

PORTFOLIO COMMITTEE NO. 3 – EDUCATION

Monday, 1 March 2021

Examination of proposed expenditure for the portfolio area

SKILLS AND TERTIARY EDUCATION

CORRECTED

The Committee met at 09:30

MEMBERS

The Hon. Mark Latham (Chair)

PRESENT

The Hon. Anthony D'Adam
The Hon. Wes Fang
The Hon. Scott Farlow
The Hon. Courtney Houssos
The Hon. Matthew Mason-Cox
Mr David Shoebridge

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

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

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The CHAIR: Before I commence it is the custom of this Parliament to acknowledge the traditional inhabitants of this land: the Gadigal people of the Eora nation. I do that with all due respect, as well as acknowledge other important contributors to the history of this site—those who constructed the Parliament House building, very often working in dangerous industry conditions, and the parliamentary staff who over many decades have supported MPs and who have made our work and representative role possible. We acknowledge and thank them all. I welcome Minister Lee and his officials to this hearing. Today the committee will examine the proposed expenditure for tertiary education. The hearing is open to the public and is being broadcast live via the Parliament's website. In accordance with the broadcasting guidelines, while members of the media may film or record committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography.

I also remind media representatives that you must take responsibility for what you publish about the committee's proceedings. The guidelines for the broadcast of proceedings are available from the secretariat. All witnesses in budget estimates have a right to procedural fairness, according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In those circumstances witnesses are advised that they take a question on notice and provide an answer within 21 days. Minister Lee, I remind you and the officers with you that you are free to pass notes and refer directly to your advisers seated at the table behind you. Any messages from advisers or members' staff seated in the public gallery should be delivered through the committee secretariat. We expect that transcripts of this hearing will be available on the web from tomorrow morning. Finally, I ask everyone to please turn off their mobile phones or turn them to silent for the duration of the hearing.

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DAVID COLLINS, Acting Executive Director, Skills and Higher Education, Department of Education, affirmed and examined

CHLOE READ, Deputy Secretary, Education and Skills Reform, Department of Education, affirmed and examined

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

MARK SCOTT, Secretary, Department of Education, sworn and examined

VIK NAIDOO, Chief Strategy and Commercial Officer, TAFE NSW, affirmed and examined

MICHAEL ALACQUA, Chief Transformation Officer, TAFE NSW, affirmed and examined

MARGOT McNEILL, Chief Product and Quality Officer, TAFE NSW, sworn and examined

JULIE TICKLE, Acting Chief People and Culture Officer, TAFE NSW, affirmed and examined

KIRSTY HOSEA, Chief Delivery Officer, TAFE NSW, affirmed and examined

The CHAIR: Today's hearing will be conducted from 9.30 a.m. to 12.30 p.m. with the Minister and, after a lunch break, from 2.00 p.m. to 5.00 p.m., with the departmental witnesses, and with questions from Opposition and crossbench members only. If required, an additional 15 minutes is allocated at the end of each session for Government questions. As there is no provision for any witness to make an opening statement before the estimates committee commences questioning, we will begin with questions from the Opposition. We will be doing these in 20-minute blocks—20 minutes to the Opposition and 20 minutes to the crossbench, of whom there are two members here.

The Hon. ANTHONY D'ADAM: Thank you, everyone, for your attendance today. I have a document that I would like to ask the Minister some questions about.

The CHAIR: Do you want to tender that as some form of evidence formally?

The Hon. ANTHONY D'ADAM: Sure.

The Hon. MATTHEW MASON-COX: Can you identify it?

The Hon. ANTHONY D'ADAM: It is the *TAFE NSW Annual Report 2018-19*.

Mr DAVID SHOEBRIDGE: I think we can just take notice of it.

The CHAIR: It does not need to be tendered.

The Hon. SCOTT FARLOW: It is not a secret, classified document.

The CHAIR: It is a public document.

The Hon. ANTHONY D'ADAM: Minister, in your answers to supplementary questions returned on 8 April 2020 you provided a number of answers that reference the TAFE annual report. At question 34 you were asked:

How many permanent Head Teacher positions have been removed from TAFE NSW since 2012?

The answer that you provided was:

I am advised that further information on TAFE NSW staff numbers can be found in the Number of Employees section of the TAFE NSW Annual Report available at: <https://www.tafensw.edu.au/corporate/annual-report>.

Can you show me in the annual report? The Number of Employees section is on page 58 of that report.

Dr GEOFF LEE: I have page 58.

The Hon. ANTHONY D'ADAM: So can you tell me how many permanent head teacher positions have been removed from TAFE NSW since 2012 based on that information?

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

The Hon. ANTHONY D'ADAM: You have already taken this question on notice, Minister.

Dr GEOFF LEE: That is alright. I will take it on notice. I just want to get it right.

The Hon. SCOTT FARLOW: The Minister is entitled to take it on notice again.

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The Hon. ANTHONY D'ADAM: At question 35 you were asked:

How many current Head Teacher positions are there in TAFE NSW?

You provided the same answer. Can you tell me from the information provided how many current head teachers there are?

Dr GEOFF LEE: Sorry, what was your question?

The Hon. ANTHONY D'ADAM: How many current head teacher positions are there in TAFE NSW? You answer was:

I am advised that further information on TAFE NSW staff numbers can be found in the Number of Employees section of the TAFE NSW Annual Report ...

Dr GEOFF LEE: Again, we will just take that on notice.

The Hon. ANTHONY D'ADAM: And at 38 you were asked:

How many staff are in each Skills Point location? How many of these specifically work on content development?

You provided the same answer. Can you point in the annual report to where that information is available?

Dr GEOFF LEE: No. I will take that on notice too.

The Hon. ANTHONY D'ADAM: At 47—

Dr GEOFF LEE: We will get the right numbers for you. I just want to make sure you are clear.

The Hon. ANTHONY D'ADAM: You see my point, though, Minister? You have not given us full and frank answers in relation—

The Hon. WES FANG: Point of order: You are supposed to ask a question, Mr D'Adam, not make points during budget estimates.

The CHAIR: I was thinking the same thing. It is questions more than statements.

The Hon. ANTHONY D'ADAM: My question is: Can the committee be assured that if we place supplementary questions arising out of this hearing that we will get full and frank answers in response to them, rather than the information that has been—

Dr GEOFF LEE: Certainly, it is our intention to give you full and frank answers. That is why we would like to get the latest numbers and get back to you.

The Hon. COURTNEY HOUSSOS: Minister, at the opening of Scone Connected Learning Centre [CLC] on 18 July 2019 you assured the community that Scone's traditional TAFE campus at Flemington Drive will remain fully functioning. Is that correct?

Dr GEOFF LEE: Let me take on notice my exact words about that. I do not have that exact recollection. But can I say that the Scone CLC—in fact, all the CLCs are wonderful assets to the community. In fact, the Scone CLC is an exemplar to how we can service rural and remote communities with great facilities. These are new investments in TAFE. That is a multimillion-dollar facility. What we have seen since the opening of the Scone CLC is a significant increase in the number of courses that are available to people in the regions. That is part of our strategy of delivering another eight new CLCs right throughout New South Wales. It is about giving everybody the greatest opportunity they can have to actually look and take on courses that were not traditionally available in these regional and remote communities.

The Hon. COURTNEY HOUSSOS: Minister, let me read you a direct quote. It says:

Scone's traditional TAFE campus at Flemington Drive will remain fully functioning, catering to the more face-to-face and practical courses although there is the ability to run certain aspects of each course from both sites.

That was the quote at the time.

Dr GEOFF LEE: Can you table that, just so I can see it? That is all.

The Hon. COURTNEY HOUSSOS: Certainly.

Mr DAVID SHOEBRIDGE: What was the paper?

The Hon. COURTNEY HOUSSOS: That was in—I have not got it on there. It was the local paper. Minister, during budget estimates in March last year, Mr Scott assured us that there are no approved divestment plans and that:

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... there are not divestment plans that have been developed for sites for TAFE NSW at the moment.

Is that correct?

Dr GEOFF LEE: Are you asking me or Mr Scott?

The Hon. COURTNEY HOUSSOS: I am asking you, Minister.

Dr GEOFF LEE: Okay. Well, if it is in *Hansard*, I assume that is correct.

The Hon. COURTNEY HOUSSOS: Minister, I asked you during those hearings 12 months ago, "Will you rule out selling off campuses?" and you said:

We are not privatising TAFE.

Dr GEOFF LEE: I think you bring up a great point. I want to assure the whole Committee and everybody who is listening that there are no plans—it is absolutely false to say that we are privatising TAFE. Labor's attack—

Mr DAVID SHOEBRIDGE: You are selling it.

Dr GEOFF LEE: We are not selling TAFE, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Just selling it.

Dr GEOFF LEE: That is absolutely wrong and you are wrong to insinuate that. You are scaremongering—

Mr DAVID SHOEBRIDGE: I was not insinuating; I was just saying it.

The CHAIR: Order!

Dr GEOFF LEE: That is absolutely incorrect. Now, we have got to be clear: We are not privatising TAFE. The absolute truth is that we have invested a record \$1.97 billion in TAFE's annual budget this year, including a \$263 million capital investment across the 130 different campuses. It is ridiculous for anyone to insinuate that we are privatising TAFE. We keep running into this line and it is just scaremongering—amongst the Labor Party especially—about privatisation.

