

GENERAL PURPOSE STANDING COMMITTEE NO. 6

Friday 4 September 2015

Examination of proposed expenditure for the portfolio areas

REGIONAL DEVELOPMENT, SKILLS, SMALL BUSINESS

CORRECTED PROOF

The Committee met at 11.15 a.m.

MEMBERS

The Hon. P. Green (Chair)

The Hon. L. Amato (Deputy Chair)
The Hon. C. Cusack
The Hon. S. G. Farlow
Dr John Kaye

The Hon. T. J. Khan
The Hon. D. Mookhey
The Hon. E. Wong

PRESENT

The Hon. John Barilaro, *Minister for Regional Development, Minister for Skills, and Minister for Small Business*

CHAIR: Welcome to the public hearing for the inquiry into budget estimates for 2015-2016. Before I commence I would like to acknowledge the Gadigal people, who are the traditional custodians of this land. I also pay my respects to elders past and present of the Eora nation and extend that respect to any Aboriginal people who may be present or listening today.

I welcome Minister Barilaro and his accompanying officers to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Regional Development, Skills and Small Business. Today's hearing is open to the public and is being broadcast live via the parliamentary website. A transcript of today's hearing will be placed on the Committee's website when it becomes available. 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 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 say outside of their evidence at the hearing; so I urge all witnesses to be careful about any comments they make to the media or to others after they complete their evidence as such comments would not be protected by parliamentary privilege if another person decided to take action for defamation. The guidelines for the broadcast of the proceedings are available from the secretariat.

There may be some questions that a witness can only answer if they had certain documents at hand. In those circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages for Committee members from their advisers seated in the public gallery should be delivered via the Chamber support staff or the committee secretariat. Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. A transcript of this hearing will be available on the website from tomorrow morning. I ask everyone, including people in the public gallery, to turn their mobile phones off or to silent.

Witnesses from the department, statutory bodies or corporations will be sworn in prior to evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament.

PAM CHRISTIE, Managing Director, TAFE NSW,

DAVID COLLINS, General Manager, State Training Services, and

SIMON ARTHUR YARWOOD SMITH, Secretary, Department of Industry, affirmed and examined:

ROBYN HOBBS, NSW Small Business Commissioner, Office of the NSW Small Business Commissioner, sworn and examined:

CHAIR: I declare the proposed expenditure for the portfolio of Regional Development, Skills and Small Business open for examination. As there is no provision for the Minister to make an opening statement before the Committee commences we will begin with questions from the Opposition.

The Hon. DANIEL MOOKHEY: Minister, is it the case that forecast TAFE NSW student enrolments for calendar year 2015 are 496,347?

Mr JOHN BARILARO: Thank you, Mr Mookhey, for that good question. The issue around enrolments, as per the budget papers, needs some—

The Hon. DANIEL MOOKHEY: In respect of the budget papers, I am quoting from the budget papers. Is the figure forecast in the budget papers—

The Hon. TREVOR KHAN: Point of order: The Minister was clearly answering the question and has already been interrupted on this first answer. The Hon. Daniel Mookhey should be directed to allow the Minister to answer the question uninterrupted.

CHAIR: Order! I want to set the tone for this hearing. The Minister will have the opportunity to answer the questions. If a member wants to make a point of diverting from that, they need to make the Chair or the Minister aware that they are content with the answer they have received. The Minister has the call.

Mr JOHN BARILARO: Mr Mookhey, I want to answer your question, but there is a bit of background explanation needed around the enrolment numbers in the budget papers. They are the enrolment numbers we have recorded in this particular financial year. There has been a change in the way we record enrolments in this State. We are trying to ensure when we record enrolments that we do what we are meant to do—that is, identify how many students are getting a qualification in New South Wales. That is what the vocational education and training [VET] sector and the Skills portfolio is all about—getting skills. It is about training and education to get the skills for the jobs of today and tomorrow. In relation to those figures, one of the anomalies that has not been explained within the budget is the anomaly where—

The Hon. DANIEL MOOKHEY: Sorry, Mr Chair, I am not asking about any of this. I am asking how many students are forecast—

The Hon. CATHERINE CUSACK: Point of order—

The Hon. DANIEL MOOKHEY: I have already asked the Chair to bring the Minister back to my question—this is about relevance.

CHAIR: Order! The Minister may want to stick to the content that the Hon. Daniel Mookhey asked his question about.

The Hon. DANIEL MOOKHEY: Allow me to repeat my question: Is it the case that the enrolment forecast for 2015 is 496,347?

Mr JOHN BARILARO: According to the budget papers we have a figure of 496,347.

The Hon. DANIEL MOOKHEY: Was it the case that in 2012 the number of enrolments was 579,719?

Mr JOHN BARILARO: I need to explain why we are now recording that information differently in relation to enrolments. Previously a student would enrol for a primary qualification and they would enrol for support services and tutorial support. So one student may have had three enrolments and that has skewed the numbers. If you look at the enrolments within the budget you may see a decline of total enrolments in the vicinity of about—

The Hon. DANIEL MOOKHEY: Minister, on the basis of—

The Hon. CATHERINE CUSACK: Point of order—

CHAIR: The member should let the Minister—

The Hon. DANIEL MOOKHEY: The information provided was adequate and I was about to ask the following question—

The Hon. CATHERINE CUSACK: Mr Chair, will you take my point of order?

CHAIR: Order! It is only fair that the Minister should be given full latitude to answer the question asked of him. The Minister said there is a difference in the way the two figures were arrived at and he wants to clarify why they are different. The Minister should be allowed to complete his answer.

Mr JOHN BARILARO: Mr Mookhey, your question is really talking about a decline in enrolments across TAFE in this financial year. That is why I need to explain the enrolment procedure and the way we record it. If you compare this year's budget papers with those of previous years there is an 8 per cent decline in enrolments as per the budget papers. If you take the anomaly away from the dual or triple enrolments for the single student who receives support services then it drops to about a 2 per cent decline; for Aboriginal students that drop in enrolments goes from 7 per cent to 0.2 per cent; and for students with disabilities it shows a 10 per cent decline in enrolments but when you allow for that anomaly it shows a 5.1 per cent increase in enrolments. We are focused on students enrolling in qualifications that will give them the skill sets for a job both tomorrow and today.

The Hon. DANIEL MOOKHEY: Are you saying that the figure of 579,719 reported in your budget papers—which I presume factors in all the considerations you have just described, otherwise you would be misleading the Parliament in the budget papers—is wrong?

Mr JOHN BARILARO: No, not at all. I have explained that you are comparing the data to previous years and in previous years—

The Hon. DANIEL MOOKHEY: Thank you, Minister.

Mr JOHN BARILARO: —we have recorded that data differently.

The Hon. TREVOR KHAN: Point of order—

The Hon. DANIEL MOOKHEY: The Minister has answered the question.

The Hon. TREVOR KHAN: The Minister had not finished his answer. On the point of order I also make this point. The member is entitled to ask his question but the Minister's answers are answers to the Committee, not to the member. Committee members are entitled to receive an answer that is generally relevant to the question. The Minister should not be interrupted from providing the information to the Committee as a whole, not just to this member.

