**Ms BERWICK:** One of the things that TAFE provides that other private providers have not provided is the support mechanisms. For Aboriginal people it is sometimes often a second chance at education, like policies and practices in the past have not necessarily lead to good outcomes in schooling. So to be able to enrol in TAFE and often with poor literacy skills, often skills in literacy and numeracy that may not be up to standards, what TAFE does is offer tutorial assistance, actually offer mentoring and offering support for Aboriginal people to undertake their credential and private providers do not offer that. That is one of the reasons that TAFE is a preferred provider for Aboriginal people.

The other reason that it is, I mean, in terms of country towns, rural and remote areas, the AECG has been a long advocate for education and in a lot of those country towns there are small TAFE campuses, and we have actually advocated for those TAFE campuses or a training part to be put in those towns. Towns like Walgett, Wilcannia, Boggabilla and Tumult all have small TAFE campuses so that Aboriginal people can access training opportunities. Private providers are not in those towns so predominantly that is another reason that we go to TAFE.

**The Hon. LOU AMATO:** With regard to school career advisers, what is your experience with career advisers advising young Aboriginal students?

**Ms BERWICK:** They probably need some training themselves would be my view.

**The Hon. LOU AMATO:** Do you find that they are perhaps not steering in the right direction?

**The Hon. GREG DONNELLY:** Be frank.

**Ms BERWICK:** I am just trying to think. I am a schoolies and I am trying to think of the careers advisers I experienced at school. Generally, by and large, it is not often—I guess they do not necessarily have a—often it is about what they want if the opportunities exist, not necessarily what the family wants and the aspirations of what they need to the family. It is about what exists, which does not necessarily meld with the family and what the aspirations are for that. My answer to that question would be career advisers probably need more training. They do not give sound advice generally to school kids and they certainly do not give sound advice to Aboriginal kids. By and large. There would be some people who do a great job.

**The Hon. SCOTT FARLOW:** Are you saying that they are not necessarily tailoring their advice to the individual and they are just saying this is what is out there with no respect whatsoever for that individual's circumstances?

**Ms BERWICK:** Yes. There is a job opportunity, whether you have got the skill or not. Like, there is a job in a legal firm but you have bad literacy skills and you are not at that level. It is just about getting them a job and moving them into a pathway that they may or may not—

**The Hon. LOU AMATO:** To gain employment.

**Ms BERWICK:** To gain employment, which may or may not be something that they actually want to do. The other thing I would probably say is that they do not discuss pathways. You know, the Higher School Certificate is the end of the world and there is a lot of pressure put on kids to do the HSC and I do not think there is enough discussion around pathways. The HSC is not the end of the world.

**The Hon. LOU AMATO:** There are other pathways.

**Ms BERWICK:** There are other avenues and opportunities in vocational education that go there. I will take my niece, for example. She did certificate I, certificate II and certificate III in fine arts and she did all the work through that and got her diploma and then went on to Kofa and got a degree. That are lots of pathways to achieve things. By and large, I would say that career advisers do not know that and do not advise their students well. That is a definite.

**Dr JOHN KAYE:** Thank you for your excellent submission. I take you to page 14 of your submission where you talk specifically about the choice of Aboriginal people to focus on TAFE, rather than on private providers, and you give us a number of reasons why that is so. Interestingly, you point to the consequences of the TAFE Commission Act—I think the Act was rewritten in 2009 or 2008—which included a specific objective to provide vocational education to disadvantaged groups with access to technical and further education services. Can you talk briefly to how TAFE has taken that instruction in the Act and made it real for Aboriginal people?

**Mr DONOVAN:** The TAFE commission has established numerous positions of late. Aboriginal student support officers to support Aboriginal student vocational education and training outcomes. They have engaged—because TAFE institute is a stand-alone registered training organisation they have also developed their own employment strategies, specific Aboriginal strategies around employing and retaining Aboriginal staff. They have developed over time various curriculum and TAFE products that have used their Aboriginal advisory committees. Most institutes have an Aboriginal advisory committee that is now established. That provides some community input around the directions for vocational education and training in TAFE NSW. There has been a raft of issues that TAFE has taken on in terms of the 2008 legislation.

