

REPORT OF PROCEEDINGS BEFORE

GENERAL PURPOSE STANDING COMMITTEE NO. 6

INQUIRY INTO VOCATIONAL EDUCATION AND TRAINING
IN NEW SOUTH WALES

CORRECTED PROOF

At Nowra on Monday 12 October 2015

The Committee met at 10.00 a.m.

PRESENT

The Hon. P. Green (Chair)

The Hon. L. Amato (Deputy Chair)

The Hon. S. Farlow

The Hon. Courtney Houssos

Dr J. Kaye

CHAIR: Welcome this morning to the inquiry into vocational education and training in New South Wales. Welcome to the sixth hearing of the General Standing Committee No. 6 inquiry into vocational education and training in New South Wales. I acknowledge the people of the Dharawal Nation, who are the traditional custodians of this land and to pay my respect to their elders past and present and I acknowledge any Aboriginal people that might be here with us today.

Today is the sixth of eight hearings we plan to hold for this inquiry. Firstly, we will hear today from a panel of TAFE teachers together with NSW Teachers Federation representatives. We will then take evidence from the Chief Executive Officer [CEO] of the Illawarra Forum, followed by the Managing Director of Nowra Chemical Manufacturers Pty Limited. Before we commence, I will make some brief comments about the procedures for today's hearing. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside their evidence at the hearing.

I urge witnesses to be careful about any comments they may 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 an action for defamation. There may be some questions that witnesses could only answer if they had more time or with certain documents to hand. In these circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days. Finally, could everyone please turn their mobile phones to silent or off for the duration of the hearing? I now welcome our first witnesses, Mr Rob Long, Mr Ted Clapham, Mr Keith Bourke, Ms Liz Henigan and Ms Di Laver.

ROBERT LONG, Post Schools Organiser, NSW Teachers Federation, and

KEITH BOURKE, Teacher Consultant, TAFE NSW, Illawarra Institute, and

LIZ HENIGAN, Head Teacher, Community Services, Human Services, Tourism and Hospitality, TAFE NSW, Illawarra Institute, affirmed and examined:

EDWARD CLAPHAM, Head Teacher, Carpentry, TAFE NSW, Illawarra Institute, and

DI LAVER, Former Senior Head Teacher, Faculty of Tourism and Hospitality, TAFE NSW, Illawarra Institute, sworn and examined:

CHAIR: I invite you to make an opening statement but, given that there are so many witnesses, I ask you to be mindful that we have questions. Would anyone like to start with an opening statement?

Mr LONG: I would like to. I did have it prepared but I am going to change it because on the way down here this morning I got a phone call from a colleague who I have been teaching with for 15 years. He rang me as I was coming out of Berry and he said he is going to resign because of the impact of the cuts under Smart and Skilled. He now has no teaching this semester, so he is going to resign from TAFE. I wanted to depart from my prepared speech and say it is clear that Smart and Skilled and the risk assessment of the impact it is having on teachers, students and local communities, has not been correctly assessed. No real risk assessment in relation to the community impact has been made. I welcome you in coming to Nowra to hear what impact Smart and Skilled is having on the local community. Thank you.

Dr JOHN KAYE: Mr Long, I hear that point. Would you like to table your prepared statement?

Mr LONG: Yes, I would.

CHAIR: Mr Clapham?

Mr CLAPHAM: My name is Edward Clapham. I am currently Head Teacher of Carpentry for Nowra and Moree campuses. I have been employed with TAFE for 23 years, seven years as Head Teacher. I joined the NSW Teachers Federation very shortly after I commenced teaching and I have been a member all that time. I am an Aboriginal man. My people are the Murrawarri of Brewarrina. I have had the privilege of acting in the role of TAFE Aboriginal Coordinator for last year and some of the year before, before returning to my substantive position as Head Teacher this year.

Like my colleagues, I have seen enormous changes in TAFE. I am concerned that recent changes under Smart and Skilled and the proposed change under the new enterprise bargaining will surely result in declining quality delivery. Two particular areas I want to point out are the tutorial support we were formerly able to give to students who fall through the safety net, due to the accelerated mode that we are delivering or are forced to deliver we can no longer provide that tutorial support, due to cuts in funding. The other area I would like to talk about is the mature age carpentry which has been a way that people who are labourers or workers in the industry can become qualified tradesmen. That does not come under the scope of Smart and Skilled and we cannot offer that.

I will give a case study of a man who came through that program, Mr Ronald Carberry, an Aboriginal man from the Jerrinja. Ron was employed as a labourer or general assistant with Shoalhaven Council and he worked at times with the construction crew and he was inspired by that to want to become a carpenter. The council would not apprentice him, so he took it on himself to do training in his own time and applied for a mature age carpentry course. One of my very good staff, David Boyle, saw his potential and accepted him into the course. He did this in his own time because council would not release him to study. He found the mathematics associated with the training challenging and he asked David for some help.

The Aboriginal Education and Training Unit offered to support him for tutorial hours. Long story short, Ron worked through that course to become a qualified carpenter, which increased the esteem that he already had in the community and he was a role model to the Aboriginal kids. We have seen an increasing number of carpentry students coming through from the Aboriginal community since then. I think it is directly due to Ron's

influence. Other people are also coming through this course and I have had several applications this year that I am unable to accept. I find that very discouraging. Thank you.

Mr BOURKE: I also would like to make an opening statement. I am Keith Bourke. I am a proud member of the NSW Teachers Federation. I have worked for TAFE in several locations and in several capacities since 1989. I have worked as a part-time teacher, child studies teacher, community services teacher, a head teacher, a manager, a disability consultant and a special project officer. I have five university qualifications in psychology, education and community development. Alongside TAFE, I have worked in counselling, psychology and university lecturing positions. Throughout the past five years I have helped to manage the Southern Shoalhaven Youth Service and I am also a business owner. My current position at TAFE Illawarra is as teacher consultant for students with psychiatric and neurological disabilities. I cover the South Coast region. Part of my program is dedicated to help seriously disadvantaged young people to find pathways back into education and employment.

I commend the initiative of those who established this inquiry because, like you, I am serious about securing a better future for the people of New South Wales. I am also serious about ensuring that TAFE provides efficient best practice in adult education. I am keen for TAFE to drive sustainable inclusive economic growth that benefits everyone and not just a lucky few. I am serious about addressing the massive demographic technological and environmental challenges that are facing my State and I am serious about ensuring that TAFE NSW continues to equip the people of New South Wales with the skills they need to adapt to these challenges.

My contention today is that New South Wales needs serious, far-sighted and intelligent solutions to address a creeping social and economic decline that is ensnaring more and more young people, particularly within rural and regional communities, into a spiral of exclusion, unemployment, poverty and official punishment. I consider that the raft of changes that have been introduced into the Vocational, Education and Training [VET] sector over the past few years by the Council of Australian Governments and subsequently by the New South Wales State Government have failed to promote any discernible improvement in accessibility, quality, flexibility or cost effectiveness of the VET sector and they have, in fact, placed many insurmountable barriers in the way of thousands of people who seriously wish to participate in vocational education and training and in sustainable employment.

CHAIR: Are there any further opening statements?

Ms HENIGAN: Yes. My name is Liz Henigan. For 23 years I have been a teacher and then head teacher of community services at Nowra and Ulladulla campuses. Between the four of us from Nowra, there is 105 years experience. We do not like to think about that too hard. I am very involved in my community and I am currently the community services discipline team leader for the institute. I want you to know the challenges of continuing to deliver under Smart and Skilled and in the context of using the Educational Business System—Student Administration and Learning Management for the past 12 months and the negative impact it has had on students, employers, community and staff. I am proud to work at TAFE. Today you will hear some criticisms from me about what is happening, but I am proud. I am proud particularly to be a member of the Nowra and Ulladulla teams.

The kind of training that we deliver here is really important. You have travelled and I thank you. For every car that you drive past today, every loaf of bread that you buy in a local bakery—and I recommend that you do—every helpful retail worker or admin. worker, every hour of care that is given in the 13 local aged care facilities, every house you can visit, every childcare centre, every health service, every decent haircut, many examples of Aboriginal art, every traffic light, every street lamp, the activities of many government departments and many small businesses, there is a good chance that Nowra TAFE or one of our other campuses contributed to its existence, its success and its safety. As you drive today, know that I appreciate your visit, but please understand that that is why we are concerned about what is at risk.

Ms LAVER: My name is Di Laver. I was employed by TAFE Illawarra for a 34-year period. I have been retired for 12 months and when I retired I was the senior head teacher of tourism and hospitality here and at Ulladulla. I started 34 years ago as a part-time teacher. There were no facilities for cooking or hospitality and I started teaching classes in the community in community halls and progress halls. From there, I became a full-time teacher and we had rented premises in local high schools and buildings that had very, very few facilities. I was a home economist. I am a trained home economist and a chef. We started with hobby-type classes and classes for disadvantaged and disabled people. We gave them skills to go out to the community to live in housing, et cetera, but also to add benefits and add quality to home life, home cooking.