CHAIR: I hear the point of order. I will always defend a member's right to ask Ministers questions that he or she needs to ask but that should be done with courtesy. However, members should not ask the same question multiple times if they are not getting an answer. I encourage members to listen to an answer and then move on.

The Hon. CATHERINE CUSACK: He is getting an answer.

The Hon. DANIEL MOOKHEY: Is it the case that in the 2015 calendar year enrolments at Blacktown TAFE declined by 60 per cent?

Mr JOHN BARILARO: Your question is specific to a particular TAFE campus. TAFE NSW has 130 campuses and 10 institutes. That is a specific question about a specific campus. I may refer to the managing director but overall in relation to enrolments—as I have explained from the budget papers to actual enrolments and the way we now report them compared to previous years—there are anomalies within the budget papers. A number of weeks ago a question was asked during question time in the lower House around Aboriginal students. I offered to sit down with the Deputy Leader of the Opposition and the shadow Minister to explain those particular enrolment numbers because that clarification was not in the budget papers.

The Hon. DANIEL MOOKHEY: Thank you, Minister.

Mr JOHN BARILARO: If the managing director wants to talk specifically about enrolments at a particular campus I will ask her to do so.

Ms CHRISTIE: I am not able to comment on specific colleges.

The Hon. DANIEL MOOKHEY: Can you take it on notice?

Ms CHRISTIE: Could I just finish by saying that I think 60 per cent sounds an exaggerated figure and highly unlikely.

The Hon. DANIEL MOOKHEY: Minister, is it the case that enrolments at the Blue Mountains TAFE for the 2015 calendar year were down 53 per cent?

Mr JOHN BARILARO: That question is similar to your last question and I have given you a broad response in relation to enrolments.

The Hon. DANIEL MOOKHEY: Can you give me a specific response?

Mr JOHN BARILARO: I cannot because you are going through a—

The Hon. DANIEL MOOKHEY: Thank you, Minister.

Mr JOHN BARILARO: No, you are going through a particular—

The Hon. DANIEL MOOKHEY: Mr Chair, the Minister has said that he cannot answer the question. Can I move on?

Mr JOHN BARILARO: I have answered that I cannot go to a particular campus. We have a number of courses and 130 campuses—

CHAIR: Order! Minister, if the member cannot get the information he wants and you do not want to take the question on notice then he is entitled to ask another question if he feels that the answer has been exhausted.

The Hon. DANIEL MOOKHEY: Minister, is it the case that in Richmond the level of enrolments for the 2015 calendar year have declined by 49 per cent?

Mr JOHN BARILARO: There is a further point in relation to enrolments from campus to campus. We live in a very competitive marketplace. We do not actually give out those particular enrolments at the local level to the market and publicly because they also are working in a competitive market. The private providers in this State do not give us their enrolment numbers campus by campus or provider by provider. So there are a number of issues here.

The Hon. DANIEL MOOKHEY: Minister, in light of what you have just said, is your answer that you do know but you will not tell us or you do not know?

Mr JOHN BARILARO: My answer is that all enrolments across New South Wales are recorded in the budget papers. As I have explained, those enrolments have some anomalies because of how we record them now compared to previously. We will continue to respond to questions around enrolments, but on a specific campus-by-campus basis I do not have those numbers with me.

The Hon. DANIEL MOOKHEY: Is it the case that within the Hills campus of the Western Sydney Institute enrolments dropped in the 2015 calendar year by 23 per cent.

Mr JOHN BARILARO: Mr Chair, this is the same question about enrolments but at different campuses. I understand that time is precious for members—

The Hon. DANIEL MOOKHEY: The Minister cannot answer the question.

CHAIR: The Minister is answering the question. If the member is going to go campus by campus we will be here all day. I would suggest that the member should ask the Minister to take the question on notice or the Minister can continue to answer the member's questions.

Mr JOHN BARILARO: As I said in response to previous questions about other campuses, there has been broad enrolment. With 130 campuses across the State, it is difficult for me to give you answers campus by campus. Secondly, the information is commercial in confidence.

The Hon. DANIEL MOOKHEY: How many students are forecast to enrol in TAFE NSW in 2016?

Mr JOHN BARILARO: Within the budget parameters, the Government is forecasting 510,00 places. There are currently 534,813 students enrolled, which is a significant number. Demand is driven by the sector, as industry continues to grow. We are growing the economy and growing jobs. We hope to see greater demand in the VET sector. I am passionate about VET. In my inaugural speech in 2011 I spoke about apprenticeships and the profile of an apprentice. I am passionate about the VET pathway to the careers of today and the careers of tomorrow. We have a record budget for TAFE and VET this year. The VET budget is more than \$2.3 billion and the TAFE budget is \$1.992 billion—an increase of \$122 million, or 6.5 per cent, on the previous year. The Government is investing in courses and places. My message is loud and clear: I encourage young people in this State to take the VET pathway to gain the skills for a job in the future.

The Hon. DANIEL MOOKHEY: I am looking at the Government's budget figures. If you wish to provide different figures on the basis of different criteria, I welcome them. TAFE enrolments have declined from 579,719 in 2012 to a forecast 496,347 for 2015. Is that 14.3 per cent decline explained by the issues caused this year by the Learning Management and Business Reform [LMBR] program, specifically the inability of the TAFE information technology [IT] system to enrol students?

Mr JOHN BARILARO: That question has a number of components. If you will give me the opportunity to respond, I will. The LMBR is a program relating to the IT systems. It is not just one system; it is being implemented in the Department of Education, schools and TAFE. There are a number of components to the upgrade of an IT system across 130 campuses. The program was scoped in 2006 and again in 2009 by the previous Government. Its potential impact on TAFE was raised at that time. TAFE knew that its funding model was changing in light of changes implemented by the Federal Gillard Government in a contestable marketplace. The rollout of the LMBR Systems Applications Products [SAP] human resources system across the TAFE network in 2012-13 was quite successful. However, I do accept—

The Hon. DANIEL MOOKHEY: Did you say it was quite successful?

The Hon. TREVOR KHAN: Point of order—

The Hon. DANIEL MOOKHEY: I did not hear the answer.

CHAIR: Order! The Hon. Trevor Khan has raised a point of order.

The Hon. TREVOR KHAN: Mr Mookhey, I know what you are doing. The member is interrupting the Minister as he is answering the question—

The Hon. DANIEL MOOKHEY: To the point of order—

The Hon. TREVOR KHAN: I have not finished taking my point of order. The Minister is entitled to answer the question without interruption from the member.

The Hon. DANIEL MOOKHEY: To the point of order: I did not hear what the Minister said.

The Hon. TREVOR KHAN: Wait until the end of his answer.

CHAIR: Order!

The Hon. DANIEL MOOKHEY: I was asking whether the Minister said it had been quite successful.

CHAIR: Order!

The Hon. CATHERINE CUSACK: May I make a contribution to the point of order?

CHAIR: No. I am happy to rule on the matter. It is apparent that the Hon. Daniel Mookhey did not hear you correctly, Minister. You may continue your answer.