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

Dr GEOFF LEE: No, you are exactly wrong. I am telling you now—we are in a hearing and you have asked me a question and I am saying we are not privatising TAFE.

The CHAIR: Order! Next question, Courtney.

The Hon. COURTNEY HOUSSOS: Minister, I can read you the exact quote. I asked you specifically whether you are going to sell off campuses. In fact, I referenced that some of your ministerial colleagues were using, and I quote, "weasel words" at the time—"I have no plans." You said, "No. Absolutely not." You would not sell off campuses.

The CHAIR: What is the question, though?

The Hon. COURTNEY HOUSSOS: Do you stand by that statement 12 months later? That was clearly not true.

Dr GEOFF LEE: I think you are taking that out of context. I would like to see the *Hansard* report about what I actually said because I think you are taking that out of context.

The Hon. COURTNEY HOUSSOS: I am happy to table it for you, Minister.

Dr GEOFF LEE: Thank you.

The Hon. COURTNEY HOUSSOS: Minister, on three occasions, as recently as this time last year, you committed to keeping Scone TAFE open. Yet in late January this year, less than 12 months later, the community found out that you planned to sell the site when they saw a real estate advertisement pop up online. What do you have to say to the community?

Dr GEOFF LEE: That we have delivered a multimillion-dollar facility at Scone that provides many more courses available. That is part of a network where we are developing over 20 CLCs right throughout regional and remote New South Wales. Unlike the Opposition, which downgrades our CLCs—in fact, it does not even call them campuses. It is absolutely appalling that you do not think teaching actually happens there. What we have

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seen over the last 12 months during COVID—the nature of learning has changed. I want to commend all the staff at TAFE, especially the teachers, and the staff who are actually—

The Hon. COURTNEY HOUSSOS: Minister, I too want to commend the teachers at TAFE and the incredible work that they do, but I am going to move now to ask you about your diary. Did you meet with the Trifalga property development company on 14 July 2020?

Dr GEOFF LEE: Sorry, I was just reading this. Do you want me to respond to this?

The Hon. SCOTT FARLOW: She has moved on already. Forget about it.

The Hon. COURTNEY HOUSSOS: Did you meet with the Trifalga property development company on 14 July 2020?

Dr GEOFF LEE: Can I say that all my disclosures and meetings are held in my parliamentary ministerial disclosures; I refer you to that.

The Hon. COURTNEY HOUSSOS: Well, that is exactly where I saw it. Minister, did you also meet with Racing NSW on 6 August 2020?

Dr GEOFF LEE: As I said to you, I comply with my ministerial reporting of my meetings. I wish the Labor Party would do the same. Their shadow Ministers—

The Hon. COURTNEY HOUSSOS: Did you discuss the question of Scone TAFE in either of those meetings?

Dr GEOFF LEE: Can I say that, again, not only are the records of my meetings on my ministerial declarations, but the topics in general are reported in that ministerial declaration as well.

The Hon. COURTNEY HOUSSOS: Well, Minister, both of those ministerial diaries said that it was to discuss TAFE matters with Racing NSW and with Trifalga property development group. I am asking you now: Did you discuss the issue of Scone TAFE in either of those meetings?

Dr GEOFF LEE: As I said, they are all disclosed there and under my—

The CHAIR: Minister, you have been asked a direct question. Out of respect for the Committee, you really are obliged to give a direct answer, please.

Dr GEOFF LEE: I cannot remember discussing those, to be honest with you. I could have, but I cannot remember. I have many meetings; I mean, I have many portfolios.

The CHAIR: So, your answer is that you have no recollection?

Dr GEOFF LEE: Yes, I have got no recollection. That is probably the best way—

The Hon. COURTNEY HOUSSOS: You have got no recollection. Minister, you had no plans to sell the site 12 months ago. And then, abruptly in January this year, you changed the Government's policy. You went back on your previous assurances. You want us to accept the fact that you met with a property developer to discuss TAFE matters, you met with Racing NSW that had previously expressed interest in this site, and none of that had an influence on your decision to sell off that premium land at Scone?

Dr GEOFF LEE: Well, no. I would say to you that TAFE is an organisation with 130 different campuses right throughout our State and over 100 years of tradition. From time to time—

The Hon. COURTNEY HOUSSOS: Quite an impressive property portfolio, isn't it?

The CHAIR: Order! The Minister should be given a chance to answer.

Dr GEOFF LEE: From time to time, we go through the process of looking at our assets. We continually look through our assets because things change in the community; industries change, populations change. To keep the same footprint—I think we went through this, actually—

Mr DAVID SHOEBRIDGE: I am going to object to the answer. The answer is being given—

The CHAIR: Is there a point of order you wish to take?

Mr DAVID SHOEBRIDGE: Yes, it is a point of order. The answer is being given to the Committee. It is disrespectful of the Hon. Courtney Houssos's question, which was about the discussions with Racing NSW, not a general treatise, as the Minister is giving. He has to be directly relevant.

The Hon. SCOTT FARLOW: To the point of order: The Minister was asked whether anything was changed in terms of the period from the last Committee meetings until January. The Minister is going through a

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process of outlining how TAFE NSW looks as a property portfolio. I think it is a very relevant answer to the question asked by the Hon. Courtney Houssos.

The CHAIR: Okay. Well, my practice as Chair is to allow Ministers some latitude. I am not expecting answers within 20 seconds, but I think after about 40 or 50 seconds of an answer where you might give some general background, it is incumbent upon the Minister to come to the specifics of the question in his answer. I think that is by far the best way for the Committee to proceed. I think you have covered a preamble there, Minister, if you can come to the specifics that were raised by the honourable member.

Dr GEOFF LEE: Yes, and thank you, Chair. Really, what I was trying to say is that we continually look at our property portfolio and our asset portfolio to best match the changing needs of our students. Can I say: The decision around Scone was one that was put to me and was recommended by TAFE NSW. I will ask Steffen Faurby to make a comment about the process that we went through.

The Hon. COURTNEY HOUSSOS: Sorry, Minister. Did you just say TAFE NSW recommended the sell-off of Scone TAFE? Is that correct?

Dr GEOFF LEE: Yes.

The CHAIR: Yes, he said that, and he is asking the CEO to elaborate. Thanks, Steffen.

Mr FAURBY: Good morning, everyone. I can confirm that the recommendation to divest the facility was a recommendation that was based on our evaluation of the facility and the fact that it was and is heavily under-utilised. We are talking about an 18-hectare facility with 12 buildings, of which only three are used for the training. It is used very, very rarely—in fact, only a fraction of time over the course of the year. As the Minister has alluded to and mentioned, we do from time to time take into consideration what is the best use, and our recommendation to the Minister is to divest this facility but at the same time emphasise, very importantly, that we maintain very strong support and commitment in that region for training going forward. We are able to provide that, going forward, without 2 Flemington Drive being owned by TAFE NSW.

The Hon. COURTNEY HOUSSOS: Mr Faurby, what was the process that you went through in order to create this recommendation?

Mr FAURBY: We went through a process where we had an independent evaluation conducted—

The Hon. COURTNEY HOUSSOS: Who conducted that independent evaluation?

Mr FAURBY: I will have to take the name of the company on notice.

The Hon. COURTNEY HOUSSOS: You took that on notice?

Mr FAURBY: There was a real estate—

The Hon. WES FANG: Point of order—

The CHAIR: The point of order is about interjections. Mr Faurby, please finish your answer. Committee members, let the official be heard please.

Mr FAURBY: Certainly. Thank you, Chair. What we did was we commenced a marketing campaign by an independent real estate agent—that is the first point—to determine the method of sale and also define closing dates, the things you would normally do when you put a property up for sale. Secondly, we opened bids.

The Hon. COURTNEY HOUSSOS: Sorry. Before we get to the marketing campaign can I go back to the independent evaluation? When was that undertaken?

Mr FAURBY: I will take the question on notice. I do not recall the exact date.

The Hon. ANTHONY D'ADAM: Can I just clarify: Was the independent evaluation of the market value of the property or of the utilisation rates?

Mr FAURBY: No, it is the market value.

The Hon. ANTHONY D'ADAM: So when did you do the assessment about the utilisation rates?

Mr FAURBY: We do that not just for Scone; we do that for every one of the facilities under our management and ownership. We do always make an effort to seek to achieve high utilisation of our facilities. It is in our interests and certainly in the taxpayers' interests to make sure that our facilities are well utilised. That is not a new thing to do. We do that regularly to make sure that we make good use of our facilities. Of course, in doing so, we make sure that we have the right mix and the right composition of facilities that is able to see us continue to grow.

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The Hon. ANTHONY D'ADAM: That utilisation rate assessment is done internally, is it?

Mr FAURBY: Yes.

The Hon. ANTHONY D'ADAM: When did you come to the conclusion that the TAFE Scone site was underutilised?

Mr FAURBY: It has been known for a while that that facility has been underutilised. It is not a new discovery of ours but, as I mentioned, we do from time to time take these things into consideration, and we deemed that given the fact that only three of 12 buildings are being used, and those three buildings are used very rarely, we came to the conclusion that we have a better solution. The better solution is to maintain and continue the training that we do, using the facility that we have at the Connected Learning Centre, combined with the solutions that we have to provide continued support for students in those areas of equine and agri, as explained and I think widely debated recently.