After about a decade of doing that, we moved into the vocational area and started taking on apprentices. I know you have had a look at our wonderful facility at Nowra. We are very proud of that facility and also of the fact that all of the teachers who work at TAFE are trained industry professionals. They have at least five years trained industry experience and then their degree in education. Since retiring I have still been heavily involved in industry groups, both in the Shoalhaven and Sydney, and also community groups with Sea Change and Slow Food Shoalhaven. You would have seen the wonderful industry and community support in building the sustainable garden and the wood-fired oven and all sorts of things that we do progressively and proactively in our section.

I am here today because I am passionate about the Shoalhaven and I am passionate about the Nowra campus. Because I am out with industry, I find that there are so many regional operators and Sydney heroes of our industry who are angry with what has happened with the cuts in TAFE, not just over the past couple of years, but over the past decade. State and Federal governments have given funding to duplicate facilities. We have duplicated facilities in high schools when we have had state-of-the-art facilities in Nowra with trained professionals who could have been teaching in conjunction with the schools, but they have diversified and set up industry hubs in welding and cookery and all sorts of subjects and trades. That has been happening over a decade. However, the last two years has been devastation. There does not seem to be anything else to cut.

CHAIR: The Committee has heard concerns about quality outcomes of some sectors. In your experience in tourism and hospitality will you reflect on whether students are meeting the level that you think is important to their graduation qualifications? Are they meeting those outcomes?

Ms LAVER: Are you talking about now?

CHAIR: What is your view?

Ms LAVER: My view is what started off as a 720-hour offering, which was in line with all industry standards, the offerings at the moment have gone down by 42 per cent. Last week I went to an event at Rockpool with some of the hatted chefs—a hat is the most prestigious award a chef can aspire to in Australia—and I heard from about seven who were there that they are angry that they have never been consulted. They have never been asked what they think about all of these horrific cuts in the quality of our qualification.

CHAIR: The Committee has heard concerns in this inquiry about organisations ticking and flicking. Do you want to make a comment about that? What is your finding? Do you have any evidence of such behaviours?

Ms HENIGAN: Within the community services and aged care field I am seeing evidence of that outside of TAFE. The evidence that I have comes from comments by students of some other registered training organisations [RTOs]. Please do not hear me as bagging all non-TAFE RTOs, but I am referring to some. I also observe students who come from other RTOs, again just some, who join our groups and who are way, way behind the standard of our own students. They describe, "Well I really didn't have to do any of that. They just saw me, talked to me and ticked it all off."

CHAIR: They go into the industry without full qualification?

Ms HENIGAN: Absolutely. Well, they have got the qualification, that is the heartbreaking part of it, but they have not got the skills and knowledge.

Ms LAVER: This morning I spoke to Giovanni Pilou, who is a three-hatted chef in Sydney. He is more than happy to talk to the Committee.

CHAIR: We are more than happy to have his food.

Ms LAVER: He, along with Neil Perry and Matt Moran from Aria, is so concerned about the level of the qualifications that are coming from private providers.

CHAIR: Is there any evidence that not only is that complication from private trainers but also from the cut to face-to-face hours impacting on those qualifications?

Ms HENIGAN: Absolutely.

CHAIR: Do you want to comment on that?

Ms HENIGAN: With reduced face-to-face hours it is harder to assess well. I know my staff are working their little socks off not to drop their standards but the implication of that and their workload has been huge.

Mr BOURKE: A reduction in face-to-face hours discriminates most harshly against people who have disabilities, particularly learning disabilities. Some of the people I see who have acquired brain injuries learn best with face-to-face methods, and that is pretty well evidenced.

CHAIR: I will return to disabilities. I have heard that is really affected in the building area. Do you want to comment on that?

Mr CLAPHAM: We have to accept the competencies passed by people who come to us from other trainers whether we deem them to be competent or not. They complete their training with us and go out with a TAFE-endorsed qualification, which is the gold standard, which really they have not achieved with us. They have only received partial qualification with us and that seems to be a problem for me.

CHAIR: How do we revisit that?

Mr CLAPHAM: I do not know. Maybe we can just endorse the units that we deliver, and they have the other endorsement from the other bogey trainer, if they are a bogey trainer.

Mr LONG: Mr Amato might be interested in this. At Nowra College I spoke to the teachers in the important mechanics area who said their apprenticeship course has been cut from 36 weeks down to 30 weeks and now they deliver only 24 days over three years, about a 33 per cent cut in the actual face-to-face training. They said the increased technology in relation to working in that field actually needs more hands-on time, and they are obviously getting less.

CHAIR: I have limited time as other members have questions. From what I can see from evidence given to the Committee the Educational Business Systems [EBS] and the Student Administration and Learning Management [SALM] system has been a debacle that has killed a lot of teaching hours. A lot of people have had to address a broken software system rather than doing teaching hours. Do you want to comment on that? Did you report your great concerns about the system being broken and unworkable?

Ms HENIGAN: Which one of us would like to start?

Mr BOURKE: You are probably the most passionate about that, Liz.

Ms HENIGAN: Yes, I am probably the most passionate about that. Can I say SALM has changed my life, and not for the better. I will not belabour the difficulties that we have with enrolments, and the difficulties we had last year with completing students' data—you know that gooey stuff we used to play with as kids that you squeezed and went out of your hand—that is what SALM felt like at the coalface, except there was something malicious in it as well. We survived by joking, and I can tell you that my belief is that Voldemort has been reincarnate and is in that program. It has been heartbreaking at the coalface.

If I could, I would get down on my knees right now and beg you to understand that EBS—SALM still is not working for us. Yes, there have been improvements and we have worked incredibly hard—I am talking about 50 hours week on a regular basis to try to develop and learn work around them. But that is what they are: they are just work around. Teaching and administrative staff do not have the confidence in the integrity of the data. We are repeatedly told that it is working and that it has improved but our experience is different. The integrity of our data only exists because people have gone over and over on an individual basis looking at student results, making them fit the reality.

Dr JOHN KAYE: Do you keep manual rolls?

Ms HENIGAN: Yes.

Dr JOHN KAYE: Is that true for you, Mr Bourke and Mr Clapham?

Mr CLAPHAM: Yes, we have to keep paper-based rolls because the system is not reliable.

Dr JOHN KAYE: You do not trust the system? The system is not trustworthy so you have to keep paper-based rolls.

Mr BOURKE: I keep that and Excel database.

Dr JOHN KAYE: Will you describe very briefly the additional workload that is imposed on you?

Ms HENIGAN: About 15 hours a week.

Dr JOHN KAYE: Fifteen hours a week to maintain it compared to the previous system referred to as class management system [CLAM].

Ms HENIGAN: I would still say on average it has added 15 hours a week to a full-time staff member.

Dr JOHN KAYE: When were you first aware that EBS-SALM would not be up to the task? Was it prior or after 1 January 2015?

Ms HENIGAN: Well prior to.

Dr JOHN KAYE: When did it first occur to you "Heavens to Betsy", or stronger words than that, "this is not going to work"?

Ms HENIGAN: Yes, there were some stronger words flying around.

Dr JOHN KAYE: We do not need those for Hansard.

Ms HENIGAN: Okay, I was being calm. Within a couple of weeks we started to have our doubts.

Dr JOHN KAYE: Would that have been in September 2014?

Ms HENIGAN: Yes, if September is when it was implemented then it was probably 1 October.

Dr JOHN KAYE: Ms Laver, when would you have been first aware? Were you still on deck?

Ms LAVER: No, I left on 10 October. I bailed out.

CHAIR: You had inside information, did you?

Ms LAVER: I did.

Dr JOHN KAYE: Mr Bourke and Mr Clapham, when did you first become aware that the Educational Business System [EBS] was not going to be fit for the purpose of enrolling students and maintaining the rolls?

Mr BOURKE: Probably a little after this. I was very hopeful that it would provide some very good improvements in my area of work, which is to maintain confidential records for people who have disabilities, and to maintain secure and private information. When it was introduced it did not have that capability.

Dr JOHN KAYE: And you were pretty much immediately aware that it did not—

Mr BOURKE: I was pretty well immediately aware that it failed to address what we had asked for it to do.

Dr JOHN KAYE: Mr Clapham, you run large classes of carpentry.

Mr CLAPHAM: The initial problem that I had was that I was away from the section for 12 months prior to its introduction. I was Aboriginal coordinator, which I ended up doing. I came back. I had a relieving

head teacher who did his best to get the offerings up and running. I came into a mess. I did not understand the system one bit. My teachers knew more about it than me.

Dr JOHN KAYE: When was that, Mr Clapham?

Mr CLAPHAM: At the start of this year. I have worked an enormous number of hours to get up to speed with this. Dead set, I was having anxiety attacks. I still lie awake at night, thinking about registered numbers and SALM TPL codes. It drives me nuts.

Dr JOHN KAYE: Mr Long, when did the NSW Teachers Federation first become aware that EBS-SALM was not fit for purpose?

Mr LONG: We were made aware before it was introduced in October 2014. Institute directors had informally told us that they were concerned about it not being operational. It was one of the major reasons that Smart and Skilled was delayed twice in 2014. The training service system and the EBS system was not working. It was very clear between those two departments, so I am sure that it would have been clear to the Government that it was not ready.

Dr JOHN KAYE: Leading from your answer to that question, why was it that TAFE NSW went ahead with EBS-SALM?

Mr LONG: Informally—I cannot give names, per policies—but we have been told that TAFE was told that it must implement it.