Mr JOHN BARILARO: I am more than happy to repeat it. The rollout of the SAP human resources system across the TAFE network in 2012 and 2013 was relatively successful and well managed by TAFE. There are a number of components to the IT system rollout. I accept that the rollout of the SAP finance system and the Student Administration and Learning Management [SALM] system has not gone well for TAFE. That has caused problems for TAFE this year. I take this opportunity to congratulate the staff members who helped TAFE through the enrolments process when the system failed. I accept that. We know that we are working towards that—

The Hon. DANIEL MOOKHEY: Minister, do you think—

The Hon. TREVOR KHAN: Point of order: The Minister had not finished. The Hon. Daniel Mookhey jumped in; he should not laugh. This is serious; it is about the way we run committees. The Minister is entitled to complete his answer before the Hon. Daniel Mookhey jumps in.

CHAIR: Order! The Hon. Daniel Mookhey will allow the Minister to finish his answer.

The Hon. DANIEL MOOKHEY: Minister, do you think that metal fabrication classes having to be cancelled is the sign of a system having been rolled out relatively successfully, as you just said?

Mr JOHN BARILARO: You are referring to a particular course.

The Hon. DANIEL MOOKHEY: Yes, one that had to be cancelled.

Mr JOHN BARILARO: There are a thousand qualifications across the State and you are picking up one course. Courses are not cancelled without reason. We match demand with resources. I think your question assumes that the Government cancels courses because it does not want to run them. There is a record budget for TAFE and VET. There are more places and there is capacity. We do not cancel courses.

The Hon. DANIEL MOOKHEY: How many students could not enrol in TAFE because of problems caused by the system that you said had been rolled out well?

Mr JOHN BARILARO: TAFE staff committed a lot of time and effort during the enrolment period this year to overcome the difficulties experienced when the IT system was being rolled out. I thank those staff members who put in the effort and worked hard to make sure that students were enrolled. Replacing legacy IT systems that have been around for decades is complex. When a complex system is rolled out to 130 campuses and institutes, problems can arise. In May the Government hired a chief information officer because it recognised the need to do more in IT in TAFE. The rollout of the IT program is under the authority of the Department of Education. We are a client of the system and we have to deal with the issues it presents.

The Hon. DANIEL MOOKHEY: Ms Christie, do you know how many students were affected by, or were not able to enrol because of, the IT failures that the Minister referred to?

Mr JOHN BARILARO: Chair, should questions come through me, as Minister?

CHAIR: They should, as a courtesy. You may direct the question to your officers.

Mr JOHN BARILARO: I am happy to direct the question to the officers. I thought it was appropriate for the question to be asked through me.

CHAIR: Yes. It is your department. Would you like to answer the question or would you like to refer it?

Mr JOHN BARILARO: Will you repeat the question please?

The Hon. DANIEL MOOKHEY: I asked Ms Christie—

The Hon. CATHERINE CUSACK: The member directed the question to Ms Christie. The Minister wanted clarification.

CHAIR: Yes, and I clarified that it is the Minister's department so questions should be directed to the Minister and he may refer them to officers.

The Hon. DANIEL MOOKHEY: I accept the ruling. Minister, the question that I hope you will refer to Ms Christie is: Is she aware of the precise number of students who were not able to enrol as a result of the IT failures this year?

Mr JOHN BARILARO: I answered that question. I acknowledged the work done by staff to ensure enrolments were processed.

The Hon. DANIEL MOOKHEY: How many TAFE courses that were offered in 2014 are not offered in 2015?

Mr JOHN BARILARO: The qualifications that are offered through TAFE or private providers are based on the skills needs of industry. That is why we have the NSW Skills Board and the skills list. The board identifies where the skills shortages are. Government subsidies are matched to the skills list. We do not want the situation that arose in Victoria, where 35,000 private trainers trained but there were no jobs. We are matching jobs through the skills list. It changes every year. The skills list will be changed shortly, as we have added qualifications.

The Hon. DANIEL MOOKHEY: I appreciate your answer. Presumably that process applied in 2014 and 2015. In case you did not understand my question, I will repeat it. As a result of the process that you undertook in 2014, how many courses that were offered in 2014 are no longer offered in 2015?

The Hon. CATHERINE CUSACK: Point of order: The Minister was not the Minister for Skills in 2014. The member has asked three times about 2014, when the Minister was not a Minister.

CHAIR: Order! The question is relevant. The Minister may take it on notice, given that he was not the Minister at the time.

Mr JOHN BARILARO: There are more than 700 qualifications on the skills list. I will take that question on notice.

The Hon. DANIEL MOOKHEY: How many staff are working in the TAFE system? How many people are TAFE teachers in 2015 compared to the number of people who were employed in that position in 2014?

Mr JOHN BARILARO: Broadly, right now in TAFE NSW there are 8,853 teachers and 3,611 support staff—a total full-time equivalent of staff of 12,464.

The Hon. DANIEL MOOKHEY: How many were there in June 2011?

Mr JOHN BARILARO: Again, I was not the Minister back then. I might refer that to the managing director.

Dr JOHN KAYE: You say that is full-time equivalent. Does that include part-time casuals?

Mr JOHN BARILARO: The full-time equivalent formula is to take into account all those part-time casuals.

Dr JOHN KAYE: So it includes all the part-time casual hours?

Mr JOHN BARILARO: If you mean individual people, there are 12,464.

Dr JOHN KAYE: I am just asking if that includes the hours of part-time casuals.

CHAIR: It is the Hon. Daniel Mookhey's time.

The Hon. DANIEL MOOKHEY: Just to clarify this: I am talking about specifically the category described as teachers TAFE NSW.

The Hon. SCOTT FARLOW: Point of order: The member's time has expired.

Dr JOHN KAYE: I concede this question to Hon. Daniel Mookhey as his last question.

The Hon. DANIEL MOOKHEY: Just to clarify: I am not asking you to include the support staff specifically; the question is designed not to include that figure. I am asking how many people were employed as teachers in TAFE NSW in June 2011.

Mr JOHN BARILARO: I think we are going to have to take that question on notice.

Dr JOHN KAYE: Minister, you talked about TAFE's budget, is that correct? You said \$1.9 something million—

Mr JOHN BARILARO: \$1.992 billion.

Dr JOHN KAYE: What was the noun you used to describe that figure? What is that figure? It is TAFE's budget?

Mr JOHN BARILARO: TAFE's budget is \$1.992 billion—expenditure budget.

Dr JOHN KAYE: That is how much it spends. How much of that is fees and charges?

Mr JOHN BARILARO: The budget has, first, a mix of government grants and then, of course, the commercial component. I am more than happy to talk about the budget overall with the \$1.992 billion.

Dr JOHN KAYE: I am just asking you a question: How much of that is fees and charges?

Mr JOHN BARILARO: I will have to refer that to the managing director.

Dr JOHN KAYE: Would it be \$528.9 million?

Mr JOHN BARILARO: \$528 million would be correct.