The Hon. COURTNEY HOUSSOS: Mr Faurby, I want to come back to the question of an independent evaluation that you mentioned. The independent evaluation that you are referring to is the valuation of the property that occurred. Is that correct?

Mr FAURBY: Correct, yes.

The Hon. COURTNEY HOUSSOS: That occurred on 2 February 2021.

Mr FAURBY: That is about right, yes.

The Hon. COURTNEY HOUSSOS: I can confirm that for you because that is in documents that have been tendered to the upper House. Mr Faurby, the advertisement for the property actually went up in late January, so the advertisement for expressions of interest went before what you call the independent evaluation actually started. Prior to putting the property up for sale, what was the process that your department went through that recommended that to the Minister?

Mr FAURBY: Yes, that is what I was trying to explain before: namely, an ongoing assessment of the use of our facilities, coupled with what we see in terms of interest in the local community, the best use of the facilities, the best use of what we have got, including a multimillion-dollar facility that we opened up, as you referred to earlier, in July 2019, which serves a really important purpose for us going forward in the Scone area and is a key component of the continued commitment that we provide for that community also going forward, including—

The Hon. COURTNEY HOUSSOS: We will come back to the question of the CLC at Scone soon.

Mr FAURBY: Okay.

The Hon. COURTNEY HOUSSOS: Let me first ask: Minister, what community consultation was undertaken before the sale was announced?

Dr GEOFF LEE: I will refer that. Can I say that the transactions and the process are actually at arm's length from the ministerial office and that they are operational decisions, so I will let Steffen Faurby talk about the process that he has gone through in terms of what has happened over the process.

The Hon. COURTNEY HOUSSOS: No, Minister, I am asking you—

Dr GEOFF LEE: Can I just make this point—

The Hon. WES FANG: Point of order—

The CHAIR: Order! The Minister has the chance to make one further point.

Dr GEOFF LEE: Can I just say that the sale and the re-use of capital of recycled assets is nothing new to TAFE throughout its history, and I, in fact, note that Labor, under its watch, did exactly the same as we are doing now, which is where you see underutilised campuses that are sold off either to councils or to community groups or to other people, and the capital is actually recycled to develop new places to offer.

The CHAIR: And you are asking Mr Faurby now to outline the community consultation part of the answer?

Dr GEOFF LEE: Yes, the process.

Mr FAURBY: Can I first say to the point that Ms Houssos mentioned before around the independent evaluation, the one that you referred to from February is the latest one that we have. I do believe that we have previous versions of that on file as well, so it is not the first time we have had the property evaluated.

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The Hon. COURTNEY HOUSSOS: Perhaps you can provide on notice the dates that they were evaluated on, and if possible if you could provide us with the amounts of the value on those dates.

Mr FAURBY: Yes, sure, I will take that on notice, absolutely. As to the consultation, we have, first of all, an ongoing and continuous dialogue and engagement with the local community in Scone, including, of course, the studs but also the wider community, including our teachers and staff there. There has been consultation as part of the interest that we had in the market, and we had since—I believe from memory it was 26 October—we had consultation on that specific topic taking place.

Mr DAVID SHOEBRIDGE: Thank you all for your attendance today. Minister, Mr D'Adam was asking you some questions that I was going to get to a bit later, but we must start there.

The Hon. WES FANG: There is coordination from you guys!

The CHAIR: Order!

Mr DAVID SHOEBRIDGE: You provided an answer to Parliament—I could have had eight of these examples, but I will just give you two—on 19 November 2019 to questions I asked regarding historical trends in employment at TAFE, including casual, permanent and part-time status of those staff. In your reply you said, "These figures are found, and please consult the annual report." They were not in the annual report. They have never been in the annual report. Do you sign off on these answers that you give?

Dr GEOFF LEE: I certainly sign off on the annual report.

Mr DAVID SHOEBRIDGE: Do you sign off on the answers given in Parliament?

Dr GEOFF LEE: Yes.

Mr DAVID SHOEBRIDGE: Do you check they are accurate?

Dr GEOFF LEE: I am advised and I do my utmost to check as much as I can.

Mr DAVID SHOEBRIDGE: Alright. During estimates in March 2020 you again took a similar question on notice. You said that you take the issue on notice. Again, this was about casualisation rates. You said, "We will take the issue on notice, Mr Shoebridge. We are entitled to do that", as you have done repeatedly today. The answer that you gave, again to questions about casualisation and rates of casual, permanent and part-time status, was a reference to the TAFE annual report, and the figures are not found in the TAFE annual report. Did you sign off on that answer?

Dr GEOFF LEE: Can I say yes, but can I say that I think, Mr Shoebridge, what you are trying to assert—that casualisation is a bad thing or part-timers are a bad thing—it is quite the opposite.

Mr DAVID SHOEBRIDGE: No, I think you are getting me wrong, Minister. I am trying to assert that you are not providing answers that you are obliged to give to the Committee.

Dr GEOFF LEE: They are all covered under the—

Mr DAVID SHOEBRIDGE: You are giving untruths in answers.

Dr GEOFF LEE: That is not true. They are actually covered under the total staff numbers. Can I say that the use of part-timers and casuals is an integral part of any modern teaching institution like TAFE. Can I say that many people choose to be part-timers or casuals. In fact, it brings us the opportunity of getting industry experts to teach vocational education and training.

Mr DAVID SHOEBRIDGE: Point of order: The Minister is not being responsive to the thrust of the question which is about his repeated answers, both on notice and in response to prior budget estimates. They were references to the annual report where the data requested is never found. It is not a time for him to have a general chat about how he likes casuals.

The CHAIR: Okay.

Dr GEOFF LEE: I like all teachers.

The CHAIR: I think what the Minister has done today is to take on notice the detailed information that is being sought by the Committee. I know you might find that there is a circular process here of taking things on notice, but I do not know what we can do other than accept the Minister's goodwill statement to this Committee that he will provide the detailed answers that you and other members are seeking. Do you have a suggestion?

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Mr DAVID SHOEBRIDGE: Chair, with all due respect, the purpose of this is to explore whether or not he will check whether the answers he is giving are actually true and accurate and the process he goes through to check them, which is what I am trying to establish now.

The CHAIR: Well, he said he signs off on them and he believes them to be accurate. I think that is what a Minister would normally do.

Mr DAVID SHOEBRIDGE: Minister, when you have glib answers that simply refer to the annual report, do you ever check—

The Hon. WES FANG: Point of order—

Mr DAVID SHOEBRIDGE: I will rephrase that.

The CHAIR: You cannot say the answers are glib.

The Hon. WES FANG: I think the use of the word glib is somewhat inflammatory and I would ask Mr Shoebridge to just tone that down.

Mr DAVID SHOEBRIDGE: Minister, when you repeatedly give answers to questions on notice in Parliament and questions on notice in the Committee, and the answers are references to the annual report asserting that the information is found there, do you ever check with your bureaucrats whether or not the information is actually found there?

Dr GEOFF LEE: I rely upon their advice and I check with them as I see fit.

Mr DAVID SHOEBRIDGE: Okay. Well, who gave you the advice, for example, when you answered in March 2020 to that question about casual, permanent and part-time status—who gave you the advice the information was in the annual report? Who did it?

Dr GEOFF LEE: I will take it on notice. I do not have the exact person's name.

The Hon. SCOTT FARLOW: You cannot expect him to go, "Oh, this person did it at this point."

Dr GEOFF LEE: I get a lot of briefs across my desk, I am sorry to say.

Mr DAVID SHOEBRIDGE: Minister, you are not being accountable, are you? You are not doing your job and being accountable and answering just basic questions.

Dr GEOFF LEE: No, you are exactly wrong. I am very accountable for TAFE and—

Mr DAVID SHOEBRIDGE: Do I find your accountability—

The Hon. WES FANG: Point of order—

Mr DAVID SHOEBRIDGE: —in TAFE's annual report?

The CHAIR: Let the Minister answer. You have asked the Minister, "Does the Minister find himself being accountable?" He has the right to answer that for beyond five seconds.

The Hon. WES FANG: Chair, I just want to take a point of order, if that is okay?

The CHAIR: No, I think I have handled this. We need to allow the Minister to provide some kind of answer, after which Mr Shoebridge can ask his next question.

Mr DAVID SHOEBRIDGE: You have the floor, Minister. You are in the middle of a comprehensive answer.

The CHAIR: You are talking about your accountability.

Dr GEOFF LEE: No, I say that I take my ministerial responsibilities for TAFE very seriously. Can I say that I have a great team around me that provide, as many Ministers do—and all Ministers, I would suspect, have great teams around them that provide them with the advice. Can I say that we have 17,000 staff at TAFE and 130 different campuses. Staff numbers change all the time; staff ratios change all the time. It is a fluid, dynamic situation. In fact, as demand changes, so does our teaching load and so does our staff load in terms of backups.

Mr DAVID SHOEBRIDGE: Well, Minister, will you give the Committee the number of staff and the proportion of staff—both of those figures—for TAFE who are casual, those who are permanent and those who have contract status?

Dr GEOFF LEE: I am happy to take it on notice and give the information that is available in terms of what you have asked, Mr Shoebridge.

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Mr DAVID SHOEBRIDGE: To forestall a ridiculously circular process, I can assure you that information is not found in the annual report.