**Dr JOHN KAYE:** Can you talk briefly about culturally safe learning places?

**Ms BERWICK:** I was just going to say, following on from what Mr Donovan said, that one of the things that those advisory groups have tried to do is actually make TAFE campuses places where Aboriginal people actually want to go to and that is creating a culturally safe environment where their culture is actually recognised and valued. That might be displayed by welcome to country signs. They often have acknowledgements of land and they sometimes have a TAFE unit where they can go and get support.

**Mr DONOVAN:** A lot of the conferences and campuses have also taken on traditional names as well in recognition of local community and language.

**Dr JOHN KAYE:** I have noticed recently that almost every TAFE campus has a large acknowledgement of country on the front and many of them now have Aboriginal local language statements on the front of their campuses?

**Ms BERWICK:** Yes, and as Mr Donovan said, the other thing is the employment strategies. They have actually employed Aboriginal people as the first port of call. We had to do something. I was in TAFE Western walking through one of the campuses and I was quite interested that the gardener, who is an Aboriginal person, actually said hello to me. I was going to a skills thing that the Minister was doing and I said to the institute director how nice that was and how friendly their staff were. Their attitude was, "You never know who is going to walk on the campus who wants to do a course" so it is actually inbred in all the workers. If Aboriginal people see other Aboriginal people welcoming—and it was not just Aboriginal people; it was everybody—then it becomes a place where you actually feel culturally safe and feel you can express your culture, not feel humiliated or belittled.

**Dr JOHN KAYE:** That has had real and measurable outcomes in terms of the number of Aboriginal people who gain certificate level III or above qualifications. It says here, "a 69 per cent growth in the number of Aboriginal students who attain level III or above between 2009 and 2013". For diploma level and above it is a 187.2 per cent increase. Admittedly it is off an unacceptably low base—

**Ms BERWICK:** Yes, but it is an improvement.

**Dr JOHN KAYE:** —but it shows that these strategies are working, does it not?

**Ms BERWICK:** Yes.

**Dr JOHN KAYE:** If TAFE were threatened or undermined by competition, which many people claim it is, that would have significant implications for Aboriginal people?

**Ms BERWICK:** I understand it already has. I understand that TAFE enrolments are down this year.

**Dr JOHN KAYE:** Indeed, and I was going to get to that in a minute. A loss of the capacity for TAFE to deliver in that way would have implications for Aboriginal people in terms of their learning outcomes?

**Ms BERWICK:** Certainly.

**Mr DONOVAN:** Absolutely.

**Dr JOHN KAYE:** For example, the budget papers show that between 2012 and 2015 there has been a 4.1 per cent decline in Aboriginal enrolments in TAFE. Is that something that concerns you?

**Ms BERWICK:** It does.

**Dr JOHN KAYE:** And you see that as a result of the competitive pressures on TAFE?

**Ms BERWICK:** Yes, and part of the Smart and Skilled reform to actually run their programs.

**Mr DONOVAN:** They are just not getting enough money.

**Ms BERWICK:** And like I mentioned before, what is driving them. What is driving them at the moment is all about business, industry and employment, and that is fine; that is what we need but, like you said, we come from a really low base and to get to the point of being able to be employable, sometimes it is about confidence and sometimes it is about having that level of confidence and self-esteem that allows you to actually go for a job. Smart and Skilled has impacted on that because those courses are not there because it is all about employment. While I acknowledge that—and that is a really big part of vocational education and that is an outcome we want—there is a level of getting people prepared for that.

**Dr JOHN KAYE:** Pathways for learning?

**Ms BERWICK:** Yes.

**Mr DONOVAN:** Absolutely.

**The Hon. DANIEL MOOKHEY:** I thank you for your participation in the inquiry. We have been exploring some of the barriers to participation by Aboriginal and Indigenous people in education in general and in TAFE specifically, the cultural factors, which I think you just elucidated in your last answer being pretty significant ones that are big barriers towards participation. I want to talk about the other ones as well. We heard evidence in Lismore, where we had the opportunity to see an Indigenous health class being trained, that transport is generally a disproportionate problem for people of Aboriginal and Indigenous heritage, is that right?