Dr JOHN KAYE: So when you talk about New South Wales spending \$1.99 billion on TAFE that is not accurate, is it? It is more like \$1.4 billion, or less.

The Hon. CATHERINE CUSACK: That is incorrect. He did not say that.

Mr JOHN BARILARO: The TAFE budget is \$1.992 billion. We have changed the face of TAFE. There are commercial revenues, there are grants in relation to how we make up the TAFE budget—that is what

the whole program of the past four years has been. TAFE is trying to achieve a TAFE that is sustainable and viable right across the board, that it remains viable so that it continues to support—

Dr JOHN KAYE: Point of order: My question was about fees and charges for TAFE. The Minister is now talking about what he has done to change TAFE. I would like to bring him back to the question of how much of that is fees and charges.

Mr JOHN BARILARO: The \$528 million.

Dr JOHN KAYE: How much was that figure two years ago and three years ago?

Mr JOHN BARILARO: I was not the Minister. I can refer that to the managing director.

Ms CHRISTIE: I will have to take that on notice if you have a specific question.

Dr JOHN KAYE: I have got a very specific question. How much were fees and charges last year and the year before?

Ms CHRISTIE: Last year it was \$419,922.

Dr JOHN KAYE: And the year before?

Ms CHRISTIE: I do not have that in front of me.

Dr JOHN KAYE: But you will take it on notice?

Ms CHRISTIE: Yes.

Dr JOHN KAYE: Can we talk about the total student hours delivered? There are various figures. We talked about different ways of accounting, but one thing that never changes is the total number of student hours delivered in TAFE by TAFE. How has that changed since 2012, for example?

Mr JOHN BARILARO: Could I broadly respond to that firstly? We know that the demand by students in relation to the way we deliver training in this State has changed. From 2004 to 2011, there was a 26 per cent decline in classroom activity. Students are telling us clearly they do not want all their training in a classroom environment. Our OTEN online platform has 110,000-plus students. Students are sending the message that we need a blended way of delivering—on-site, workplace, online—

Dr JOHN KAYE: Thanks Minister. Can we— ?

The Hon. CATHERINE CUSACK: Point of order—

CHAIR: You did ask another question while the Minister was giving his answer. I do not think the Minister has exhausted his answer.

Mr JOHN BARILARO: The marketplace has changed. To compare what happened in 2011 or 2012 to today is very difficult, and to compare today to two or three years' time will be very difficult. Students are clearly telling us they want a blended delivery of training and that is what we need to do; that is the transformation of TAFE—making sure we meet the needs of students. We are putting students first and making sure we are matching them to industries.

Dr JOHN KAYE: How are students telling you that?

Mr JOHN BARILARO: By looking at something like OTEN, which is the online platform, and we are seeing a record increase of enrolments.

Dr JOHN KAYE: But is it not true that they cannot find the course they want being delivered face to face? You are saying they are telling you. I put it to you, Minister, that you are telling them, or at least Ms Christie and her institutes are telling the students by cutting hours of face-to-face delivery.

The Hon. TREVOR KHAN: Point of order: The member is now embarking on a speech as opposed to asking a question.

CHAIR: I will direct the member to move away from his philosophy and ask a question.

Mr JOHN BARILARO: Dr Kaye, one of the things that we are trying to change—

Dr JOHN KAYE: The Minister thought I was asking a question.

Mr JOHN BARILARO: Dr Kaye, the message that we are trying to portray in this sector is driving enrolments and outcomes, and that is completion rates. That is where the issues are in this State—around completion rates. So we do not measure by hours; we measure by completions, we measure by the opportunities that we give young people and people in this State for training and to get the skills. That is why we are clearly focused on bringing as much opportunity to people in this State through TAFE as the public provider and those other registered training organisations [RTOs] that are working with industry, matching the training to skill sets, matching training for jobs for the future, and that is what I am determined to do.

Dr JOHN KAYE: I will go with you on that. How are you delivering more opportunities in TAFE by reducing the number of courses available, by reducing the number of staff in TAFE—full-time equivalent, according to your own budget papers, between 2012 and 2015 by 16.9 per cent—by taking away opportunities for students with a disability, by deleting tertiary preparation certificate courses? How are you delivering more choice for students at TAFE?

Mr JOHN BARILARO: What we are doing with the whole vocational education and training [VET] sector and what we are doing with TAFE is transforming to meet the needs of the day. The world has changed. The VET sector and the VET market have changed and they will continue to change; the needs of students have changed and they are telling us clearly; the needs of industry continue to change. We need a flexible VET system including a flexible TAFE that meets the needs of students—putting students first—and, of course, matching that flexibility to the needs of industry. If we can get that right there will be greater opportunities, and we are doing that by transforming TAFE. We have to find efficiencies; we have to make sure that we remain relevant, that with some of the asset base that we have right now that is not fit for purpose we reinvest and recycle those assets back into the latest technology, into IT. Transforming our campuses to adaptable learning centres for students and adaptable for teachers is what I am committed to.

Dr JOHN KAYE: Minister, breathe.

Mr JOHN BARILARO: I am very passionate about this.

Dr JOHN KAYE: So am I, Minister. You said you have to put students first. The implication in that, which I, on behalf of the 12,000 remaining teachers across New South Wales—

The Hon. TREVOR KHAN: Point of order—

Dr JOHN KAYE: Is the implication in that, which would be deeply insulting, that TAFE teachers were not putting students first?

Mr JOHN BARILARO: Not at all.

Dr JOHN KAYE: You just said you have to put students first in your remaking of TAFE. Is it not clear that the implication is that TAFE teachers were not putting students first?

Mr JOHN BARILARO: That is incorrect. What I said is we are putting students first because students are telling us clearly that they want a different way and a blended way of delivering these courses. If students are going online, if students want their training in the workplace, we are matching, of course, the ability to train. Barangaroo is a clear example. The Barangaroo project skills have changed—

Dr JOHN KAYE: Point of order: My question was about a statement you made. You are now off on an interesting, but entirely irrelevant, rave about Barangaroo. We will get a lot more done here today if—

The Hon. TREVOR KHAN: To the point of order—

Dr JOHN KAYE: Let me finish my point of order.

The Hon. TREVOR KHAN: You are addressing the Minister.

CHAIR: Dr Kaye, what is your point of order?

Dr JOHN KAYE: My point of order is relevance.

CHAIR: I do not think the Minister was moving outside the remit of that in his answer.

Dr JOHN KAYE: Can I ask the Minister about class sizes?

The Hon. CATHERINE CUSACK: Point of order: Mr Chair, the Minister was answering the question and my understanding is that you just ruled that he could answer the question.

Dr JOHN KAYE: Let us start with class sizes. Is it not true that across many areas of delivery, class sizes have gone up dramatically?

Mr JOHN BARILARO: That is a question I will refer to the managing director. What we do with class sizes is we match our resources; we make sure that we have the right profile and the right programs in place, to meet the needs. I will pass the question to the managing director.

Dr JOHN KAYE: Ms Christie, class sizes?

Ms CHRISTIE: I do not think that is a correct statement at all.

Dr JOHN KAYE: So what has happened to class sizes?