Dr GEOFF LEE: I said I would take it on notice for you. If I can find that information, we will certainly give it to you and the Committee.

The CHAIR: I think we have established that today.

Mr DAVID SHOEBRIDGE: Mr Faurby, the facilities at Scone are excellent facilities, aren't they?

Mr FAURBY: The facilities are functional facilities for the work that we do there, yes.

Mr DAVID SHOEBRIDGE: They are excellent facilities aren't they, Mr Faurby? Would that not be a fair description of them?

Mr FAURBY: I am not sure I would describe them as excellent. But I will certainly also not suggest anything extremely different to that.

Mr DAVID SHOEBRIDGE: Well, you will not tell us that they are excellent but on 26 February—not so long ago—you sent an email out to all your TAFE contacts and said, "Dear colleagues, this week I visited Tamworth on Monday, and Scone, Muswellbrook and Singleton on Tuesday. I had the opportunity to tour some of our excellent facilities, meet and chat with staff and students and see how we are making training more accessible right across the State."

Mr FAURBY: Yes.

Mr DAVID SHOEBRIDGE: Is what you are telling the Committee true or is what you told the staff true?

Mr FAURBY: Both.

Mr DAVID SHOEBRIDGE: Please explain.

The Hon. SCOTT FARLOW: "Some of our".

Mr FAURBY: I spend a large proportion of my time visiting facilities and campuses and also local communities where we serve, and I proudly do so. Up until now I would have visited more than 70 unique locations, campuses in the year that I have been with the organisation but many of these places I have certainly gone to more than once. It is a big and important part of my job to do that—to understand the work that we do, the impact we have on community and to also listen to staff, listen to students and listen to other stakeholders locally—

Mr DAVID SHOEBRIDGE: But I asked a specific question.

Mr FAURBY: Yes, I am sorry. That particular trip that I was on, as I think you also referred to, Mr Shoebridge, started in Tamworth, took me to Scone, Muswellbrook and Singleton, from memory. I saw all the facilities that we have in that area and my reference to "excellent facilities" is a wider reference to what I saw—I saw some excellent facilities. So, yes, it is absolutely true what I tell my staff; it is also absolutely true what I say here.

Mr DAVID SHOEBRIDGE: Minister, do you have any figures about the current rate of casualisation in the tertiary education sector?

Dr GEOFF LEE: Not on hand.

Mr DAVID SHOEBRIDGE: Can you provide them on notice?

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

Mr DAVID SHOEBRIDGE: Do you have any strategy in place to reduce the level of casualisation in New South Wales' universities or are you comfortable with the level of casualisation in New South Wales' universities?

Dr GEOFF LEE: I think, Mr Shoebridge, as you well know, the staffing arrangements of universities are up to that university. Universities are autonomous institutions. Certainly, we hold the legislation for them but their mix of full-time, part-time and casuals are up to the universities themselves. They are responsible for their day-to-day operations and their staffing mechanisms. Can I say that what I think is we all should be celebrating our universities as such great organisations—in fact, they are world-class—along with Canada, the United Kingdom and the United States. For the past 20 years we have had some great—

CORRECTED

Mr DAVID SHOEBRIDGE: Minister, this is not the opportunity for you to have a general chat about whatever takes your mind. You have to focus on giving actual answers to the questions. In 2020 in this Committee you advised us that the New South Wales Department of Education officials will work with the counterparts in Victoria to understand their data collection about casualisation and employment status in universities, and work and see how that differs from the Commonwealth data and consider a State regime. What happened in the 12 months since?

Dr GEOFF LEE: Well, there are lots of changes. We have been hit by COVID, which is very difficult for the universities. Many of the programs, like every other portfolio that I own—

Mr DAVID SHOEBRIDGE: No, what happened on the work with counterparts in Victoria and working towards getting a New South Wales set of data?

Dr GEOFF LEE: I am happy to take that on notice and get back to the Committee.

Mr DAVID SHOEBRIDGE: Are you aware that this Committee, in its most recent report, recommended the collection of that data?

Dr GEOFF LEE: I am happy to take that on notice. As I said, we will get back to you to see the latest update for the whole Committee to make sure you are fully informed.

Mr DAVID SHOEBRIDGE: I can assure you that it is not in TAFE's annual report. Minister, have you been tracking job cuts in the university sector? Do you know that UTS is going to lose at least 500 jobs to cuts? And what have you done to work with UTS on that issue?

Dr GEOFF LEE: Can I say that, as I was saying before, the universities provide a value of economic and social driver of our economy. UTS—

Mr DAVID SHOEBRIDGE: It is about the job cuts, not about a general treatise on universities.

The CHAIR: Order! Your time has expired. I have 10 minutes of questioning.

Mr DAVID SHOEBRIDGE: Well, he was in the middle of not answering my question, Chair.

The Hon. WES FANG: Point of order—

The CHAIR: But after your time has expired you cannot go to another question because that certainly cannot be answered because your time is up. Minister, in your stewardship of this training responsibility, one of the very commendable goals you have set over the past couple of years has been to improve the interface between school and TAFE to make it as seamless as possible. How are those reforms progressing? Can you give the Committee an update on progress?

Dr GEOFF LEE: Excellent, excellent, Mr Chair.

The CHAIR: What has changed in detail to make it excellent?

Dr GEOFF LEE: If I can just mention a couple of issues without going to my notes. I think the standout program is our Educational Pathways Pilot Program [EPPP] where we are working with Training Services NSW, where we are working with the Department of Education and Minister Mitchell. We are working very closely with a pilot program in 24 different schools—14 in south-west Sydney, nine on the North Coast—and looking at how we better can engage with our students. We engage with their parents, with their careers advisors, with the industry and the principal to allow people in year 10 to make the right choice and informed choice whether they should go to university or if they are better suited to TAFE. We want to make TAFE or VET training an equal and alternate option to a great career and rewarding job.

Can I say that for far too long the bias has been all about going to university. Universities have been very, very clever about how they have actually convinced many people that university is the only option. We know that only around 40 per cent of people will actually go to university. We have got to give everybody that informed ability in year 10. We have done other things. We have the TAFE 20; we recently announced those—the Premier recently announced the 20 subjects. They will be delivered by TAFE and will be available for every high school—that is 460-odd high schools—to be delivered at the start of 2022. That allows people to do things like real estate to cybersecurity to health care administration, so that every student, no matter which high school, has the option to enrol in a VET course whilst they are at school so they get their HSC, they get their ATAR and they also, hopefully, get their VET qualification as well, which does not preclude them either from an academic or VET pathway. I think that is a fantastic ability to be able to reach into the high school and provide a seamless pathway for students.

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The other thing I think you will be interested in is school-based apprentices. I think you will be very interested in the school-based apprentices, that we continue to offer that ability of high schools so that students can work one day in a business, one day in an educational facility and three days at school. I think we need to do more work on that. I think that provides another alternative. That is also captured in the pilot program we were running. We have regional industry educational partnership programs; that is where we have Training Services NSW—we will probably hear about that from David Collins.

We have dedicated people in the regions and in western Sydney, looking at how they can provide a brokerage service between industry and schools to allow people to match up school leavers or people thinking that they want to get their training whilst at school to job opportunities. We have vocational high schools. We have committed to one close by to me at Seven Hills and one in the Tweed electorate. We have devoted \$34 million to build specialist VET training facilities at those two schools. I have talked about the TAFE 20. We also have free apprenticeships and traineeships which encourage young people; there are no fees, and we have 100,000 of those over the next four years. They are a great option for students who want to do an apprenticeship or a traineeship and pay no fees.

The CHAIR: Just on that, have the numbers of school-based traineeships and apprenticeships increased over the past two years. We lag a long way behind Queensland, for example, do we not?

Dr GEOFF LEE: Yes, I think you are right. I think from the latest memory—and I will ask Chloe or David if they have the numbers—we were at 2,800 last March. I would expect them not to have improved at all because, as we have seen right across the States and Territories during COVID—and we followed national trends—commencements were down and people were suspended or stood down because of the economy impacts, but now we are seeing those bounce back as the economy—

The CHAIR: Is there a target there? I think Queensland has got 10,000—some four times greater than our system.

Dr GEOFF LEE: I agree with you.

The CHAIR: Are we looking to match that up over the next couple of years as we post-COVID?

Dr GEOFF LEE: As many as I can put through. I think you are exactly right: I think school-based apprenticeships are an important option for students—not the only option, we have the TAFE 20. I would like to see people enrol in apprenticeships and traineeships at the right time for them, not just whilst they are at school. I think they provide another option.

The CHAIR: At this time is it the intention to roll out the pilot program beyond the 24 schools? I have visited two of those and they were very positive about it. When will the evaluation occur and a decision made about scaling up the success of that pilot program?

Dr GEOFF LEE: The evaluation is currently underway. We engaged Western Sydney University to do the evaluation. I have not seen the final report. It is my intention to grow all those out to a significantly higher number based upon the findings of that report of schools to offer those different pathways for students. I think the opportunity not to pigeonhole people into an academic or VET pathway is particularly important. But there is a lot of bias, as the Committee would know, that everybody should go to universities, and we have to arrest that.