Dr JOHN KAYE: And it must do so because it could not run Smart and Skilled without a change in—

Mr LONG: It was totally designed to implement Smart and Skilled. There are 229 schools that are still refusing to use the system because it does not work.

Dr JOHN KAYE: High schools and primary schools?

Mr LONG: High schools, yes. Those schools are being told that they will have to roll it out next week, again, I think. There may be some pressure because of the cost blow-outs. We were told in 2014 that the system was not ready.

Dr JOHN KAYE: Would it be correct, therefore, to draw the key conclusion, firstly, that TAFE NSW and the Government knew that the rollout of EBS-SALM would cause pain but the reason they went ahead with it was to implement the competitive market?

Mr LONG: Our understanding was that they had no choice. Because Smart and Skilled was to be introduced on 1 January 2015 they had to implement a new system. That is what we were told in 2014.

Dr JOHN KAYE: Thank you. I will change topics. Mr Clapham, you referred to tutorial support, which you cannot provide now.

Mr CLAPHAM: No.

Dr JOHN KAYE: Tutorial, as I understand it, is an informal concept, or is it a formal course enrolment?

Mr CLAPHAM: I would like to go back a step if you do not mind. Traditionally, carpentry and other trade courses were delivered one day a week for 36 weeks of the year. Several years ago we introduced a block release scheme, whereby we can reduce that to 21 attendances per year, which accorded considerable saving in the delivery. That is fine for the students who are up to the task. Good students thrive on that accelerated learning. But people who struggle, struggle much more under a decreased delivery.

The tutorials, which I was instrumental in setting up when I was at Wollongong, and which I brought to Nowra when I moved, were run as a safety net for the students who were underachievers. It was done to get them through, for example, the mathematical tasks of roofing and stairs and the more advanced maths of

carpentry. Because of the savings that we had made in delivering block release those hours would come back to the section to allow for that—

Dr JOHN KAYE: Under the old scheme?

Mr CLAPHAM: Yes. We were told at the start of this year, "There is no way you can run tutorial classes; there is no funding for that."

Dr JOHN KAYE: So the introduction of the competitive market and the funding arrangements under that market—the entitlement funding arrangements—took away from you the capacity to reuse the money that you had in tutorial support?

Mr CLAPHAM: The savings that we had made, yes. That is my understanding.

Dr JOHN KAYE: I will be asking questions of the director this afternoon. The Illawarra TAFE receives a thing called community service obligation funding. Would you see tutorial support as being something which should be funded under CSO?

Mr CLAPHAM: I believe so, yes. We did have Indigenous Tutorial Assistance Scheme [ITAS] funding for Aboriginal students. I am not sure of the status of that at the moment, because I am not in that loop anymore. That is okay for those students but it does not transfer to the mainstream students who struggle.

Dr JOHN KAYE: I will generalise this question in a minute. For me and for the committee, can you please explain the implications for completion rates of the loss of tutorial support?

Mr CLAPHAM: We are yet to see the full impact but we are already seeing students who are not coping withdrawing from courses. I think there has been an increase. I do not have the figures.

Dr JOHN KAYE: Is it possible for you to quantify that on notice?

Mr CLAPHAM: I will do my best to do that.

Dr JOHN KAYE: Okay. We will put that question on notice. Mr Bourke, I imagine you would be observing a number of students for whom support for their special needs—adjustment support—has declined. Is that correct?

Mr BOURKE: Yes, that is correct.

Dr JOHN KAYE: Can you describe briefly, on notice—because I think I have run out of time—what the implications are for those students.

Mr BOURKE: I have to say that we still do our best with almost all students.

Dr JOHN KAYE: Of course you do.

Mr BOURKE: However, in the past year I have seen TAFE's capacity to provide that level of support to the majority of students who would have received reasonable adjustments for tutorial support, for additional time or for individual changes to their programs, decline across the entire institute. As I said, we still try our best.

Dr JOHN KAYE: We might leave it there because my time has run out. Thank you for that excellent answer.

The Hon. COURTNEY HOUSSOS: I would like to begin by thanking you all very much for coming today, and for your incredible wealth of experience. It is really useful for us on the Committee to be hearing directly from you. I have a few specific questions for you. I would like to start with Ms Laver. In your opening statement I think you mentioned that there had been "devastation" in the last two years that you were speaking about. This focus of this Committee is on the more recent implications of the Smart and Skilled program. What are the things that we need to be addressing, and what are the concerns that you have with the TAFE structure as a whole, going forward?

Ms LAVER: The list goes on. First of all there is the fact that the gates are closed to a lot of long-term unemployed youth. Suicide rates are up. The doors are closed, as far as the fee structure et cetera is concerned, for these kids. I can talk about our success stories and about the fact that the quality training is happening in TAFE. One young apprentice I had dinner with the other night was a graduate here. He worked in Italy in a Michelin star restaurant for 18 months. That is the highest accolade in Europe. He has come back and he has just gone up to Qualia, which is a six-star resort on Hamilton Island, where the tariffs are \$4,000 a night. That young man, Sam, is the chef de partie there. Quality things are happening. That boy started in Culburra. He lived at Culburra—

CHAIR: Culburra Beach?

Ms LAVER: Yes. His grandmother used to bring him into class. He got an apprenticeship at the Bomaderry Bowling Club. That is that boy's story. I can tell you stories like that over and over again. We have disadvantaged groups in the Shoalhaven because they are geographically isolated. We have kids coming from the Bay and Basin area, and Culburra and places like that. If their parents—because they are working—cannot get them here it is an achievement in itself for them to get here. When we look at our apprentices we work out where the apprentices are from. We get carpools happening and we get them to share in the cost of the petrol et cetera. There is that, but there is also the fact that we have a very high youth unemployment rate. You only have to look at the statistics of suicide, drugs et cetera. I am not going to take responsibility for that, but over the last decade—more so the last couple of years—it is not easy for those people to get into TAFE.

With respect to the long-term unemployed somebody living at Sanctuary Point or wherever will have gone through a New Opportunities for Women [NOW] program or another program to get them ready for work. They think that they are going to go into TAFE to do a taster course or to start off with a Certificate 2 and then go through to the diploma, but there are barriers to that. My colleagues can talk more eloquently on the fee structure. With the fee structure as it is there was an allowance for someone to come in and get a fee exemption. But if they have done a degree or a TAFE qualification seven or 10 years ago, guess what, they cannot use that structure. They have got to pay the full price.

The Hon. COURTNEY HOUSSOS: It is really undermining TAFE as a location for retraining over the course of your life rather than necessarily at the beginning of your life.

Ms LAVER: Yes, and not everybody is equipped to do a university degree and our communities depend upon our trades and our qualifications. We are deskilling our country. We are bringing in overseas "skilled" labour. Once again, I was talking to the hatted chefs last week from Nepal. They are employed because they work hard, but they have not got the skills. It is easy for these chefs to employ those people because it is not easy to get qualified chefs and passionate apprentices because of the barriers. We are cutting out some of the theory subjects and that has all got to be done on their own. These are not brain surgeons, these people who want to do trades. They want to do things with their hands and the things that they have got to do on their own are mammoth as far as they are concerned. Some of them have not even got the internet.

The Hon. COURTNEY HOUSSOS: You are saying that the face-to-face time is more valuable over the course of their training because of their previous skill level?

Ms LAVER: Yes.

The Hon. COURTNEY HOUSSOS: And obviously cutting the hours of the courses has detrimental impacts on the outcomes.

Ms LAVER: In my area we are training cooks, not chefs.

Mr LONG: Can I intercede in relation to what Ms Laver said about the internet. The internet is very good if you can read something, you can look at a video or you can hear something. But if you are a chef you have got to taste it and you have got to smell it. The internet and online does not work all that well for that.

The Hon. COURTNEY HOUSSOS: Ms Henigan, obviously aged care is seen as a growth area for jobs, particularly in areas outside metropolitan New South Wales. How is the Smart and Skilled program helping you to increase the number of aged care workers?

Ms HENIGAN: The Smart and Skilled program has decreased my output of aged care workers. I would like to make a further written submission to the panel.

CHAIR: You will table the document you are about to read from?

Ms HENIGAN: I will do that. In terms of aged care, last year I had 53 enrolments in Nowra who graduated. I had more that did not graduate, but 53 graduated. This year I will have 38 graduate. However, eight of them started last year. So in fact this year I will have 30 to graduate from this year's intake. My numbers dropped. That was partly because of the debacle of the enrolment process at the beginning of the year.

CHAIR: Because of the Student Administration and Learning Management [SALM] system and the Educational Business System [EBS]?

Ms HENIGAN: Yes, the EBS, TEA, State Training Services mismatch. But also it is partly the increase in the fees and the inability for the people who, as Ms Laver mentioned, have previous training to get Smart and Skilled places. May I give an example of that? I have a student who I will refer to as S. She would like you to know her situation. She actually did aged care last year. She was one of my 53 people who graduated. She is a little bit mature like me. In a previous life she had done a diploma of financial services. Her life changed. She is a single mum bringing up one child. Her marriage broke down. She did her aged care certificate last year. She is a great student. She is working in aged care. She is also working in people's homes where the people she is caring for have disabilities as well as a lot of years, so she wanted to up her skills. She wanted to add to her aged care certificate a Certificate III in Disability.