Ms CHRISTIE: More and more of our delivery, as the Minister said, is not face to face in a classroom. More and more of our students are supported in their learning in different ways: in the workplace, online, through a blended approach. So some aspects of their learning may be done in a face-to-face component; others are done in more flexible ways.

Dr JOHN KAYE: But that does not talk about class size.

Ms CHRISTIE: Class sizes are a factor. For the face-to-face component, I am assuming there might be a cohort of learners who are learning through different modes. Maybe you need to define what you mean by a class size?

Dr JOHN KAYE: The number of students in a classroom at any given time.

Ms CHRISTIE: Only 60 per cent of our delivery is actually in a classroom.

Dr JOHN KAYE: Yes, but for that 60 per cent, Ms Christie, is it not true that across a number of course areas, where there are teachers in front of classes teaching, that class sizes have gone up?

The Hon. SCOTT FARLOW: Point of order: The member's time has expired. He is now encroaching on your time.

CHAIR: Order! The member came in on the tail end of his time.

The Hon. SCOTT FARLOW: You can come back and ask it again John; you have a second bite of the cherry.

CHAIR: Order! The member did come in before the bell and I was allowing the question to be asked.

Dr JOHN KAYE: Ms Christie, do you need the question again?

CHAIR: Would you like to take it on notice?

Ms CHRISTIE: I will take it on notice, thank you.

Dr JOHN KAYE: It is good to have Mr Farlow here to rescue Ms Christie.

CHAIR: Order! It is now my time.

The Hon. CATHERINE CUSACK: That is a disgraceful reflection on the witness.

CHAIR: Order! I do not want my time to be taken up by this banter between members. I want to ask the Minister some questions. Minister, I note in terms of all these different ways of approaching education in the twenty-first century and the different needs, that is a reflection of the Y generation and their experiences. I understand all that. But there is a great concern with the style that is coming out now in the apprenticeships and the opportunities that exist. It seems to be almost a situation where the experience of some apprentices, particularly in hospitality—being a chef—is that they are locked into one particular type.

Where TAFE used to give a wide experience, that is no longer going to be fully experienced by an apprentice. For instance, I think you mentioned Barangaroo. I have been to see Crown and how it handles apprenticeships—more than 4,000 of them, from memory. It was very good, in terms of what it was offering. But a chef can come out with a certificate that says they have training and ability across all types of cooking. There is a concern that they will be locked into one area. They will come out with a certificate that says they can do everything when really, they cannot.

Mr JOHN BARILARO: Thank you for the question. It highlights the issues around apprenticeships and training over many decades. You know my background in hiring many apprentices and trainees in the manufacturing and construction industry, around joinery and carpentry. I have seen for more than a decade the consolidation of those particular qualifications. Where previously you could have had a number of arms or structures around it, now they have consolidated. That has happened for more than a decade. It is predicated, in a way, by the needs of industry in this State. The move of a course from the VET sector into the Industry cluster aligns it with industry, so that we meet industry's needs. I speak to a number of stakeholders, industry associations and business representatives, talking about the way we need to deliver training and education in this State. Different sectors, different industries, have different views on what it should look like, but it should be driven by quality and by the needs of industry.

CHAIR: I understand that, Minister. Are you aware of situations that arise where, for instance, an apprentice might be doing an electrical trade, but he is doing it with an air-conditioning business and is unable to be trained in relation to light globes? He never deals with light globes because the business he is employed in works with air conditioners. He understands the theory and passes the theoretical test, but he cannot be ticked off on the practical side of that test because the business he is with does not work with light globes but with air conditioners. He could fail his course based on the practical component because the opportunity for that training is not available. In Sydney he can get access to that opportunity, but in rural and regional areas the opportunity to complete the practical side may not be available.

Mr JOHN BARILARO: The question was, am I aware of an example like that? No, I am not but I will refer it to the managing director.

Ms CHRISTIE: The qualifications that apprentices enrol in are determined nationally under national training packages and, as the Minister said, industry has significant input into determining what the various core and elective components of those qualifications are. At TAFE NSW we certainly work very hard with employers and apprentices to ensure they get the breadth of training required to complete that qualification.

CHAIR: But what if they cannot? Let us take the worst case scenario: You are in rural Bourke, you have access to the curriculum theoretically but not practically. Walk me through this: The student gets to the end of the year and they have failed because they cannot complete the practical side. What happens if they fail? Do they have to re-enrol the next year in order to do it? Is that at full cost? Walk me through a situation where the practical side has failed because of the inability to complete it.

Ms CHRISTIE: One of the ways we deal with that in apprenticeships is through group training organisations where apprentices have an opportunity for placement at different employers, but that is not all apprentices.

CHAIR: I accept that that is not all of them, so let us say it is not that person.

Ms CHRISTIE: But TAFE also provides simulated work opportunities for apprentices. If they are working in a narrow field, they may be able to access some of those practical components in the workshop environment in a TAFE facility.

CHAIR: So if they do not fit into that, what happens next?

Ms CHRISTIE: That is an issue.

CHAIR: They would fail at that component?

Ms CHRISTIE: We would work as closely as we could with the employer to make sure—

CHAIR: I understand that. Let us say the worst case scenario.

The Hon. TREVOR KHAN: Chair, could I just—

CHAIR: The member might think I am leading it and I am leading it because I want to hear what the outcome is because I have a question and I want to understand that I am on the right line. Do you understand where I am going?

Mr JOHN BARILARO: Yes, I clearly do.

CHAIR: If the person fails because they cannot complete the practical side and all those other things do not fit, do they have to re-enrol the next year, at full price, to deal with that?

Mr JOHN BARILARO: I will ask Mr David Collins from State Training Services to answer that question.

Mr COLLINS: An apprenticeship is a qualification, as the managing director has described. It is also an employment arrangement. Employment arrangements are established by Commonwealth-funded Australian Apprenticeship Support Network providers whose job is to bring an employer and an apprentice together. It is their role really to see that the right employment arrangement is established so that that apprentice can get the skills they need on the job. The department is the regulator in this area. Apprentices are registered with us. In the situation you have described, where that is brought to our attention, we would work with that employer to see that they are giving the apprentice exposure to the skills they need on the job. If they cannot do that within their business, we would require them to look at some sort of arrangement where the apprentice is placed with another employer who could give them the skills that relate to what they are doing on the job.

CHAIR: I understand that, but that is not my question. If they cannot do that, what happens then? Do they have to re-enrol? Can they be failed on that component because they have not fulfilled the practical side of that course?

Mr COLLINS: We would expect the providers—the TAFE institute, for example—to give them the opportunity to develop and demonstrate their competence. If they do not demonstrate their competence at the first stage, they will get an opportunity to do that again.

CHAIR: Would they have to reapply?

Mr COLLINS: Apprentices pay a single fee for their qualifications so it is not a question that they would need to pay a new fee in the coming year. We would expect the providers to give them the opportunity, but also there is an expectation that the employer takes responsibility for giving them the exposure to the right skills.

CHAIR: I understand. I note, with interest, that TAFE NSW has been separated from the Education cluster to be part of the Industry, Skills and Regional Development cluster. What is the reason for this and will there be impacts on service delivery into the future?