The CHAIR: That is true, but there are certain schools in disadvantaged areas where it is recognised that the number hoping to go to university—the proportion is 10 per cent or below. At those schools it is critical to have these training options and to have every student who has disengaged—mainly boys in years 7, 8 and 9—from the academic curriculum to have options that keep them engaged with learning and set them on training and career paths. What is the Government doing to even out the incredible disparity in the quality of these systems? I visited a school like Hoxton Park High where every student who wants to go on a training and career path has got that set out and they are all engaged—they are in a home room—and I have been to a high school nearby, closer to the centre of Liverpool, where I asked the principal, "What is your relationship with TAFE?" which is just down the road, and he said, "We don't have one." What can the Government do to take best-practice schools in this space, like Hoxton Park, and scale it up so that every school is ensuring that all their students have got learning engagement—a big theme of the Masters review—if it is not academic it needs to be in the training space?

Dr GEOFF LEE: I could not agree with you more. I think we have a challenge. We have some 460-odd high schools right around. Some are excellent at engaging in the VET sector; some choose not to engage.

The CHAIR: What are we doing about those schools? It is incredible that a disadvantaged school where only 10 per cent want to go to university, as you say, would not engage in the training agenda. What is the

CORRECTED

Government policy leverage here to make that happen, because it cannot be voluntary anymore; it must be mandatory, surely?

Dr GEOFF LEE: Our intention, subject to the research that the Western Sydney University is doing at the moment, is to expand our pilot to a significantly larger number of schools. The TAFE 20 gives every school the opportunity to engage in a VET stream. I think this is a process. When we were in Queensland a couple of years ago talking to the then Minister for Skills, we were talking to Shannon Fentiman about how they are so successful and she reflected that it took them 20 years to go along this process of the community buy-in and their schools buy-in. What we want to do is break down the barriers to offer a whole range of things like counselling, informing parents, especially mothers who make those decisions, and the students to see there is a viable option to have—and I have asked Steffen to look at the engagement with the schools process—a whole strategy of how TAFE should serve its local communities, not just industry but local high schools and adopt local high schools in terms of what it serves and the industries that lead to capable jobs.

The CHAIR: Just on that, is it available in New South Wales schools to use their Gonski growth money to buy in TAFE services—good for TAFE revenue stream, good for the students who need that training? Maybe Mr Scott, who has got a foot in both camps, can reflect on this?

Dr GEOFF LEE: I will let Mr Scott talk about that wonderful idea—and you brought it up too, Mr Chair.

The CHAIR: Yes, well, I am full of good ideas. Mr Scott?

Mr SCOTT: I think there are three major reviews that have been completed or are in the process of being completed that are shaping up. There is the Masters review that you have identified; Peter Shergold's national report on vocational education in schools, which has identified a number of the issues that you and many others have talked about; and also coming through the pipe is the work that Gonski and Shergold are doing together, which talks about vocational education in New South Wales and will reference, I expect, some of these areas as well. It might be an issue that you want to pick up on Wednesday when Minister Mitchell is here.

The School Success Model deliberately sets up and allows us to learn from examples of best practice and to share those learnings across the State. That is what the Ambassador Schools model is all about. As you have alluded to, Chair, we can expect that schools that were delivering this well will see that manifested in key data of performance around those skills—student attendance and student engagement, which are metrics that we are looking to measure intensively across schools. We are keen across the system to see a high-provision, quality vocational education and remove the inhibitors that have existed for quite a long period of time for the take-up of quality vocational education in schools, including the funding issues that have been alluded to.

The Hon. COURTNEY HOUSSOS: Minister, I just wanted to ask you about a meeting you had with Louise Mason, Group Executive and CEO of Commercial Property at Stocklands, on 24 June. Did you discuss this TAFE issue at that meeting?

Dr GEOFF LEE: Not from my memory. To be honest, I cannot remember discussing it at Stocklands. I think, from memory, we were discussing at Stocklands about training requirements of young people entering into the construction market, but I cannot remember the specifics of that meeting.

The Hon. ANTHONY D'ADAM: Do you keep notes of the meetings that you have?

Dr GEOFF LEE: I personally do not keep many notes of those meetings, no.

The Hon. ANTHONY D'ADAM: Do you have staff in attendance who keep notes?

Dr GEOFF LEE: Yes.

The Hon. ANTHONY D'ADAM: Are you able to provide the notes from those meetings?

Dr GEOFF LEE: Some of them are commercial-in-confidence and I will take advice on those.

The Hon. COURTNEY HOUSSOS: Can you provide us, on notice, who attended those meetings with you, specifically the meeting with the Stocklands CEO of Commercial Property on 24 June and the Trafalgar property development company on 14 July?

Dr GEOFF LEE: They all should be listed. All those people will be listed in the ministerial declarations.

The Hon. COURTNEY HOUSSOS: They are listed on your diaries, but the people who are in attendance are not and we would like you to provide that on notice.

Dr GEOFF LEE: Yes, I am happy to.

CORRECTED

The Hon. COURTNEY HOUSSOS: Can you also provide us with who attended the meeting with Racing NSW?

Dr GEOFF LEE: I am happy to do that.

The Hon. COURTNEY HOUSSOS: Just be clear, it should be a list of ministerial advisors and also people from the department or from TAFE or whoever.

Dr GEOFF LEE: Yes. If we have that, I will take it on notice.

The Hon. COURTNEY HOUSSOS: I would expect that you would keep a record of who is attending meetings in your office.

The Hon. WES FANG: Point of order: This is not about what the Hon. Courtney Houssos may or may not expect. It is budget estimates and the Hon. Courtney Houssos should restrict her comments to asking questions.

Mr DAVID SHOEBRIDGE: But she had not finished.

The Hon. WES FANG: Neither had the Minister.

The CHAIR: What is the question?

The Hon. COURTNEY HOUSSOS: Minister, did you make the decision to sell-off the Scone TAFE site solely on the recommendation from the TAFE Commission?

Dr GEOFF LEE: Yes, that was the main decision-making process that I went through and it was a recommendation from TAFE.

The Hon. COURTNEY HOUSSOS: Okay. And that was based solely on the underutilisation of the existing sites?

Dr GEOFF LEE: It was based upon a number of factors that would have been set out in the brief, which I cannot remember the brief, to be honest with you.

The Hon. COURTNEY HOUSSOS: Can you provide us on notice a list of the current TAFE campuses—not CLCs—in New South Wales and their utilisation rates?

Dr GEOFF LEE: I will take that on notice. I am not sure if we have the up-to-date utilisation. I am happy to take it on notice unless you have it, Steffen.

Mr FAURBY: I am happy to take that on notice.

The Hon. ANTHONY D'ADAM: How frequently do those reports get prepared? Mr Faurby?

Mr FAURBY: I will take on notice exactly what that frequency is and also the level of detail that we can prepare. I will say though that it is worth pointing out that our facilities and TAFE operate in a commercial environment against a number of private registered training operators [RTOs] and other private operators, so therefore for us we will guard that information in order not to disadvantage ourselves in the market that we operate in.

Dr GEOFF LEE: That is what they are saying. He is trying to say that some stuff is commercial in confidence because then the opposition actually knows, our competitors would know what we are up to.

The Hon. COURTNEY HOUSSOS: At the moment it seems as though you are contracting out to your competitors, Minister.

Dr GEOFF LEE: That is not true. Can I just draw your attention back to the *Hansard* of Wednesday 11 March—your questions that you referred to before that you kindly supplied?

The Hon. COURTNEY HOUSSOS: Yes, absolutely.

Dr GEOFF LEE: I still stand by that. You asked:

Minister, I am going to give you the opportunity in this forum to rule out the privatisation of TAFE. Will you rule that out?

And I said, "yes", and we still do that. Then you asked:

There will be no privatisation of TAFE.

And I said, "yes" and there is no privatisation of TAFE. Then you said you will be—

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The Hon. COURTNEY HOUSSOS: Minister, sorry, I am just going to stop you there because this is the opportunity for me to ask questions. I would like you to explain to the Committee and the public exactly how selling off a TAFE campus is not privatisation.

The Hon. WES FANG: Point of order: The Hon. Courtney Houssos previously asked a question and in fact tabled the very document the Minister is reading from. She then went on to—when the Minister was reading the document, he asked if she would like him to clarify the points. She glossed over that and continued to ask a new set of questions to the point where the Hon. Scott Farlow said, "She has moved on already." Now the Minister has obviously noted—

The Hon. COURTNEY HOUSSOS: Now you are just taking up time, Wes.

The Hon. WES FANG: —there is something in the *Hansard* that he wants to make a note of and he is addressing the point previous. The Minister should be given that opportunity.

The Hon. ANTHONY D'ADAM: To the point of order: He will be given that opportunity—

The CHAIR: Order! The *Hansard* is obviously a record of the Parliament. It is true, the Minister went back to it. But I think the point of the questioning, and where the answers need to go, is this distinction between privatisation of land—the land at Scone has been sold—versus privatisation of the TAFE service. That seems to be the semantic debate that we are engaged in. It is one that has puzzled economists for a long time—how we define privatisation—but the questions are clear and the Minister is entitled to give his answer. The Hon. Courtney Houssos will ask her next question.

The Hon. COURTNEY HOUSSOS: Minister, how is selling off TAFE land not privatising TAFE?