You would not think that was so hard, would you? She is unable to access, because of her financial services qualification, a Smart and Skilled place. It had to be commercial. After a while of asking for that to be set up I set that up myself. My inexperience meant that I did not realise that a commercial place cannot then be changed and the cost reduced because of recognition the way a Smart and Skilled place is and so she was given a \$6,000 plus bill for five units of competency. I went, "No, no, no. We can't do that". So I started again. I created another commercial thing that reflected how many units she did. Last week—not last June when she started, when she turned up here ready to hand over her money in June—she finalised her enrolment for \$2,000 something. This is a woman whose base rate of pay is \$19 an hour. I cannot imagine how hard it was for her to save that money. That is how committed people are to their own training.

The Hon. COURTNEY HOUSSOS: That is a very powerful story. Mr Clapham, there has obviously been quite a lot of publicity around the increasing fees for carpentry. In your opening statement you touched on the problems for mature aged carpenters who wish to retrain, particularly in their own time. Those people who feel there is a need to retrain or to upskill and do the right thing, so to speak, are penalised for doing that. Would you expand on that for me?

Mr CLAPHAM: To come under Smart and Skilled, there is a \$2,000 fee, you must be apprenticed. These people obviously at 45 or 50 years old are not going to go and get an apprenticeship. We were able to give them fast-track training based on recognition for quite an affordable fee prior to Smart and Skilled. We can no longer do that. We could work out a commercial rate but a faculty director told us, "Just don't do it. Don't offer that training." I believe it would have been in excess of \$12,000 or \$15,000 if we went ahead with the commercial fee but we were told, "Just don't do it anyway. Don't offer it."

The Hon. COURTNEY HOUSSOS: The feeling I am getting from all of you is that the people who are most disadvantaged by these Smart and Skilled changes are people who over the course of their lives wish to retrain, undertake more training or do the right thing and invest in themselves so that they can be more effective workers but in the process they are being penalised to such an extent that they are not able to do that.

Mr LONG: Can I add some information about art study in Nowra? I think everyone drove through Berry on the way. The art community really is the basis of the commercial success in Berry. There is a really fantastic teacher Warwick Keen. He is actually here, but I do not want to embarrass him. He has been fundamental in keeping art studies viable here in Nowra, but I want to let you know the difficulty he is working under. He can no longer offer lower qualification courses due to the increased funding cuts under Smart and Skilled and those that were implemented before Smart and Skilled came. That is for the same reason that Mr Clapham said that they do not even offer it, because it is too expensive. They only have one diploma. It is eight hours per week over two years. That is about a 30 per cent cut in delivery time. The cost of that course is \$19,000. The students are next door here, I think.

The Hon. COURTNEY HOUSSOS: So the question is not just about the fact that courses have been cut but also face-to-face hours have been cut and the required hours are still within the same curriculum.

Mr LONG: Yes.

The Hon. COURTNEY HOUSSOS: I have literally a minute and a half left. Is there anything that anyone would like to add?

Mr CLAPHAM: As we tack in the race to the bottom for quality, the people who are most vulnerable are the people least able to cope with that cut, and that is the problem.

Mr BOURKE: I would just like to say that private registered training organisations [RTOs] get around that problem by cutting classroom time, face-to-face hours, and by offering something called recognition. I received last night on Facebook an advertisement for a construction course, a certificate IV in construction, offered by a private RTO, which listed no classroom time required.

Dr JOHN KAYE: None. No classroom time?

Mr BOURKE: No classroom time required.

The Hon. COURTNEY HOUSSOS: Was that certificate IV?

Mr BOURKE: Certificate IV—totally by recognition.

CHAIR: Are you able to supply that information to us for us to do further research?

Mr BOURKE: Yes, I can. I can provide that. That was the line that appeared on the Facebook page. Personally I would like my builders to know something about geometry.

Ms HENIGAN: I just want to comment that TAFE does use recognition. TAFE does use online learning. TAFE does use all sorts of creative ways to ease the process for students, to speed it up when that is appropriate, but it is not always appropriate. I have outlined that in more detail in the submission that I have provided.

CHAIR: Thank you.

The Hon. LOU AMATO: Thank you, everyone, for coming here today. Obviously, it is very important for all of us to make sure that we get a favourable outcome from this inquiry. Mr Long, I will just touch on something you mentioned earlier. Your organisation has expressed concerns about fine arts not being included on the skills list and called for art courses to be subsidised. Do you accept that principle?

Mr LONG: That art should be subsidised?

The Hon. LOU AMATO: Yes.

Mr LONG: Yes, definitely.

The Hon. LOU AMATO: Do you accept that the New South Wales Government, or any government for that matter, has a limited amount of funding available for such delivery?

Mr LONG: I do not know where you are heading with this but I was really angry when the art cuts first came in. We protested against those cuts and I heard disgusting things, rumours, coming from Parliament that members of Parliament were saying that they were cutting art funding because it was a bunch of basket weavers. I think that is why I said that the drive through Berry is so important in that in regional communities arts and related courses are vital. They should be subsidised. The city should be subsidising Nowra in relation to those sorts of vital skills. They create economic growth down here. I do not know whether that answers your question, but I want to let you know that that is what art funding means.

The Hon. LOU AMATO: I will get to that in a moment, with all due respect. I am touching on something that Ms Laver mentioned earlier about the importance of trade qualifications and skills. I understand the importance of trade qualifications but I guess what I am asking is: Do you believe that it is an acceptable proposition that funding which otherwise would make an apprenticeship available to school leavers should be removed and the funds used to subsidise an arts qualification?

Dr JOHN KAYE: That is ridiculous.

Mr LONG: I cannot even see what you are coming at. If you want to make decisions like that, you will disadvantage towns like Berry and Nowra.

The Hon. LOU AMATO: The reason I am asking you this—

Mr LONG: TAFE was a holistic education supporter. If you are going to start making judgement calls, which your Government did and you did when you made that judgement call and you said that basket weavers were being funded—

The Hon. LOU AMATO: No, no. I never said that.

CHAIR: Order! Mr Long, direct your remarks to the Chair, not to members directly, please.

Mr LONG: My apologies.

CHAIR: I appreciate this is a passionate matter.

The Hon. LOU AMATO: I appreciate the points you have made. Everything is important in life. Everybody has their own path in life that they want to pursue, and I respect that. I am just saying that we are having a lot of problem with trades at the moment. I guess I am a little more passionate about trades, coming from a trade background myself. You mentioned earlier that in the past 10 years there has been a decline in TAFE courses. Could you elaborate on that a little more?

Ms LAVER: What I meant was that, as a manager, over the past 10 years there has been a decline in the funding over the past decade. What I was also saying was that in lots of ways the duplication of resources that has happened—the new buildings and workshops in the schools—I think the rationale could have been that the money could have been given to TAFE to retain state-of-the-art facilities, such as we have seen today. The colleges or campuses should have been opened up, not just hearsay opened up, so that the teachers and students could come in and use our facilities. Even if it meant that we were operating six days a week, we could have been working in consultation with the schools, which is the way it should be. That is what I am saying. I am saying, as a manager, over the last decade the budget has gone down. What has happened is, you know, prices have gone up.

The Hon. LOU AMATO: I direct this question to Ms Laver and also to Mr Clapham. Do you find that the level of school leavers coming to TAFE in skills such as literacy are the same, or have they been in decline over the past few years? I am asking that question because during our inquiry, the response usually has been that it has been in decline, especially in regard to mathematics, reading, and writing.

Ms LAVER: Definitely.

The Hon. LOU AMATO: Also I guess it would be noticed by employers as well. Could you give me your experience of it?

Ms LAVER: My experience is twofold. First of all, yes, literacy and numeracy seems to have had a downturn. That is why it has been so important that we could tap into tutorial support and people from Adult Basic Education [ABE] coming into it.

The Hon. LOU AMATO: If you do not mind my asking, how long have you noticed that? Would it be the past 10 years or more?

Ms LAVER: Yes, yes. We have to go out of our way, both in class time and by setting up study and homework groups in conjunction with ABE, et cetera. You know, it is just harder and harder to support those

kids. When you go back and look at industry, when we are looking at regional New South Wales and our regional towns, the majority of our apprentices, for example, work in cafés and bistros. There are not that many fine dining restaurants, even though they are coming up now.

Those businesses and employers are trying to keep their head above water in trying to run a business. They do not have time to assist their apprentices any more than on a day-to-day basis. They cannot take a day out of the week to support or train their apprentices. That is why the story is, "I leave that to TAFE." What they learn at TAFE is complemented back at the workplace. That goes for literacy and numeracy. Their understanding of catering control, for example—which is all about math—there are all of these theory subjects from which theory has been taken out of the trade qualifications. The kids have got to do it on their own.

The Hon. LOU AMATO: Yes. There is a lot more extra pressure placed upon the TAFE teachers.

Mr BOURKE: It is just another quirk.

Ms LAVER: Not just the TAFE teachers. The pressure is on the kids as well.

Mr BOURKE: I wonder if I could add something just about difficulties with literacy and numeracy. I think it is a great question. We are often asked, "Why is there a decline in literacy and numeracy?" I think the answer is complex. Often teachers are blamed for that or schools are blamed for that, and that is an ignorant response.

Dr JOHN KAYE: Hear, hear!