Mr JOHN BARILARO: I will respond first then I will refer the question. The decision to bring State training services, including TAFE, into the cluster of industry, regional development and skills is solely and purposely because of the fundamentals of what we are trying to do in this State, and that is to match training and education in young people to give them the skills to get a job. We need to align the training and the education with the jobs that we have today but, most importantly, with the jobs that we will have in the future. When getting out and about and talking not only to TAFE but also to providers and industry, the move has been welcomed. The alignment makes sure that we do not in due course have the same problem that we saw in Victoria when they were training people in sectors and industries that had no job opportunities.

I think it is a positive move to make the skills portfolio part of the industry portfolio. It aligns not only the jobs that will be created in this State but also will make sure that we fill those skills gaps. An audit recently in Greater Western Sydney identified 234,000 jobs were being advertised and 66,000 of those jobs are still unfilled. Therefore, it is the responsibility of the Government to ensure that we have the skills training in place to fill those jobs. That is why I believe that the move into industry is a good and positive move that will align training with job outcomes.

Mr SMITH: Around Australia skills are sometimes with industry and sometimes with education. What is being put to me, as the Minister says, is the priority on jobs. I wanted to add some information from an administrative perspective. Whereas before vocational education and training [VET] was a small majority of a much larger cluster, it is in fact now the largest portion of this smaller cluster, which is good because it gives us more executive administrative time to focus on the VET sector. So far, Mr Collins' people at State training have been fully integrated administratively into the department, which has been very effective and well received. We have been able to crack on with a good relationship with TAFE as well, so the perspective that I get from industry and the staff I meet is that people are very excited about it.

The Hon. DANIEL MOOKHEY: Minister, to you or through you to Ms Chrissie, what courses are going to be offered at Dapto TAFE next year?

Mr JOHN BARILARO: I will refer that question to the managing director.

Ms CHRISTIE: Dapto TAFE is one of our smaller campuses. Traditionally it has been used to run general education programs in the region. The vocational programs in the region are run at nearby campuses that are quite close in Wollongong, Shellharbour, et cetera. We have had a decline in enrolments at Dapto. We are running classes at the moment and if there is a continued demand, we will continue to run classes.

The Hon. DANIEL MOOKHEY: In the absence of demand in enrolments next year, there will not be any classes run in Dapto?

Ms CHRISTIE: There was a situation earlier this year that if we had such enrolments we did not proceed with a class, but those enrolments picked up in the second semester.

The Hon. DANIEL MOOKHEY: Minister, again to you or through you to Ms Christie, is the department currently in the process of identifying TAFE campuses to be closed and, if so, do they include Belmont TAFE and Dapto TAFE?

Mr JOHN BARILARO: Again, your question is about particular campuses. I can tell you that as the Minister responsible for building TAFE for the future and making sure that TAFE assets are reflective of the learning environment that we require, we are always looking at our assets and opportunities within our business framework to see how we can invest in our campuses. Dapto, for instance, is a campus that has not had any investment for many years. Of course, down the road at Yallah, 10 kilometres away, or Wollongong West or Wollongong, they have had some fantastic investment. We do not have this bucket of resources that is endless. We will always have to look at how we can find efficiencies, look at ways of rationalising our asset base and reinvesting every dollar of that into information technology [IT], into fantastic campuses. Across the State we are seeing great investments. We will continue to address our assets in a way that meets the needs of the teachers who teach in these campuses but, most importantly, making sure we put in place a learning environment for our students, of course matched by IT because it is a changing world.

The Hon. DANIEL MOOKHEY: Are you suggesting, therefore, there is a correlation between campus closures and the cost of the IT upgrade? Is that a motivation for the Government to contemplate the

closure of these assets, to presumably compensate for the unexpected costs of the Learning Management and Business Reform [LMBR] program?

Mr JOHN BARILARO: Not at all. When I talk about IT, I talk about investment in IT like the sort of IT that you use when teaching students. If you look, for instance, at the Northern Institute at Kingscliff TAFE, you find it is using Google glasses as part of their learning. They are using old containers and turning them into pod classrooms that we then put on the side of the Pacific Highway. That is why we have seen a 200 per cent increase in apprenticeships at the Northern Institute. The reality is that we are investing in all of IT. You are referring to the LMBR, which is only part of it. This is a technology that is part of the learning environment. That is what we will continue to do. If you look at investment across New South Wales and the type of investment, you find that we are using the latest technology to reach more people and to make it easier for teachers to teach.

The Hon. DANIEL MOOKHEY: Is the process you have just described of rationalisation of the asset base and presumably its replacement with shipping containers as classrooms currently being contemplated for Moss Vale TAFE?

Mr JOHN BARILARO: No. As I said to you earlier, we always look at our assets. We need to look at the business framework of TAFE. Wherever possible, if there is an opportunity to rationalise and recycle assets—and every dollar of those assets is being reinvested into existing TAFEs—we will look at it. Those decisions will not be made until such time as we have looked at the assets of those campuses. You are pulling up specific campuses. I do not have a list in front of me of specific campuses. What I am saying is that across our asset base we will always look at our assets and how best we can utilise them for our students.

The Hon. DANIEL MOOKHEY: In the event that you do not know the answer, I am more than happy that you take the question on notice. I am not sure I properly understood your answer. So to clarify, did you say that Moss Vale TAFE is not subject to that process of rationalisation or are you suggesting that Moss Vale campus is subject to that process of rationalisation?

Mr JOHN BARILARO: Neither. I never mentioned Moss Vale in my answer. I have talked broadly about assets.

The Hon. DANIEL MOOKHEY: Yes, but my question was about Moss Vale. Do you mind mentioning Moss Vale in your answer?

Mr JOHN BARILARO: I have continually said that we are always looking at assets, how best to rationalise all our assets across TAFE NSW, and every dollar will be reinvested back into the assets to recreate the learning environment for students and teachers.

The Hon. DANIEL MOOKHEY: With respect to the rationalisation and recycling program you have just described, does that apply to any of the buildings currently used by TAFE NSW in the electorate of Swansea and do you contemplate the sale of any TAFE campuses in the electorate of Swansea?

Mr JOHN BARILARO: Again, you are referring to a specific campus, a specific TAFE. What I have said broadly in relation to our assets is that we are continuing to look at our assets and how best it fits the business framework. Going on to the point that I made earlier, we have to break this nexus between the asset—the physical footprint of TAFE being the only way we deliver training in this State. As I said earlier, students are saying they want online training; they want workplace training; and a range of blended delivery. If you are going to change the way you deliver training in this State to meet the needs of the student, of course there is going to be rationalisation of assets but we will reinvest those assets, especially in technology, and reach more students. Any modern business in this competitive marketplace, which is a changing marketplace, needs to do that. We do it across the board and we will do it in TAFE.

The Hon. DANIEL MOOKHEY: Is it right to conclude on the basis of the answer you have just given that your preference is to rationalise the physical spaces and replace them with online spaces?