**Ms BERWICK:** Yes, well, particularly in rural and regional towns. In Sydney you can get on a bus or a train and generally get close to a campus where you can walk but in regional and country areas it is not that easy to actually get to a TAFE campus or a training facility. It is not that easy to get there and then there is not the transport that actually allows that.

**The Hon. DANIEL MOOKHEY:** Are there any other major ones like that?

**Ms BERWICK:** Sorry, can I just say that transport issue is not just pertinent to TAFE; it is pertinent to early childhood. It is about getting young kids to preschool. There is no transport.

**The Hon. DANIEL MOOKHEY:** It is endemic and systemic?

**Ms BERWICK:** Yes, across the education spectrum.

**The Hon. DANIEL MOOKHEY:** Indeed. Are there any other factors like that which you can point to? Perhaps I will shift and move onto the next matter, given our limited time, which is around retention and completion. We have been focusing pretty heavily on the extent to which the system is built around completion, understanding of course that completion saves money for everybody in the long term, results in better outcomes, which is actually the purpose. We have been hearing a lot of evidence about whether or not retention is going up or down under the Government's reforms. Is it generally your contention that the ancillary services around counselling have a positive correlation with Aboriginal and Indigenous completion? The support services that you were describing about TAFE, is that predominantly linked to an Aboriginal person's likelihood to complete their course?

**Mr DONOVAN:** Yes, I would say that. In addition to the counsellors, they have a whole range of other supports—disability consultants, Aboriginal student support officers, librarians, the information technology people. All of those factors contribute to improving vocational education and training outcomes for Aboriginal people. I worked in TAFE Western for a couple of years and I actually had seven psychologists that I managed and they were instrumental in a number of cases in supporting Aboriginal students.

**Ms BERWICK:** Just to add to that—some of the courses, particularly the language courses that TAFE offer because there is a move on our part to actually reclaim our culture and heritage, and of course language is part of that. We have been working so that there are employment outcomes around teaching language in schools and all the rest of it so that there is a job at the end of it. We have found that some Aboriginal people want to go along that employment path but some of them just want to learn their language for the sake of needing to know their language. They might get through the first certificate and they have learnt what they want to know and they are not going to partake further. There is a level of courses where the retention and completion rates would not be high for that reason.

**Mr DONOVAN:** We found that the really successful programs through the VET sector are those ones that are being developed in partnership with Aboriginal communities because it is a sense of ownership. If someone owns a product then they are more likely to follow that through.

**Ms BERWICK:** And I know you want to say something.

**The Hon. DANIEL MOOKHEY:** We have limited time and I have to hand over to my colleagues. I have two questions that remain before I hand over to Mr Donnelly. Accepting the fact that there is a very thin market into the private sector in a lot of these rural and regional communities, if you are able to provide any evidence about any private provider that is able to provide ancillary and support services to an equal or better level than TAFE, we would love to know about it. The second question I was going to ask is: there are a lot of wider Indigenous health strategies, particularly courses that TAFE specialises in—we saw one in Lismore. I am

wondering whether or not you can point to any private provider that is participating in any of those strategies or whether or not the bulk of that work is being performed by TAFE as well?

**Ms BERWICK:** In terms of the health sciences the Aboriginal Health and Medical Research Council, which is the peak body, like us, for health actually has its own training college out at Little Bay and they graduate a number of health workers and I think their courses are also quite well received.

**The Hon. DANIEL MOOKHEY:** Could you assist on notice with the name of that college?

**Ms BERWICK:** It is out at Little Bay hospital.

**The Hon. GREG DONNELLY:** Take it on notice and find out. Thank you both for coming along, for your submission and for the wonderful work you are doing in Indigenous communities around the State.