Dr GEOFF LEE: Can I say in TAFE's 100 years of history and for the last 60 years at least, including when Labor was in Government, that there has been a history of divestments and purchases. So we buy some sites; we sell some sites. We have to continue that process into the future to cater for changing community demand, changing industry demand and changing student loads demand. For instance, in 2019 we opened the Yamba Connected Learning Centre—the first time a TAFE had ever had a presence in Yamba.

The Hon. COURTNEY HOUSSOS: Minister, I will come to CLCs later in my questioning, but—

The CHAIR: Order! The Minister was giving a relevant example of what he regards privatisation to be. He is drawing a distinction between the land and the service. He is entitled to give that answer. I am not feeling the need for the interjection.

Dr GEOFF LEE: Changing the asset base—and remember if we are talking about Scone, and you want to talk about Scone—we have a CLC at Scone. That centre has an increased number of students, far increased number of courses available to the local community; a far better offer in terms of demand and supply of courses that we are able to deliver through that. Can I say that it changes over time. What we have seen during COVID is the changing nature of learners and their desire to adopt online technologies via distance are increasing. Not everything can be taught online. As a past teacher, I know that sometimes if you want to learn to be a plumber—I always say that you cannot read a book to learn to be a plumber. You have to have that physical skills thing. But there are different ways and we have seen 5,000 teachers over the last year be upskilled—

The CHAIR: I think you are drifting now, Minister. We will go to the next question.

The Hon. COURTNEY HOUSSOS: Minister, Yamba is a very different set of circumstances to Scone TAFE. Scone TAFE had a well-established institution loved by the community. You then built a new CLC and at that time you assured the community that the existing TAFE site would stay there. Why did you not build the CLC on the existing TAFE site?

Dr GEOFF LEE: That was not my—you will have to ask the previous Minister. They are built for a number of considerations.

The Hon. ANTHONY D'ADAM: You must have had that explained to you, though, Minister. Did you not have it explained to you?

Dr GEOFF LEE: Once it was built, it was built. I will ask Steffen to look at the protocols that we have set up now in terms of determination of CLC sites. Generally they want to be high-visibility sites, close to town centres where people have access, where we have a presence that people can actually drive past and go, "I want to go there", and then give people the access because they are normally on the arterial routes of buses and transport.

The Hon. COURTNEY HOUSSOS: Minister, is it actually your testimony to this Committee that the basis on which someone will go to TAFE is because they drive past it? Not because of the quality course offerings, not because it is matched to the local community—

CORRECTED

Dr GEOFF LEE: No, I think you are simplifying.

The Hon. COURTNEY HOUSSOS: Minister, I am using your words.

The CHAIR: Order! You have asked the question. The Minister is entitled to give his answer.

Dr GEOFF LEE: Can I say that is one of the considerations. We know that, for instance, if you do not have availability of a campus close by, you are probably not going to go there, you have lesser requirements. That is why universities want to have these regional campuses because it allows them access points to education. Can I say that is only one of the factors that students consider. The courses on offer, the times at which they are on offer, the local industries and the jobs are all important things, but I will ask Mr Faurby to talk about the criteria that we now use—

The Hon. COURTNEY HOUSSOS: We have time with Mr Faurby this afternoon and I am sure we will have plenty of questions for him.

The CHAIR: Well, the Minister has asked the managing director to make a contribution. Can you just add something there, Mr Faurby, for 30 seconds please?

Mr FAURBY: Yes, I can certainly confirm what the Minister has already mentioned: We do have guidelines in place that determine the selection and the location of where those new facilities will be built. You have talked about Yamba as an example. I can mention Byron Bay, Batemans Bay, Coffs Harbour and other great examples of places where we have put in place facilities.

The Hon. COURTNEY HOUSSOS: And we have plenty of questions on those this afternoon. We will get to them when we have some time with you.

Mr FAURBY: And I will gladly talk about the guidelines by then, if that is—

The Hon. COURTNEY HOUSSOS: Great.

The CHAIR: Yes, we will do that this afternoon. Next question to the Minister?

The Hon. COURTNEY HOUSSOS: Coming back to this question, Minister, you have talked consistently about the need to update TAFE facilities because of changing industries. Is the horseracing industry going anywhere in the Upper Hunter? Is that the reason for selling off this prime piece of land?

Dr GEOFF LEE: No, the reasons are as Mr Faurby has outlined.

The Hon. COURTNEY HOUSSOS: Well, according to AgriFutures, the horseracing industry generates over \$500 million and more than 3,350 direct and indirect full-time equivalent jobs. Yet you are selling off the sole specific agricultural TAFE site in the Hunter region.

Dr GEOFF LEE: Well, can I say the ability of other forms of delivery from other campuses like the Scone CLC and other campuses nearby does not preclude us from running any courses. Can I say that what we want to do is be able to be an industry-driven model whereby we deliver what industry wants for the future of those learners and those industries? Can I say just because you change this site, it does not mean you stop supporting the industry. There are other forms of delivery. I think most RTOs will generally say that delivery onsite, in situ in industry is a valuable and important part of an educational process where students actually learn and are evaluated onsite. For many of them—a lot of the building and construction industry are actually looking at that. They are actually looking at—instead of developing things at TAFE, they actually go and observe workplace practices and make sure that they are doing it properly. I think there are a lot of integrated models that we actually use. Simply going to a campus is not the be-all and end-all. I think we have to adopt an approach—

The Hon. COURTNEY HOUSSOS: Minister, I will stop you there because you just said you cannot learn to be a plumber from a book. Now you are saying it is okay if we sell off this campus because there are other ways of delivering. Do you understand that you are contradicting yourself in your own testimony?

Dr GEOFF LEE: No, I am not contradicting myself. If you think I am contradicting myself, I apologise to you and to the Committee. I am saying that there are other delivery methodologies for learning. You can have workplace delivery, you can have theoretical learning, you can have simulated and virtual learning and you can have on-site learning. There are different ways that you can teach people and different pedagogies that are a valuable part of developing a curriculum that suits different learning cohorts.

The Hon. ANTHONY D'ADAM: Minister, how do you learn how to shoe a horse at a CLC?

Dr GEOFF LEE: For instance, off the top of my head, you can bring in a mobile training unit to learn how to shoe a horse. There is a whole plethora of different ways that you can learn how to shoe a horse. In fact, one of the advantages—

CORRECTED

The Hon. COURTNEY HOUSSOS: But perhaps you would need a horse, Minister.

Mr DAVID SHOEBRIDGE: I think a horse helps.

The CHAIR: Order! I am really interested in this about shoeing a horse. It is very relevant.

Dr GEOFF LEE: Growing up with horses—and my staff said not to mention that—you can actually shoe a horse where they are. It does not matter whether it is on a TAFE campus, a CLC campus which is a TAFE campus or in a paddock. The farrier normally comes to the horse, not the other way around.

The CHAIR: Yes, and they reckon we are starting to run out of farriers, so this is pretty important—next question.

The Hon. COURTNEY HOUSSOS: Yes, exactly. On that question, once the Scone TAFE site closes, a cert IV farrier student will have to then travel a seven-hour round trip to Richmond TAFE. Surely you would acknowledge that that is a disincentive.

Dr GEOFF LEE: For those specifics of training facilities, I am happy to defer to Mr Faurby on the delivery team.

The Hon. COURTNEY HOUSSOS: Minister, you are the one who authorised the sale of this site.

The Hon. SCOTT FARLOW: Point of order—

The CHAIR: Order! I think it is valid for the Hon. Courtney Houssos not to go at the Minister in that fashion when he has just referred to a clarifying answer from the managing director.

Mr FAURBY: Thank you. I can certainly confirm that we will maintain the level of commitment and activities that we currently have in the upper Hunter region after the divestment of 2 Flemington Drive. We have outlined the many options and alternatives we have for making that happen, so there will be no need for any student to travel to Richmond for that training.

The Hon. ANTHONY D'ADAM: How long is that commitment for?

Mr FAURBY: The commitment is for as long as we believe there is a need. That means that we remain committed to that community and the training that is required.

The Hon. ANTHONY D'ADAM: The same course offerings.

Mr FAURBY: Where there is an ongoing demand for training provision, we will do that.

The Hon. COURTNEY HOUSSOS: Minister, is there currently a mobile trailer to learn how to shoe a horse?

Dr GEOFF LEE: I will take that on notice unless you know, Steffen.

Mr FAURBY: No, there is not.

The Hon. COURTNEY HOUSSOS: No, there is not.

Mr FAURBY: No. But in continuation of what the Minister is talking about here, I have already talked about the continued commitment that we have and we will absolutely also have that for the equine trades. There are many options to make sure we can deliver that. The most attractive one if you ask the local community, including the local horse breeders and studs, is actually to do work placements and activities on the premises where those facilities are.

The Hon. COURTNEY HOUSSOS: Mr Faurby, with respect, that may be if you ask the existing employers, but what about the kid who does not have a job yet? What about a kid who wants to train and does not have a job yet and is looking to come to TAFE to learn those skills? You are selling off prime real estate that currently provides those facilities. You have just admitted that you do not have a mobile trailer that will teach kids how to shoe a horse and that they are either going to have to drive to Richmond or find a job.

The CHAIR: There needs to be a question.

The Hon. COURTNEY HOUSSOS: How can you in good conscience say to the community or to this Committee that you guarantee that those courses will be available, when your whole history of operating is constantly walking back on the commitments that you give to the community and to this Committee?

Dr GEOFF LEE: We refute that. That is absolutely incorrect. We will continue to cater for our industries and our learners as we go through it.