Mr BOURKE: It is very complicated. Poverty makes people vulnerable to not learn very well. As we see with increases in poverty, particularly on the South Coast, is a whole lot of complex family and community declines occurring, which makes school retention more difficult and which makes disengagement from school more likely. That turns into long-term problems that people may or may not be able to address through any subsequent study. I really do agree that literacy and numeracy is a huge problem facing New South Wales. It is not a simple problem, though, and I guess I am just asking that you please understand the complexity of it. It is not just schools that are responsible for that decline.

Ms LAVER: May I just add that, in the past, when we had kids dropping out of school, we would be working with the careers advisers and looking at other options for them to do little taster courses in trades. There were all sorts of opportunities for them to come in, at nominal amounts of money, to get tasters. I know the Hon. Paul Green has some children that have done the same. But what I am saying is that those opportunities are not there in the same way because of the fee structure.

The Hon. LOU AMATO: Thank you.

The Hon. SCOTT FARLOW: Just very quickly, Ms Henigan, I know that you acknowledged before that perhaps there were some registered training organisations [RTOs] that were doing the right thing. Are there any in this area that you could name that are doing a good job?

Ms HENIGAN: So no pressure then?

The Hon. SCOTT FARLOW: No pressure at all!

Ms HENIGAN: The one that springs to mind immediately is Adult Education. They are just across the way from us; you will see them as you leave. I know a representative from that organisation is here with us today.

Mr BOURKE: It is in Kiama. It is Kiama Adult Education.

Ms HENIGAN: Yes, but the representative is from further down the coast with the same organisation. I hope I am getting those details right. I think there are other RTOs who do well in specific areas. I think Anglicare does a good job with their aged care workers. I am not prepared to say who I think does a really bad job. But yes, there are some good ones. The difference is that they are very narrowly focused. The Illawarra Retirement Trust [IRT] does a beaut job with some of their aged care workers. There certainly are some. The difference is the breadth of what we offer, and that is another thing that has been knocked for six by Smart and

Skilled. Last year I offered 20 different qualifications to our community. Some of them were advertised and some of them were done through one-on-one negotiation—through a process we refer to as work-based learning. This year I have seven qualifications. The restriction of the breadth is hugely important.

CHAIR: I note that the Government members' time for questions is now finished. If they do have any further questions, I invite them to put those on notice. Dr Kaye is begging me to put a question on notice.

Dr JOHN KAYE: The question I want to put on notice is to Mr Clapham, and I am putting this to you because you are a traditional trades teacher: Do you think that it is appropriate to sacrifice arts teaching in order to put more money into trades?

Mr CLAPHAM: No, not at all.

CHAIR: That is a question on notice so you can write back with that the answer.

Dr JOHN KAYE: So the answer is no? You did say no, Mr Clapham, didn't you?

Mr CLAPHAM: Yes. I have a son who is studying music at university. I have a great regard for the arts. Why should we sacrifice them? It is ridiculous to even think that we should rule one career path out for another. It is ridiculous.

CHAIR: The arts quite often define who we are, where we have been and who we are becoming.

Mr CLAPHAM: Yes.

CHAIR: I do want to acknowledge an issue, and this is not necessarily a conflict of interest but Ms Laver did draw my attention to this. The fact is that one of my children does attend this most excellent TAFE. So I put that on the record. My other children have also attended this TAFE, and I hope my other children will come here in the future as well. Mr Clapham mentioned Mr David Coyle in one of his comments. I acknowledge Mr David Coyle, who was part of the reason we have called this inquiry. I did have representations from him. I put on the record my thanks to him for his help. He assisted me to get to the point where we were able to call this inquiry.

I thank you one and all for your passion and commitment to teaching. I think there is no greater career than imparting your skills and knowledge to other people and seeing them rise up from their God given situation and thrive. It really is a fantastic opportunity offered by the area of teaching. So I thank all of you for your commitment. We will take your comments on board in drafting our report and recommendations. If you have taken any questions on notice, you have 21 days in which to reply. The very efficient secretariat will be more than happy to help you out if you need any further assistance. Also we may put further questions on notice after this session, within the next 24 or 48 hours. So you may receive some further questions. Once again you will have 21 days in which to answer those. I thank you all for your attendance and wish you a very good day.

NICKY SLOAN, Chief Executive Officer, Illawarra Forum Incorporated, affirmed and examined:

CHAIR: I welcome Ms Nicky Sloan to this hearing as our next witness. I invite Ms Sloan to make an opening statement.

Ms SLOAN: Good morning. I represent the Illawarra Forum, which is the regional peak body for community services in the Illawarra and the Shoalhaven. We are a membership based organisation and our members are those organisations who provide services in areas such as aged care, disability, community development, domestic violence and homelessness. Vocational education and training is very important to our members. We are part of the biggest employment sector in both the Illawarra and the Shoalhaven. We have a projected growth rate of 25 per cent in the next 10 years. We are a very highly skilled industry and that means we need to have trained workers ready to come into our industry.

We also have an ageing workforce. The typical person working in the community services industry is sitting right in front of you—it is a middle-aged woman. We are expecting a 60 per cent retirement rate over the next 25 years so we are really looking at some significant employment opportunities for trained staff. The other reason that vocational education and training is so important to our industry is that many of our clients are from very disadvantaged backgrounds. Vocational education and training is a real move forward for many of them and a way for them to move from disadvantage into a more productive place in the community.

The Hon. SCOTT FARLOW: Sorry to interrupt but when you say clients do you mean those who constitute workers in your members?

Ms SLOAN: No. I mean the actual community members that they are serving.

The Hon. SCOTT FARLOW: Thank you for that.

Ms SLOAN: No problem. The Illawarra Forum and many of our members have had a longstanding relationship with TAFE. Ours lasts more than 20 years. We rely on TAFE and workplaces rely on TAFE to do things like research in our industry and emerging issues. We provide industry experience. We often rely on our TAFE teachers to be on our boards, and they provide great voluntary experience on our boards. We also work with TAFE on things like course development and looking to the future, or perhaps advising them about emerging issues and new training that we need. TAFE has also been important to our members because for many of their clients they are able to provide real flexibility in their delivery and additional supports, and that is important for people who are very disadvantaged.

As Smart and Skilled has rolled out I think one of the biggest issues that our members are reporting is a lack of communication. The manner that it has been rolled out has created some confusion for both our members and for the clients they serve. Some of those clients are reporting difficulties accessing information on what courses are available, who are the good providers and what fees, which is something that is very important to them. There is definitely some confusion with our job active agencies, particularly not referring clients to things like foundation skills courses because we are hearing that they think they have to go to a certificate III level at the minimum. That is setting people up to fail because many people need those foundation skills first.

Also, with job active these earn-and-learn requirements that particularly young people are facing means that they often make ill-informed decisions which are often not based on their own desires or employment opportunities but are based on the fact that they want to keep their Centrelink payments, which is not a good outcome. We have heard some dreadful stories about some very vulnerable people who have been tempted by doorknockers and encouraged to sign on to some inappropriate courses which they have not, by any means, got the capacity to finish but will leave them with miserable debt.

Finally, I will speak about our members who are also registered training organisations [RTOs]. The rollout of Smart and Skilled has been very difficult for some of them. One of them in particular which does not want to be identified is a large service provider and an RTO. The package they were offered did not contain all the qualifications that they had been previously delivering. So they found themselves in the position where they could not even continue to train their own trainees past a certain level. But the worst was that it meant that they had to make some of their staff redundant. They also had to move some of their training staff into service delivery.

As you all know, that was just before Christmas. It was dreadfully stressful for management and for staff. Having gone through that, they then subsequently had three variations to their package and now can deliver all of the qualifications that they were previously able to deliver. They feel that they were put through a great deal of angst unnecessarily, and I think this is part of the rollout that has been the problem.

CHAIR: Thank you. First, have your members made any comment about the EBS and SALM situation, the computer system breakdown?

Ms SLOAN: Yes, we definitely have heard about the difficulty in being able to access that, and enrolment issues. There have been numerous complaints about the computer system.

CHAIR: In terms of disability there is a loading of about 15 per cent, I understand, but it seems that the way that figure is arrived at is probably not helpful to the real needs and outcomes of learning. Do you think that that loading is right or wrong or should it be judged differently?

Ms SLOAN: Absolutely. People with disability are people and we are all different and our needs and support requirements are very different. You cannot quantify that with a number. I think it is important that we treat people as individuals and their support needs are individual as well.

CHAIR: Do you have any evidence that that weighting is so far wrong that it does not give an outcome to individuals with a disability?

Ms SLOAN: Certainly. We are hearing stories—

CHAIR: I did not ask whether you are hearing stories; I asked whether you have evidence.

Ms SLOAN: Do I have evidence? No.

CHAIR: I cannot go on what you are hearing, unfortunately. I need evidence.

Ms SLOAN: I can only tell you what our members would have said.

CHAIR: Would your members have evidence?

Ms SLOAN: Would our members have evidence? I could certainly inquire for you. I can take that on notice and if they are prepared to provide that evidence I will certainly provide it for you.

CHAIR: In terms of your membership are you aware of any TAFE teachers who have taken sick leave because of the EBS or SALM system or the stress that that has caused?

Ms SLOAN: I am not aware of anybody, no.