Mr JOHN BARILARO: No, my preference is to meet the needs—

The Hon. DANIEL MOOKHEY: What do you mean by "break the nexus"?

The Hon. TREVOR KHAN: Point of order—

The Hon. DANIEL MOOKHEY: I am just asking for a clarification.

The Hon. TREVOR KHAN: The member allowed the Minister to get one word out before he jumped down his throat. The Minister should be entitled to answer the question without interruption.

Mr JOHN BARILARO: When I said "nexus", most people think TAFE is a building. TAFE is not a building. TAFE is an institution that delivers training. It is delivering and meeting the needs of its students. As I said, I am prepared to say that we will continue to look at the asset base of TAFE and make sure we reinvest in a way to reach more students, and we are doing that.

The Hon. DANIEL MOOKHEY: Would breaking the nexus as you just described apply in respect of the Cooma campus?

Mr JOHN BARILARO: Cooma campus has just had a \$5 million plus investment—a new joinery and carpentry section, which I opened recently. That is an investment in a campus that delivers and meets needs locally in a sector and an industry that is growing. That does not sound as though we are breaking the nexus. We are investing, as I said, and that investment comes from looking at our asset base and recycling our assets where best where possible so we can continue to invest in the learning environment. Cooma is a great example and I am quite proud of what we have done in Cooma, in my electorate of Monaro.

The Hon. ERNEST WONG: Do you endorse the abolition of the regional Minister's portfolio?

Mr JOHN BARILARO: No. This Government has put regional and rural New South Wales front and centre in its decision-making. The record of investment in infrastructure across New South Wales is impressive. If you look at the make-up of Cabinet Ministers, you will see that a large proportion of them come from regional New South Wales. Parliamentary Secretaries are now being given a focus on regional areas, which I think brings an added value and greater focus. Parliamentary Secretaries now make sure they report back to Cabinet and highlight the issues in regional New South Wales. I think regional New South Wales has never had so much focus.

The Hon. ERNEST WONG: How many times have regional Parliamentary Secretaries addressed the full Cabinet since the March election?

Mr JOHN BARILARO: First, what happens in Cabinet is confidential. But Parliamentary Secretaries have reported to Cabinet in broader terms—I will not get into the specifics. Most importantly, Parliamentary Secretaries are working with Ministers, especially those Ministers responsible for regional New South Wales.

The Hon. ERNEST WONG: Did you say they addressed the full Cabinet?

Mr JOHN BARILARO: As I said, what happens in Cabinet is Cabinet in confidence. Parliamentary Secretaries have a fantastic opportunity to relay their message to Cabinet Ministers.

The Hon. ERNEST WONG: What working groups have been initiated and set up by a regional Parliamentary Secretary?

Mr JOHN BARILARO: Specifically, each Parliamentary Secretary in a different region focuses on different issues. I know from the Parliamentary Secretaries I have dealt with—the Parliamentary Secretary for Southern New South Wales and the Parliamentary Secretary for the North Coast—they have raised issues important to those communities not only just in the party room framework but also with the relevant Ministers. They will feed into the programs about regional New South Wales, and we have a good story to tell in regional New South Wales—jobs growth and record investment in infrastructure that makes a difference to regional New South Wales. I think they are playing an important role in what we do going forward.

The Hon. ERNEST WONG: A regional Parliamentary Secretary does not have any authorities or resources to initiate working groups?

Mr JOHN BARILARO: I will pass that question to Mr Smith.

Mr SMITH: When there were regional Ministers they did not administer any legislation and they had no budget for the purpose. So, in essence, the Parliamentary Secretaries have the same level of authority as the previous regional ministry had for a very long time.

The Hon. SCOTT FARLOW: It was the same under your government as well.

The Hon. ERNEST WONG: Okay.

Mr SMITH: Yes. Their purpose has always been to be the face of the Government in the region and to advocate for the interests of their region in government decision-making.

The Hon. ERNEST WONG: How many representations have you as a Minister received for regional developments from any of the regional Parliamentary Secretaries?

Mr JOHN BARILARO: I do not have any specific Parliamentary Secretaries who report to me directly. But I engage with Parliamentary Secretaries who raise issues around regional development. A number of them have raised issues around individual sectors, as they will continue to do. They will talk to Ministers about issues relevant to their regions. They also put in front of Cabinet the issues and the focus where Cabinet and this Government will continue to see investment. As I said earlier, a large proportion of Cabinet Ministers are also members representing regional New South Wales, and that is why we put regional New South Wales front and centre of the decision-making of this Government. That is evident in the past four years in the investment we have seen.

Dr JOHN KAYE: In your answers to almost every question you have gone back to online delivery. It would be fair to say you are almost obsessed with it. Is it fair to say that this is really about lowering cost and destroying teacher professionalism?

Mr JOHN BARILARO: First, I am obsessed about this sector because I am passionate about getting the outcomes on behalf of students.

Dr JOHN KAYE: No, about online learning.

Mr JOHN BARILARO: I have two teenage daughters who use technology all the time. A couple of months ago Sir Richard Branson said that if every industry, every sector, every business, large or small, is not adapting to technology it will be left behind. We are making sure that technology is part of the platform—

Dr JOHN KAYE: Your daughters may well be—

The Hon. CATHERINE CUSACK: Point of order: I was really interested in what the Minister was saying.

Dr JOHN KAYE: You were not.

The Hon. CATHERINE CUSACK: Mr Chair, it is your role to the call Dr John Kaye to order.

CHAIR: Order! Is the point of order that the Minister should be allowed to complete his answer before Dr John Kaye interjects?

The Hon. TREVOR KHAN: Absolutely.

Dr JOHN KAYE: But I have only got six minutes.

Mr JOHN BARILARO: The point I was making is that technology and the online platform are part of the way students want delivery. I have no obsession about online; I have an obsession about making sure we give young people in this State an opportunity to learn and get the skills to get a job for today and a job for tomorrow.

Dr JOHN KAYE: What about young people? It is terrific that your daughters are online kids. That is fantastic. But what about those kids and older adults who go to TAFE who do not have fundamental learning skills? You have taken away tertiary preparation certificates, you have broken the learning pathway through

Smart and Skilled—I will get to Mr Collins and that problem in a minute. What do you say to those kids who you are forcing into online? You are taking away quality teachers from them. Are you concerned about those kids being excluded?

Mr JOHN BARILARO: No, not at all. I have said consistently that online is only one delivery.

Dr JOHN KAYE: You are not concerned about them?

Mr JOHN BARILARO: No, I am very concerned about every kid. I am passionate about every person in this State having opportunities. It is about blended delivery. I have used that term—you have been caught up on just the online component of what I have said. There are opportunities to do it online, face to face in campuses and in the workplace.

Dr JOHN KAYE: Are you giving me an undertaking here, now, in front of this Committee on oath that no young person is being forced into online learning when it is not appropriate for their learning styles and needs?

Mr JOHN BARILARO: I am saying that the way we deliver is blended delivery of courses in a way that meets student needs. We will continue to be flexible in a way that meets student needs.

Dr JOHN KAYE: But you will not give me a commitment, here and now, that no young person is being forced into inappropriate, online delivery?