CORRECTED

The Hon. COURTNEY HOUSSOS: Read the *Hansard*. You came here last year and said you would not sell off TAFE sites and now, less than 12 months later, they are up on realestate.com.

The Hon. WES FANG: Point of order—

The CHAIR: I have got it. That is a statement. Minister?

Dr GEOFF LEE: Sorry, Ms Houssos. You said there will be no privatisation of TAFE and I said yes. You replied, "That means you will not sell it off." We have not sold off TAFE. We are in the process of the disposal of the Flemington Drive site, acknowledging that the Scone CLC is up and running and offers many more courses. We have had a commitment from the managing director to say that no student will be disadvantaged and we will continue to manage that. I then replied, "We will not be privatising TAFE." I think that has been very clear and I keep reminding that we are not privatising TAFE. We are committed to TAFE as a comprehensive public provider of skills and training in New South Wales and we remain so. Not that I am an expert in being a farrier, but can I say that most farriers when I grew up actually owned a ute and put all of their stuff in the back—no different from a training unit. You need an anvil, a couple of hammers and some shears. I actually did a short course.

The CHAIR: Some nails, yes. Next question.

The Hon. ANTHONY D'ADAM: Minister, can I ask you about consultation with the racing industry about your decision on the sale of the Scone campus? What consultation have you engaged in with the racing industry?

Dr GEOFF LEE: I will ask Mr Faurby to talk about this ongoing industry. I know that TAFE has very close relations with not just the racing industry but every industry that it serves throughout its different campuses, but maybe Mr Faurby can talk about consultation.

Mr FAURBY: As I mentioned earlier I can certainly confirm that we have an ongoing engagement with local communities, including, I am sure, with the racing community. When we talk about where the courses and training are needed, it is important that we listen very closely to what industry tells us is needed. Certainly I am sure racing will be one of many industries that we have consulted with and engaged with.

The Hon. ANTHONY D'ADAM: How would you manage for example the conflict between discussions with a stakeholder like Racing NSW, which represents a significant part of the racing industry, and the fact that they also run a training facility that is in direct competition with TAFE? How have you managed that conflict?

Mr FAURBY: I do not see that to be an issue. We will certainly talk to and engage with any party, no matter the angle they are coming from. If they can help us better understand what the need for training is going forward, then we should certainly engage with them and listen to them. I have had no direct involvement with any of the organisations that you refer to, but I will absolutely make the assumption here—which I am happy to confirm or otherwise—that as part of the general community engagement that we do, we also invite and allow people from the racing industry to express their views. That is important because they are certainly users of the facilities and the training that we provide.

The Hon. ANTHONY D'ADAM: Sorry, we have limited time, Mr Faurby. Will the Minister rule out transferring the TAFE site at Scone to Racing NSW, a direct competitor with TAFE in terms of the provision of courses in the equine industry?

Dr GEOFF LEE: As you know, any disposal of TAFE land assets goes through a government process. The first stage is to offer it to other government departments. The second stage is to offer it to the local council. If no-one has any interest in those two stages, then the third stage is to go to expressions of interest from the market. We are in that process now, so we will see how the market comes out. But for Labor to use their knowledge through parliamentary procedures to work out the reserve price was actually appalling.

The Hon. COURTNEY HOUSSOS: Minister, can I just stop you there and bring you back to your answer?

Dr GEOFF LEE: No, you asked me a question about that.

The Hon. SCOTT FARLOW: The Minister is completing his answer.

The Hon. COURTNEY HOUSSOS: No, he is attacking the Labor Party.

The Hon. WES FANG: Point of order—

CORRECTED

The CHAIR: No, her time has expired. The Minister was not attacking the Labor Party. He said the Labor Party used what sounds like Standing Order 52 calls for papers to get the information that is in the paper today. We do that all the time. That is our bread and butter.

Dr GEOFF LEE: But if I am selling my house, for instance, do I publish my reserve price before I go to auction? That is just silly, is it not?

The Hon. COURTNEY HOUSSOS: Well, you are actually required to under your own regulations.

The CHAIR: Order! The time has expired. We can come back to the real estate process.

Dr GEOFF LEE: To publish it to the potential buyers is ridiculous.

The CHAIR: Minister, order! We will come back to the real estate issues later on. Mr Shoebridge?

Mr DAVID SHOEBRIDGE: Minister, with the resignation of Kerry Penton, is there anybody on the TAFE board who has educational qualifications?

Dr GEOFF LEE: The TAFE board?

Mr DAVID SHOEBRIDGE: Yes.

Dr GEOFF LEE: We are just going through a renewal process. We are still in the Government process of Cabinet reshuffle and we will release those when they go through the Cabinet process.

Mr DAVID SHOEBRIDGE: Now maybe you would answer my question?

Dr GEOFF LEE: What is that?

Mr DAVID SHOEBRIDGE: Is there anybody on the TAFE board with educational qualifications?

Dr GEOFF LEE: At the moment?

Mr DAVID SHOEBRIDGE: Yes. Is there anybody on the TAFE board at the moment with educational qualifications?

Dr GEOFF LEE: I will get a list of them and get back to you. Mr Scott sits on the board. He has significant qualifications in education.

Mr DAVID SHOEBRIDGE: Is there anybody who has an educational degree on the TAFE board—yes or no?

Dr GEOFF LEE: Yes.

Mr DAVID SHOEBRIDGE: Who?

Dr GEOFF LEE: Mr Scott.

Mr SCOTT: I am on the board.

Mr DAVID SHOEBRIDGE: Apart from Mr Scott. Are you on the TAFE board now, Mr Scott?

Mr SCOTT: I am on the TAFE board, yes.

Mr DAVID SHOEBRIDGE: The chair, Terry Charlton, does not have educational qualifications. Is that right?

Dr GEOFF LEE: I would have to check their curriculum vitae [CVs].

Mr DAVID SHOEBRIDGE: Caralee McLiesh has no educational qualifications; Mr Faurby has no educational qualifications; Craig Pudig has no educational qualifications; Hilary Borthwick has no educational qualifications; Carolyn Burlew has no educational qualifications; Ero Coroneos has no educational qualifications and Greg Fletcher has no educational qualifications. When did you join the board, Mr Scott?

Mr SCOTT: I have been an ex officio member through last year and formally appointed now.

Mr DAVID SHOEBRIDGE: When were you formally appointed?

Mr SCOTT: I would have to check the date.

Mr DAVID SHOEBRIDGE: Prior to your appointment it is true that there was not a single person on the board with educational qualifications. Is that not true, Mr Scott?

CORRECTED

Mr SCOTT: I would have to check. I have not checked the academic qualifications. Can I say, though, that we know that TAFE works at the interface between education and industry. I must say that the people who have served on the TAFE board in my meetings there have reflected a deep experience of the need of industry, and the value of skills and skills development. They have very well informed the board on the role and the operation that TAFE plays as part of the educational ecosystem, and what they studied many years ago I think is not as relevant as the insight they have on the operations of TAFE as has been demonstrated around the table.

Mr DAVID SHOEBRIDGE: Minister, Morris Iemma has no educational qualifications, Duncan Taylor has no educational qualifications, Todd Williams has no educational qualifications. How have you allowed the board to be appointed to lead TAFE—which, the last time I checked, is in the business of education—with a desert-like set of educational qualifications, nobody with educational qualifications? How have you let that happen? Is it because you do not think education is its core business?

Dr GEOFF LEE: No, I think you are demeaning the role of those board members, and I think Mr Scott explained quite clearly that (a) he is on it with educational qualifications, and (b) the industry interface is particularly important. We have someone, from memory, from the New South Wales Business Chamber who looks after huge employers of apprentices and trainees, and provides opportunities to provide impact on what employers are actually looking for. We have a whole range of experts at TAFE to look at the pedagogy of learning and understanding those learning practices.

Mr DAVID SHOEBRIDGE: We will get to TAFE in a second. I am asking you about the board. Are you telling me that it is acceptable to have one out of eleven members of the TAFE board having educational qualifications and the rest being from business, accountancy, the law, business consulting—you are happy with that mix, are you, Minister?

Dr GEOFF LEE: No, we have actually changed the mix and we are going through the process now of changing it.

Mr DAVID SHOEBRIDGE: Tell me how many now have educational qualifications? Is it a focus for you when you are replacing the board?

Dr GEOFF LEE: It is based upon people's merit. It is a merit-based appointment process. We look at what they can bring to the board and what the needs of TAFE are at that particular time.

Mr DAVID SHOEBRIDGE: Mr Faurby, how many people in the senior executive team at TAFE have educational qualifications?

Mr FAURBY: Let me start by saying that across what we call the senior leaders we have more than half of the people in senior leader positions come from a teaching background. That is the first point. If we look at the senior executive team—is that what you are asking for specifically?

Mr DAVID SHOEBRIDGE: That was actually my question, yes.

Mr FAURBY: We have two of our people there who are ex-teachers. I do not know if you want me to go through—

Mr DAVID SHOEBRIDGE: I will run through what is in the annual report and you can tell me if it is right or wrong.

Mr FAURBY: Yes.

Mr DAVID SHOEBRIDGE: Caralee McLiesh, previous to you, had a bachelor of economics and doctorate of philosophy. That was not educational. Correct?