Dr JOHN KAYE: Thank you for appearing here today. Are you aware of the submission made by the Southern Youth and Family Services?

Ms SLOAN: Certainly.

Dr JOHN KAYE: Are they a member of your organisation?

Ms SLOAN: Yes.

Dr JOHN KAYE: Would you say that the attitudes and concerns expressed in that submission are typical of all of your members?

Ms SLOAN: I think they speak very well about many of the issues. I think probably for Southern Youth and Family Services it is quite targeted at young people. However, I think many of those issues can also be extended broader.

Dr JOHN KAYE: One issue that arises, apart from the information issues, is the concept of a competitive market where some of your members, for example, are competing against TAFE for entitlements. Would you care to comment on the suitability of a competitive market for training and skills acquisition?

Ms SLOAN: That reflects the industry that I work in now. Also, our industry has been forced into a competitive market. I think that the outcome of that is that organisations are forced to make decisions often based on business principles and that can impact on what people can deliver.

Dr JOHN KAYE: So you are talking about the community services sector.

Ms SLOAN: Certainly, and I think that that is exactly what we are seeing now in the vocational education and training sector. I think they are very reflective. I think what that has caused our members to do in community services is to look at the way they are actually doing business. We always encourage people to be working on their businesses. We want people to be working in their businesses because we want people to have outcomes for clients. I think that is exactly the same in the VET sector. TAFE and training organisations should be looking at the outcome for their clients.

Dr JOHN KAYE: Would your clients that are registered training organisations [RTOs]—you might not be able to speak in specifics but in general—prefer a funding arrangement that was a block funding arrangement or a different funding arrangement to having to compete in an entitlements market?

Ms SLOAN: In terms of a business proposition it certainly makes it easier when you know how much funding you are going to be getting so, of course, I would imagine people would prefer that. I am sorry; I have lost my train of thought.

Dr JOHN KAYE: From the ultimate perspective of the clients—I do not like the word "clients"—of your industry, in what way would it be better for them if the RTOs that were also providers were being funded on a secure basis rather than being funded on a competitive market basis?

Ms SLOAN: It gives them the security of knowing that the RTO is going to be there and that their training will continue to the end. I think there is that security. It also means that organisations are not focusing so much on the business but are focusing on the delivery.

Dr JOHN KAYE: You have identified that your industry is going through major changes; it is in a spectacular growth phase—I am sort of contributing to that as I get older. Can you see any sensible way for a competitive market to provide for the planning and the provision of skills over the next 25 years? I am talking specifically about a competitive vocational education and training [VET] market.

Ms SLOAN: It is very hard at this stage to see that working, only because of the way in which the system was rolled out initially. As I said, I think it is that lack of communication, that lack of understanding that RTOs are struggling with. I think that a competitive market certainly could perhaps work but only if there were clear guidelines around that.

Dr JOHN KAYE: Can I ask you to take on notice the idea of how a competitive VET market could do the planning and the provision of training that would work for your industry? Can you visualise a market that would actually deliver the kind of growth in the skills base your industry will need?

Ms SLOAN: Yes.

The Hon. COURTNEY HOUSSOS: I want to touch on something you mentioned in your opening statement about setting people up to fail by putting them directly into certificate III or IV courses instead of providing foundation skills. Some of the early testimony to the Committee has been about competing priorities within the VET sector but you have mentioned there is an important role for foundation courses to play. Can you explain a little more about that?

Ms SLOAN: Absolutely. Particularly people from very disadvantaged backgrounds often have not been able to acquire the skills when at school that they would need to take on any training. I think to put people into a certificate III or IV course when they do not have those foundation skills means they will be disenfranchised from their education and there is no chance that they will be able to learn to the level they need. I think that the time and money that is invested in making sure that people have the basic numeracy and literacy;

even that basic understanding of getting up of a morning, having some breakfast and getting to a learning facility on time is a basic understanding that many people just do not have. Foundation skills are real investments in people.

The Hon. COURTNEY HOUSSOS: Can the foundation skills, and the idea of people essentially learning how to learn that you have talked about, be provided across a range of courses and not just in trades or job-specific courses?

Ms SLOAN: Absolutely. I think that some of those skills are skills for life. Having good broad-based foundation skills could help them move into their training career of choice.

The Hon. COURTNEY HOUSSOS: I have been told anecdotally that if people undertake, for example, a textile course, which might not have a specific job application, it will allow them to undertake something later on. It provides them with the confidence and the skills you have spoken about—getting to the learning facility and being able to undertake learning—and will allow them to progress to further study. Has the Smart and Skilled package enhanced or decreased that ability?

Ms SLOAN: My understanding is that our members are reporting they feel it has been decreased. As I have said, I think it is that communication issue again. Many of our members or client base are participants with jobactive—because they are unemployed—and jobactive agencies do not see the value in referring people to foundation skills. I think there is a communication issue there.

The Hon. SCOTT FARLOW: You wear several hats—namely, as a representative of RTOs, a representative of clients who demand services, and someone who works with TAFE—so your insight today is very useful to this Committee. I am particularly interested in the hat you wear when working with TAFE. What changes have you found in course designs over the last few years—prior and post the Smart and Skilled program?

Ms SLOAN: That is probably a little bit more in-depth than I would work with TAFE. The things that we would do with TAFE are probably at a more strategic level than being able to tell you exactly the changes to the courses themselves. I guess from my observation—sometimes I talk to TAFE classes—I see that TAFE is able to absorb the changes. TAFE is very aware of the changes that are happening in our industry. TAFE is able to translate that into the learning. I feel as if the students who come through the TAFE system are very well informed about our industry and about the changes. I must say our industry is changing so incredibly rapidly that it is a real credit to TAFE teachers that they are able to stay on top of those changes.

The Hon. SCOTT FARLOW: I take it you do similar work with your RTO members as well or are they more linked with industry?

Ms SLOAN: Often our RTO members are quite industry specific and are well aware of their own industry. We are always there for them and always happy to work with them when needs be. But their focus is generally more narrow and they can generally stay on top of it. When issues like this come up, of course, and the problems they have had with the roll-out of Smart and Skilled, that is when they come and speak to us.

The Hon. SCOTT FARLOW: Always the squeaky wheel sort of approach. I am interested in your comments about your jobactive clients not being referred on for foundation skills. Are you seeing any translation in terms of employment outcomes with them or is it just a case of, as you said in your opening remarks, training for the sake of training?

Ms SLOAN: From what we are seeing and hearing from our members there is a real push to get people into higher level training straightaway.

The Hon. SCOTT FARLOW: Is that both with TAFE and RTOs?

Ms SLOAN: Actually they are not saying where they are being referred on to, just that they are being urged to go for the higher level qualification and not encouraged at all to do any of those foundation skills.

The Hon. SCOTT FARLOW: Which is an impediment from your perspective in terms of them being able to get employment?

Ms SLOAN: Absolutely. As I said, particularly the young people are choosing their VET course really on the spur of the moment or doing it just because they do not want to lose their Centrelink benefits. That is not really about planning for anybody's future.

The Hon. LOU AMATO: I could not agree more.

The Hon. SCOTT FARLOW: The Hon. Lou Amato asks this question about skills of most people appearing before this Committee. You have talked about registered training organisations [RTOs] and teething problems with introducing Smart and Skilled, particularly relating to your member organisation that was not allocated courses and then was allocated courses. What did that member do to get the necessary workforce? Did that member employ former employees or new staff?

Ms SLOAN: Some of their employees had found other work so, no, they have had to recruit again.

CHAIR: You have taken some questions on notice. You have 21 days to reply to those questions and the secretariat would be glad to help you if required. We may forward some further questions given your evidence today. Thank you for giving us evidence. I have no doubt it will be very helpful.

Ms SLOAN: Thank you.

(The witness withdrew)

JOHN LAMONT, Managing Director, Nowra Chemical Manufacturers Pty Limited, sworn and examined:

CHAIR: I welcome Mr John Lamont.

Mr LAMONT: I am also the deputy chair of Regional Development Far South Coast.

CHAIR: Would you like to make an opening statement?

Mr LAMONT: Certainly. Training for the future is critical for the development of all industries across New South Wales. While the Government has clear plans to grow the economy based on infrastructure and development, it must ensure that the education and skills developed in all areas of the economy keep pace with the many other factors including technology changes, ageing populations, infrastructure spending and the growth of populations requiring skills under the vocational education and training [VET] and TAFE style training system. Access to this training in regional areas is critical as many students cannot afford to leave regional areas and set up in our high-cost cities during their younger years of training. Education and training will enhance our rural communities. Failure to provide this availability to education will create a new lower socio-economic class of citizens in our community.

I acknowledge that the Government was required to put in various VET reforms to reform TAFE. Setting up with its current cost structure, it would not be sustainable moving into the future. While I accept that a lot of the delivery models across the region have changed, there is still a real need for the continuation of skill-based training in institutions such as TAFE. While there is strong advocating for work-based delivery and on-the-job training, it should be recognised that the TAFE institutes implement a special type of model for students. It should be recognised that students who need to develop skills in trade areas do so in an environment that gives students the opportunity to practise skills and, if necessary at first, to fail those skills and to be retrained and become competent. How many chefs would want students to constantly waste kilos of expensive chocolate while learning to temper chocolate when at TAFE they can learn firsthand? How many mechanics want students who do not know how to use specific tools because they have not been to TAFE as all training is required to be done on the job? These are some of the simple employer issues that face young people.