Mr JOHN BARILARO: That is a loaded question. You know that I cannot guarantee what happens on an individual basis with 534,000 students in this State at TAFE. But that does not take away from the fact that I am passionate about making sure young people have the opportunity. That is the TAFE of the future: a TAFE that is flexible and meets the needs of students and industry. That is what I am committed to.

Dr JOHN KAYE: Let us talk about flexibility. How many part-time casual teachers—we will do full-time equivalents, if you like—are in TAFE now? How many were there two years ago?

Mr JOHN BARILARO: That is a good question, which I will refer to the managing director. A couple of years ago at a budget estimates Dr John Kaye asked a question about the casualisation of TAFE teachers and that something like 55 per cent of the workforce was a casual workforce. That concerned you then. What we are doing with the transformation of the workforce in TAFE is, as we have seen at the northern institute, an example of more permanent teachers. But I will ask the managing director whether she can add to that.

Ms CHRISTIE: I cannot answer that specific question but I am happy to take it on notice.

Dr JOHN KAYE: Thank you. Mr Collins, I put the following situation to you. A young Aboriginal student is lured into doing an inappropriate certificate IV—or, worse still, a graduate diploma—and then realises, having passed through that process, it did not give him or her the skills to get a job. That student then has to present himself or herself to TAFE. Prior to Smart and Skilled that student would have had free access to TAFE. That student can no longer do a certificate I, II or III course and attract a government subsidy. Is that true or false?

The Hon. CATHERINE CUSACK: An Aboriginal student?

Dr JOHN KAYE: Through you, Minister, to Mr Collins.

Mr JOHN BARILARO: I will ask Mr Collins to respond.

Dr JOHN KAYE: I do it through you because I have asked this question of politicians and they obfuscate; I know you will not do so, Mr Collins.

Mr COLLINS: Under Smart and Skilled, if students have successfully completed a higher-level qualification—a certificate IV or above—they are not eligible for the Smart and Skilled entitlements, the qualifications up to and including certificate III.

Dr JOHN KAYE: I might ask Ms Christie to comment on this. A young Aboriginal woman I met in Lismore presented herself to TAFE knowing that her relatives had been through similar experiences and were able to get a qualification. She can now no longer get a qualification. Is there any solution to this problem?

Mr SMITH: Did the young woman successfully complete her qualification?

Dr JOHN KAYE: Successful is in the eye of the beholder, here, Mr Smith. She had the piece of paper but, in her own words, no useable skill came from it. It was a private provider, of course.

Ms CHRISTIE: I cannot comment on that specific example because I am not aware of it, but if students present to TAFE in that situation we work with them to look at what other options there may be for them to access training. That could be a very short course. It could be a high-level qualification where they are still eligible to access a Government-supported place. That could involve a FEE-HELP loan. We try to deal with every student as an individual and look at what opportunities there might be for them to access training under the Smart and Skilled arrangements.

CHAIR: Minister, I think you would be very aware, with respect to regional development, that down south the paper mill has just closed in Bomaderry and there have been job losses in coal at Wollongong. The Port Kembla steel mill is facing challenges. Yesterday we were talking a lot about Manildra and ethanol, and the part it plays in regional economies—not just in Bomaderry but around Gunnedah and across New South Wales, with their investments moving into the US. What is the Government doing to secure these regional jobs, because it is surely easier to keep a job than to have to make a new one?

Mr JOHN BARILARO: That is a very good question. Right now in some sectors and in some industries commercial decisions are being made by businesses to downsize their workforces on the back of the decline of those sectors—or they may be soft—in a very competitive market place. Those are commercial decisions of businesses and as a Government we try to put in place a rapid response to work with those businesses and to decide how best to support employees. You touched on the example of the paper mill at the Shoalhaven. There was an article in the press recently about TAFE NSW playing an important role in the retraining of those employees to help them get back into the workforce. I know that the CFMEU sub-branch secretary complimented TAFE on its response. A large number of those employees have gained employment. His comment was that what happened in TAFE may act as a pilot, which could be used in the future as a great example of how to work with industries and businesses that have to make those tough decisions.

We know it is tough, and as a Government we have to do what we can to grow jobs in this State. We have done that through a number of mechanisms and policy settings. Since 2011 there have been more than 200,000 jobs created in New South Wales. Most importantly, over the past 12 months, the figures are significant for regional New South Wales—61,300 new jobs in regional New South Wales. There are sectors that are hurting and I, like you, am a big supporter of biofuels—of ethanol. It is an industry that will create jobs in regional New South Wales. That is why this Government is committed to its mandate.

We are working through how best to implement that mandate. That is why the Government has asked IPART to provide a report to Government outlining the policy options and how best to meet the 6 per cent mandate. I want to ensure that there is a good strong policy mix in this Government about creating regional jobs. On the back of the poles and wires—the leasing—there is another \$6 billion going into regional New South Wales to make sure that we continue to grow the economy and to make sure that regional New South Wales sees the benefits of the investment in infrastructure by this Government.

Mr SMITH: I have some additional information that might be relevant. BlueScope and paper plants get a lot of attention in the media, but I did not want to let the Illawarra down by failing to note that in the past year there has been a net increase of 18,000 jobs. So even though some of the big iconic firms are changing, the whole economy of the Illawarra is changing and the net increase in employment is very large. In fact, it is one of the most positive areas for regional increase in employment in New South Wales.

CHAIR: Thank you for mentioning that because that is very important, but when your job is on the line and it is your mortgage, your kids and your education that is vulnerable, the 18,000 other jobs mean squat. I understand what you are saying, but I am just pitching to what these people are feeling. That leads into my next question. Minister, given your Regional Development portfolio, will you be making representations to the Minister for Innovation and Better Regulation, and the Minister for Energy in terms of the importance of Manildra to regional jobs, given the fact that there needs to be some policy changes?

Mr JOHN BARILARO: Thank you, Mr Green. As I said, the New South Wales Government is committed to ethanol and to biofuels. This is, at times, a complex area and we need to make sure that we support industries that will see a growth in the number of jobs. I am with you here; I support you completely. I am happy to pitch that message—how important this growth industry will be for regional jobs—to any Minister who wants to listen.

CHAIR: On a lighter note, given my time is running out, I would like to ask Mr Smith a question. I note that he said the Parliamentary Secs have no budget. Is that right? They are not mentioned in the Act and they have no budget. Would you be advocating that Parliamentary Secretaries should have a budget?

Mr SMITH: The point I was making was that it has always been clear that—

The Hon. CATHERINE CUSACK: There is no additional allowance.

Mr SMITH: The point I was making was that regional Ministers and Parliamentary Secretaries have never administered legislation or had an appropriation for the purpose of supporting their regions.

CHAIR: That is my point. I am sure that the Parliamentary Secretary for the Illawarra would love an appropriation, and I would support it.

There is no more time for questions. I thank the Minister and his officers for presenting, today. They have 21 days to put before the Committee those questions that were taken on notice.

The Committee proceeded to deliberate.

The Committee adjourned at 12.27 p.m.