**Ms BERWICK:** We try.

**The Hon. GREG DONNELLY:** It is well appreciated; thank you very much. Smart and Skilled is currently the framework we are operating under in New South Wales; it is coming up to 12 months now but prior to its implementation did you have any involvement in any consultation about the proposal that was being put forward at the time when the Government was speaking to parties and groups in the community?

**Ms BERWICK:** I think the only part we had was that we obviously advocated for what was on the Smart and Skilled list. We did a little bit about that but not necessarily around the policy of Smart and Skilled.

**The Hon. GREG DONNELLY:** Are you aware that there is actually a review underway in regard to Smart and Skilled?

**Ms BERWICK:** Did that not happen after this? Has it been recent?

**The Hon. GREG DONNELLY:** There is a review underway—and we can provide you with details after—but I am just drawing to your attention that there will be an opportunity for you to contribute and what you bring to the table will be very valuable in providing information to the Government in addition to what we are able to do in this inquiry. Can I ask you this question about how good a job we are doing—using this in a general sense—of opening the eyes of young Indigenous people to the opportunities to do vocational education and explain to them that this is something that is there; whilst they might in some instances be living in quite isolated communities there are opportunities and these are the steps they need to take to advance this possibility of moving into vocational education. Is it something that is well presented to young Indigenous people?

**Ms BERWICK:** I probably think we could do better. I do not think it is something that is on the top of everybody's discussion. We talk about getting an education. We talk about the importance of education and then we probably leave it up to families and other people to decide what type of education that is but given the limited access and opportunities we have had in education, our focus has been on engagement in education, whatever that may be, and we have not really gone out of our way to actually say, "Why don't we focus on vocational education?" We are probably a bit more holistic around, "We need education; we need to engage in education", whatever that may be, and now that you have said that to me, I think there is probably room in our organisation to actually promote vocational education a little bit more than we do—"Have you thought about it?"

**The Hon. GREG DONNELLY:** With respect to non-completion of vocational courses for students who are enrolled, as my colleague said, it has been a subject of some discussion from various witnesses who have presented to the inquiry. I am wondering whether the non-completion of courses by young Indigenous people has been identified as something with which we should grapple better?

**Ms BERWICK:** My opinion—and it goes back to something that Mr Donovan said—is that if we see value in it, then we will complete it. If it is engaging and if we see some value in it, then we will complete it and if it is something that will meet our needs. Over time, broadly speaking, governments have decided what we need. For example, they have told us that we need to do a particular course, as opposed to responding to what we need in our communities. Look at the course completion rates. Where there is a particularly high completion rate, the provider has probably collaborated with Aboriginal people. The course has been developed with

Aboriginal people, in response to a need. One of the things that TAFE has done in the past, which private providers do not necessarily do, is look at what the community needs are and tailor courses to meet those needs.

I have an example of the other side of that. I was out at Wilcannia, where people did a security course because they were required to do something. I do not know where they will get a job in security. There is only one golf club at Wilcannia. Do you know what I mean?

**The Hon. GREG DONNELLY:** Yes.

**Ms BERWICK:** There is no employment for them after that course. Courses need to be responsive to our needs and our wants. Let people decide what they need.

**The Hon. DANIEL MOOKHEY:** That is probably the understatement of the inquiry.

**The Hon. GREG DONNELLY:** I have many more questions, but my time is nigh.

**CHAIR:** It is. Ms Berwick and Mr Donovan, thank you for your clear, concise evidence. I note that you tabled some documents. They are very helpful. I note that you have also made six recommendations. Be assured that the Committee will look closely at them when the report is written, to make sure that some of your concerns are addressed. If you have taken questions on notice you have 21 days to provide answers to the committee. The secretariat can help you with that. Members may have further questions, based on your evidence. Thank you for taking the time to present to the inquiry. It has been very helpful.

**Ms BERWICK:** It is pretty cold outside. I was in a warm office and I had to step out.

**CHAIR:** Thank you.

**(The witnesses withdrew)**

**The Committee adjourned at 5.15 p.m.**

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