Young people need a hands-on start to their trade or other qualifications. A lot of these skills are not available in the current system offered by private providers. The infrastructure is not there and the pace of change in the reforms of the VET system are not keeping pace with the required infrastructure for those private providers to provide those practical services. At the moment school students can undertake VET courses, although there is now a cost involved in those. VET courses are very important for school-based training as students are kept longer in school. Employers at the Shoalhaven Council's Business Employment and Development Committee clearly indicated to the schools that they wanted not only students with certificate III but preferably students with certificate IV to be work ready in an environment that is very competitive for youth employment.

In thin markets, such as the South Coast, additional money is required to make sure that the cost of covering TAFE courses is available. Significant time and travel are involved in the delivery of the courses and under the current system this is just not viable. The good news is that with a significant focus on technology many of the base courses, business studies and so on, can be delivered anywhere. I see that as a great reform not only for private providers providing courses throughout the State but also for TAFE to lower their infrastructure costs by providing online courses more effectively rather than in classrooms. As a result, everybody has to make a decision about TAFE institutes versus private providers. In Nowra Chemical's case, we find that often getting private providers to the region is very difficult. It comes down to a straight out budget requirement on whether there are enough students in the region to provide a course, which I know is the same with some of the TAFEs.

However, in the past TAFE courses have been subsidised by the Government. We are finding that the private VET providers only provide a shell of what is required and our usual experience with them has not been overly positive. They are very much budget focused and want to make sure their assessments are quick, on time and completed rather than looking at the actual skills the person was designed to take on. Another scenario from consultation prior to coming to this hearing was with the dental industry. I have a good friend in this industry who used the dental diploma to start his own industry. He was looking at taking on somebody new. The cost of the diploma of dental technology has moved from \$9,000 per semester—

Dr JOHN KAYE: It is from \$2,000 to \$9,000.

Mr LAMONT: Correct. So the total cost of the diploma over two years is now \$36,000. While that can be funded, that person has decided not to expand his business and give somebody the same opportunity he had in becoming a dental technician within his business. Instantly that small business operation with one person was going to expand to two, but he found that cost prohibitive and a major shock when he inquired about the course. This large increase in fees was done without prior warning to industry. The problem then is statistics. People will stop doing the course, so the Government will decide the industry does not need anything and there is not a skills shortage because people are not taking up the courses. This is not the fact. Often the barrier to industry is not truly reflected in the statistics with the skills shortage not being shown.

With an ageing population the need for dental care is increasing constantly and this is an innovative area that this particular business wanted to expand in. That is just one example. Another example is of local automotive qualifications in light vehicle and heavy vehicle training. These guys are now incurring fees of \$13,000 per student, \$16,000 per student and \$16,000 for heavy plant and equipment. Those apprenticeships will not come to fruition in the local truck and tractor company, as subsidising these fees will be a barrier to putting on more people. Along with that, there was a reduction in the number of hours offered by TAFE during that training. While there is a need for students to have more on-the-job training at times, they need to learn true skills at TAFE. It is important that they have an opportunity to learn, learn again and move on.

CHAIR: Mr Lamont, what are the skills shortages in this area?

Mr LAMONT: There is a shortage in all the trade skills, which I know are still being handled by TAFE. There is a growing take-up of housing, as there is everywhere else in the State, so there is a need for plumbers and electricians and so on. There is a shortage of motor mechanic skills further down the coast. We have done some skills audits through Regional Development Australia. A skills audit will be done again in February. The equine industry is another growth industry in the region. There is good land here. With the issues around mining in the Hunter Valley there has been an active group trying to encourage more people in the equine industry to this region but there is a lack of training.

There are good tracts of land and racecourses and the ability to develop that industry but there is a shortage in manufacturing skills. There are not enough people to run manufacturing courses in the TAFE system, and registered training organisations will not come to the region to teach those skills. They constantly try to get different companies to get together a group of people to make it financially worth their while, but that training does not happen. In our case we needed pharmaceutical manufacturing training for up to 12 people. Our business was forced to subsidise that for people to gain those skills in the industry.

CHAIR: Mr Lamont, are you aware of accessibility issues for youth across the Shoalhaven, particularly in Ulladulla, given the high unemployment level? Have you received any feedback about accessibility issues?

Mr LAMONT: Do you mean accessibility to TAFE?

CHAIR: To TAFE or other training or educational opportunities.

Mr LAMONT: Access is very poor in the region. All TAFE students need to travel outside their workplace. There is an inherent risk in travelling from Batemans Bay to Ulladulla or vice versa to take up a particular course. They need a car. Public transport is unreliable and inefficient in the region. Students should be able to travel the shortest distance to the local TAFE to do courses. There has been growth in the Wollongong university campus and the Nowra campus, but a lot of people cannot afford to move. From Batemans Bay to Nowra is a big move. They have to finance that move or pay for accommodation overnight.

The more courses that can be offered regionally the better the cost benefit for the student, purely because of their access to the markets. It is very expensive for students to leave the Shoalhaven and travel to Sydney for courses. It is \$250 to \$300 dollars a week to rent a room for students on block release. The more we force students into our capital cities, where the numbers are, fewer students will be able to participate. Students need to be able to learn regionally, with the trade skills infrastructure that is available at TAFE.

CHAIR: Thank you.

Dr JOHN KAYE: Thank you, Mr Lamont, for coming today. Correct me if I have this wrong, but in your opening statement you said that the cost structures at TAFE have to change because they are not sustainable.

Mr LAMONT: That is correct.

Dr JOHN KAYE: Is that a comment on the Smart and Skilled market and therefore a comment on Government policy, or is there an underlying problem with the cost structures at TAFE?

Mr LAMONT: Where the TAFE structure needs to change slightly is in the use of teachers versus assessors. The TAFE structure could change the way it values teachers. They are usually highly skilled and highly technical people. I am saying: should the people who check exam papers and perform an administrative role be paid the same amount of money?

Dr JOHN KAYE: You are suggesting a cost efficiency there, but your opening statement was that TAFE's cost structure was unsustainable. I am trying to find out why you say it is unsustainable. What is the exogenous driving force that makes it unsustainable?

Mr LAMONT: One of them is the high cost structure of teachers versus assessors. TAFE should break that stranglehold and also have an assessor group that could be paid significantly less to assess the TAFE courses. There is also the high cost of infrastructure. The way I see the future for TAFE is to have rooms like the one we are in, which are not fit for one particular trade purpose. TAFE courses could be run in high schools after hours. Why are we not using other State Government infrastructure? Everybody seems to want to own their patch. TAFE has its campus, the university has its campus and schools have their campuses. Why can there not be a sharing of assets and resources that will make the whole system more sustainable?

Dr JOHN KAYE: You do not think that in a competitive market there is branding and identity associated with a specific physical building?

Mr LAMONT: There is. However, if a TAFE course is—

Dr JOHN KAYE: What you are advocating would take that away from TAFE.

Mr LAMONT: It would still be a TAFE-run course. A metal trades course in Moruya might be run at Moruya High School because it has a well fitted out workshop. That will still be a TAFE course. It will still come under TAFE.

Dr JOHN KAYE: You are taking away the branding that comes with the building.

Mr LAMONT: That is correct. The registered training organisations do not have particular branding for their buildings. I see that as a valuable asset reduction that TAFE can undertake to make it more sustainable.

Dr JOHN KAYE: You say "sustainable". Sustainable means that they can keep doing what they are doing. You are really saying "cheaper", even though TAFE is the cheapest organisation per student hour of training in Australia. Compared to schools and universities it is about a third of the cost per hour. For some reason, you are saying that that is not good enough for you. I have not got to the bottom of why you think that is not good enough. Why are you saying the kids who are getting skills need to do so on the cheap, while kids who go to school or university deserve luxury?

Mr LAMONT: That is not what I said at all. I am saying that purpose-built classrooms, such as for electronic electronics training, mechanical training or culinary training must stay with TAFE. TAFE has the infrastructure and the ability to deliver those trade specific courses, including engineering and building and so forth. However, as the courses offered by TAFE change—for example, offering aged care courses to meet the needs of the ageing population—do they need to be offered in a specific building at TAFE or can facilities somewhere else be used to provide that type of training? I am talking about training that does not require dedicated classrooms for a specific skill.

Dr JOHN KAYE: My problem is the use of the word "sustainable". That implies you cannot keep doing it. You have not yet answered why we cannot keep running a high-quality, well-funded TAFE system.

Mr LAMONT: I think you can.

Dr JOHN KAYE: You think we can?

Mr LAMONT: I know you can. It depends on the government funding.

Dr JOHN KAYE: So the current funding structure is not unsustainable.

CHAIR: I know you have great experience as a company owner and trainer. What recommendation would you like to see in the report of this inquiry?

Mr LAMONT: I would like to see TAFEs across the region enhanced and their ability to provide courses in all types of skills enhanced. What I was getting at with my comment about sustainability was that, if TAFE is going to run business courses in Moruya all of a sudden, does there need to be a business centre at TAFE? No. That could be run at a high school or at a private business premises and be networked via Skype or whatever, using modern technology. Business studies could be run across the region, under the TAFE banner, with a robust curriculum and good assessment, but it could be run anywhere. I am talking about those courses that technology can enhance.

Technology will not enhance how we pull apart an engine or bake a cake. TAFE needs enhanced infrastructure. My point was if baking courses cannot be run at Moruya campus because there is no kitchen facility, TAFE should be able to use the kitchen facilities at the local high school. Why can TAFE not run metal engineering courses using the workshops available in schools? There is very good video conferencing infrastructure at Wollongong University. Although the campus at TAFE was shut, there is still no reason that TAFE students cannot use that university infrastructure to network with five or six other TAFEs that have high-quality education delivery.

The Hon. LOU AMATO: You are talking about partnerships.

Mr LAMONT: I am talking about proper partnerships.

The Hon. LOU AMATO: And more efficiency.

Mr LAMONT: That is the problem; we are not getting partnerships across the education system.

CHAIR: I understand that. We have all these basketball stadiums across the city and they are not used on the weekend. We had to build a new one for the community. It is an interesting concept.

The Hon. COURTNEY HOUSSOS: The issue that emerged this morning is that TAFE provides the best standard of training, particularly in regional and rural areas. You specifically said there can be difficulty in getting private providers to come to a region. I am interested in your thoughts about the way that TAFE can be enhanced and can provide good courses. It is not necessarily so much about the physical location. You spoke specifically about the challenges with technology changes, the ageing population and infrastructure. How can TAFE capitalise on those changes?

Mr LAMONT: I would like to see TAFE in new markets, for example, health care. We have an ageing population and there is a great shortage of occupational therapists and physiotherapists. While I am not saying that TAFE necessarily needs to compete 100 per cent, why can we not look at specific markets such as aged care? It might be a slightly different type of physiotherapy or occupational therapy that specialises in aged care. They can start pushing niches that the universities are not necessarily considering. We could have a blanket occupational therapy/physiotherapy degree. Many people are now using that as a step into medicine, so we now have a shortage. There is a particular shortage in aged care. That would be a really good niche certificate IV course, or even at the degree level. That is the trend.

The Hon. COURTNEY HOUSSOS: Under the current arrangements for Smart and Skilled the cost structure for someone who wished to retrain in these areas—which would be a great idea for TAFE—would be almost prohibitive.

Mr LAMONT: If you look at the dental system, yes. They will miss that market if the dental change happens. Who will train the dental technicians? With an ageing population, we will need more false teeth. We

will not be able to provide for that in three, five or 10 years. Then we say there is a skills shortage. They will say "TAFE Randwick used to offer that course, but statistically the industry said that we do not need it anymore because they have stopped training students at \$49,000." That is why it has happened. We need to start thinking about the future in all the industries and how TAFE can leverage that to take advantage.

The Hon. COURTNEY HOUSSOS: I congratulate you on the audit of skills; that is very useful work.

The Hon. LOU AMATO: Thank you for appearing before the Committee today. I understand that you have been in your business for about 40 years.

Mr LAMONT: No, the business has been established for that long.

The Hon. LOU AMATO: It has been there for 40 years.

Mr LAMONT: Yes.

The Hon. LOU AMATO: What sort of apprentices do you hire?

Mr LAMONT: We mainly have boilermakers. We can no longer do laboratory techniques without sending our staff to Sydney. We have either done that in the workplace and obviously—

The Hon. LOU AMATO: They have to go to Sydney. Was there a course here?

Mr LAMONT: No, it was at Wollongong TAFE. Of course, it was based around BHP. There was a lot of technically based and technology- and laboratory-based skills courses.

The Hon. LOU AMATO: Obviously the industry is in decline—

Mr LAMONT: Correct.

The Hon. LOU AMATO: —for one reason or another. That is why the courses are no longer available. Are school careers counsellors advising students to take difficult career paths?

Mr LAMONT: They are. Shoalhaven City Council implemented a great initiative. They are coming to my premises next week. They put all the careers advisers on a bus and bus them around to 10 or 12 companies, or as many as they can in one day. They can have a look at what jobs are available within the region for their students. We have had probably eight trainees in business admin. come through TAFE. That is always a good entry level for students at certificate III. Usually they go on to do a certificate IV with us. Students who have done certificate II or certificate III at school go straight in.

We will get 100 applicants for a junior trainee position and the only way for us to cull that to interview half a dozen is to pick those who have done at least certificate II in business at school. So the real linkage with schools to business and what we can offer in schools gives the young people of the region a really good head start. That is really important. They would be the entry-level courses that Nicky Sloan referred to at certificate II level. Running certificate courses in schools is a really good head start for any young person.

The Hon. SCOTT FARLOW: Your opening comments about online courses were interesting, and you have picked up on online delivery models in your evidence. Given the regional challenges you face, do you find that you can have a blended delivery training model, or is there a specific need for complete face-to-face training in your industry?

Mr LAMONT: A blended model is okay. When you learn online you are very isolated. The blended model, particularly, is very powerful. The students learn from each other and they learn about other workplaces and what happens. They learn skills because they might be beside someone welding a piece of metal together and the teacher has 15 students. They are still learning from each other. That whole interaction of students builds their social skills and so on by having face-to-face interaction with a teacher. Someone like our boilermaker apprentice has to do it hands on. Some of the classroom stuff can be done online, but people are reluctant to learn the basic trades skills online.

The Hon. SCOTT FARLOW: In your opening statement you referred to the changing needs of the job market. You said that you believe TAFE is more responsive to those needs than private providers. I apologise if I have misquoted you. If that is the gist of what you said, why do you believe that?

Mr LAMONT: I think TAFE has the ability because it has the infrastructure to move with changing trends.

Dr JOHN KAYE: And the teachers.

Mr LAMONT: Absolutely. It also has the infrastructure. It is a matter of ensuring that TAFE stays ahead of the game and keeps looking at new markets it can enter. My point is that there is no need for TAFE not to enter into new markets just because it does not have a specific building for that market. It can look for synergies in the high school sector and in the university sector. Universities probably would not like leasing their buildings to TAFE. I have another great example. The *Marchello* Racing team, a local motor racing team, would be very keen to host TAFE students, but there are issues with Bomaderry TAFE. They are further down towards Ulladulla and they would be a happy to take students. Obviously there would be a fee to use their apprentices and for the TAFE teachers to use their apprentices.

They realise that mechanics is not being taught in Ulladulla. They run a racing team and they have some great garages and infrastructure. Even if that cost about \$1,000 or \$2,000 a day to hire that facility and to put a teacher in there and work with industry experts, it would be cheaper than setting up infrastructure throughout New South Wales and/or asking students to travel large distances when there is no public transport from Ulladulla to Nowra. It is a matter of looking for those synergies within the business community and linking into it for the best outcome for the students.

The Hon. SCOTT FARLOW: You said that from your perspective private providers did not have the infrastructure to be able to support that training. In the interests of sharing infrastructure and resources, do you see any potential for private registered training organisations to use TAFE premises at a market fee?

Mr LAMONT: I do not see why not. Obviously there will be a competition issue. If the TAFE wants to lease a building to a registered training organisation, that is a possible income stream.

Dr JOHN KAYE: And what if they do not want to?

Mr LAMONT: Then they do not get the income. It is a competitive environment, so if they do not want to it is just like any other trainer providing—the university might want to lease its facilities to TAFE teleconferences; if it does not happen they have to find a different infrastructure, which is a normal competitive environment in any business.

Dr JOHN KAYE: And you do not think there is a branding problem there—students going to a private provider thinking they are going to a TAFE college?

Mr LAMONT: I think there would be a branding problem there, yes. I know even when our people have done with RTOs, we give them a certificate III or a certificate IV; the first thing they say is, "I thought TAFE would be on the piece of paper". I say, "No, it is equivalent to a TAFE", but TAFE is not on the letterhead and they are disappointed.

CHAIR: Mr Lamont, thank you for your very innovative approach to thinking. There were some very good suggestions there. I do agree with you that in regional and rural areas we have just got to think smarter and not harder. One thing in unity that we all agree on is that we want kids to thrive and to find a job and use their given gifts for whatever they want to build their life on. So we need to be thinking a bit broader as to how that is going to happen. The way that you addressed that, speaking about the various infrastructure existing in different areas, indicates to us that we need to investigate that, otherwise it will not be sustainable and the overheads will kill our opportunity to give those kids those chances. Thank you for your evidence. We have got to consider all things if we want TAFE to thrive in the future. We need to consider all the evidence to keep that adaptability and flexibility alive.

On behalf of the committee I thank you for your time. I know you are a very busy man, but I know you have got a real passion to see this particular district and other districts thrive. We appreciate your evidence. If you have taken any questions on notice you have 21 days in which to provide answers, and the secretariat will

be glad to help you. If you have not taken any questions on notice you may have some after this session and the secretariat will forward those questions to you in 24 or 48 hours.

This completes this part of the inquiry down here at the wonderful "Shoalhaven"—the clean, green, pristine area of New South Wales. We will be adjourning for morning tea and then we will be making our way to Wollongong. I thank all those in the public gallery for coming and being a presence in this very, very important inquiry on vocational education.

(The witness withdrew)

(The Committee adjourned at 12.02 p.m.)