Dr GEOFF LEE: That was a year ago or more—a year and a half.

Mr DAVID SHOEBRIDGE: Do you agree that was not educational? I am going through the annual report.

Mr FAURBY: I have not been here while Ms McLiesh was—

Mr DAVID SHOEBRIDGE: You yourself have a graduate diploma in business administration, bachelor of science, organisational psychology and something from the Australian Institute of Company Directors—not educational. Would you agree with that, Mr Faurby?

Mr FAURBY: Yes, I will agree with that.

Mr DAVID SHOEBRIDGE: Kerry Penton had educational qualifications, but she left when you got appointed. Is that not right?

CORRECTED

Mr FAURBY: That is correct, yes.

Mr DAVID SHOEBRIDGE: Lucy Arundell, bachelor of arts, graduate diploma of information management—not education?

Mr FAURBY: And does not work for us anymore.

Mr DAVID SHOEBRIDGE: Glen Babington, Chief Operating Officer, master of business administration, bachelor of arts, something with Indonesian language, no educational qualifications?

Mr FAURBY: Correct, and does not work for us anymore.

Mr DAVID SHOEBRIDGE: David Backley, master of professional practice in IT, no educational qualifications?

Mr FAURBY: I am not sure about Mr Backley, but yes.

Mr DAVID SHOEBRIDGE: It says that here in the annual report.

Mr FAURBY: Yes.

Mr DAVID SHOEBRIDGE: Still works for you?

Mr FAURBY: Still does, yes.

Mr DAVID SHOEBRIDGE: Mark Easson, master of business administration—there is a pattern here with master of business administration—but no educational qualifications. Correct, Mr Faurby?

Mr FAURBY: Correct, yes, as far as I know, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Catherine Grummer, no educational qualifications, bachelor of science, master of business—

The Hon. WES FANG: Point of order: While Mr Shoebridge may like to do this for theatre, I think that without the witnesses having the CVs of people being raised it is somewhat difficult, and I think it is certainly a waste of this Committee's time to pursue this.

The CHAIR: There is no point of order. Mr Shoebridge is asking questions according to his priorities and the witnesses are giving answers according to their knowledge of the board members and senior executive. It may be an unusual line of questioning, but that is the way it is.

Mr DAVID SHOEBRIDGE: Catherine Grummer, master of business administration, bachelor of science, no educational qualifications?

Mr FAURBY: Correct.

Mr DAVID SHOEBRIDGE: Susie George, bachelor of business, graduate certificate of management—no educational qualifications there, Mr Faurby?

Mr FAURBY: Most of the people that you talk about here are actually no longer on the leadership team. Perhaps if you would allow me, Mr Shoebridge—

Mr DAVID SHOEBRIDGE: Perhaps you will let me finish and you can then tell me which current ones have.

Mr FAURBY: Sure, yes, thank you.

Mr DAVID SHOEBRIDGE: Ben Turner, bachelor of business, no educational qualifications. Do you agree?

Mr FAURBY: Yes, I do agree.

Mr DAVID SHOEBRIDGE: Gabrielle Crittenden, graduate diploma of human resource management, bachelor of arts, no educational qualifications. Do you agree?

Mr FAURBY: Yes.

Mr DAVID SHOEBRIDGE: How is it that the senior executive team as disclosed in the last annual report had only one person with educational qualifications—and they left?

Mr FAURBY: Let me talk about who is there, because I think that is the real point, is it not, and some of these people have been appointed since we issued the annual report. I think it is relevant for me, if you would allow me, Mr Shoebridge, to talk about the people that we have now as part of the executive team.

CORRECTED

Mr DAVID SHOEBRIDGE: To the extent that they have educational qualifications.

The CHAIR: Order! The witness can give his answer.

Mr FAURBY: Let me talk about the three people who do have educational background. The first one is Ms Margot McNeill. You will have an opportunity to meet Ms McNeill today; she is in the audience and has been called.

The CHAIR: Has she been sworn in as a witness?

Mr FAURBY: Yes, she has. Ms McNeill has a career in education over 30 years in school, vocational education and higher education. She used to work for TAFE back in the days, the part of TAFE that we now call TAFE Digital, and has a very extensive, long career, including the 30 years that I have talked about in education. That is the first one. The second one is Vik Naidoo. I should say, for the sake of reference, that Ms McNeill is the Chief Product and Quality Officer and did replace Ms Arundell in that role. Vik Naidoo is the Chief Strategy and Commercial Officer and has a TAE, so qualifications to teach in vocational training, and has also been a vocational education and training [VET] student himself. He has been a teacher with transferrable teaching skills that certainly can apply to what we do now.

The third person I will mention is Ms Julie Tickle, who is Acting Chief People and Culture Officer. By the way, Mr Naidoo and also Ms Tickle are in the audience here as witnesses. Ms Tickle is a former teacher. She started out as a casual teacher, became a permanent teacher, became a head teacher and is now Acting Chief People and Culture Officer, and has served in that role for a while now, and like the others does a phenomenal job representing the insights that of course we would like to have with teaching qualifications on our executive team. So these three people are well and truly supporting me and others with their extensive insights but also qualifications in teaching.

The CHAIR: Minister, could I take you to the release earlier this year of the NSW Higher Education Strategy 2021-2025: Strategy on a page? Are there other pages or was it actually a one-page release?

Dr GEOFF LEE: That was a one-page release.

The CHAIR: How long did it take for the Government and the department to develop a higher education strategy—a multibillion-dollar sector that is crucial to the State's future—and come up with just this one summary page?

Dr GEOFF LEE: From memory, over 12 months. We had COVID in between, which slowed us down a bit. Obviously we could not do much over COVID. Universities and their vice-chancellors were actually focused on international students and maintaining the safety of their students and campuses. But can I say that that is the first time that we have ever had a strategy. I insisted on it being on one page. We had to have cooperation with about 10 universities—vice-chancellors all had to agree. It is the first time that the State Government has ever had a strategy and was actually committed. That was actually commended by the now chair of the vice chancellors' committee as being operational and as actually having a vision for the sector. Actually now the difficulty is in its implementation.

The reason why I did not want a long report is there have been so many reports into higher ed. We actually want to do things, whether it is cooperation through research—and Gabrielle Upton produced a great report into how we can work with universities into research in industry—how we help students lobby the Federal Government for our fair share, which we do not think we get at the moment in terms of student caps; how we work in terms of precinct plans; how we look at things like, for instance, the aerotropolis; and how we work with the multiversity. My intention was simply to make it simple so we could actually get that cooperation from the universities, so that we could actually do something, rather than write a lengthy report that sits and gathers dust—go on one page.

The CHAIR: One of the dot points is:

- Work in partnership to ensure the safe return of international students to NSW.

What is the plan there for the remainder of this year?

Dr GEOFF LEE: To return them when the chief Ministers and the Prime Minister allow. To be safe I think—I am not involved in terms of those negotiations—obviously the chief Ministers, including our Premier Gladys Berejiklian and the Prime Minister, will meet and decide when students can return. I think the Prime Minister has made it very clear that their priority now is returning Australians and that until returning Australians have been brought back in sufficient numbers, there will be capacity when it is safe to do so to return international students. We have been unable to return international students up to date in any significant numbers.

CORRECTED

The CHAIR: Are you expecting it to happen this year?

Dr GEOFF LEE: That is a decision that I do not make.

The CHAIR: Are you expecting the international students to hotel quarantine for a fortnight?

Dr GEOFF LEE: It will be up to Health guidelines about what is the appropriate measure of guidelines, whether they are—that process will always follow Health guidelines, which have proved very successful in New South Wales.

The CHAIR: Are you expecting that the overseas students will have effective vaccinations in place before they can come to Australia?

Dr GEOFF LEE: I am guessing, because I do not actually decide on those matters. I will take Health advice on that.

The CHAIR: Do you think it is desirable, as the vaccines are rolled out internationally, for students to come here with an effective vaccine? Because certainly the experience in New South Wales and other States has been that the hotspot for the virus getting out into the community is out of hotel quarantine. Obviously we mitigate that risk if they have been vaccinated.

Dr GEOFF LEE: I think we must do everything we possibly can to follow that Health advice and minimise that risk, whether it is a COVID-safe vaccine, whether it is bubble areas, but it is up to the Health advice about when we are allowed to do it safely. I think New South Wales is outstanding in terms of all of the other States and Territories in bringing back nearly 50 per cent of international residents and maintaining COVID-safe practices. But we do not take this lightly in terms of—we saw what happened on the northern beaches. The return, as the Prime Minister has said, of Australians is our priority and then they will look at other cohorts, whether they are skilled migrants, whether they are international students. I certainly am advocating for international students to return when it is safe to do so.

The CHAIR: The Treasurer a few weeks ago—

Mr SCOTT: Sorry, Chair, can I just add that the Department of Premier and Cabinet [DPC] has responsibility for management of the National Cabinet agenda, where the international students issue continues to be engaged. Treasury also has responsibility for students in New South Wales studying the New South Wales program. Treasury has been doing the running on the protocols and requirements for the return of international students.

The CHAIR: The Treasurer recently said he wants the students back as quickly as possible.

Mr SCOTT: Yes.

The CHAIR: But that is not the position. It is going to be up to the safety and things like vaccinations, from what was mentioned earlier.

Mr SCOTT: I think it is a delicate dance, as you have alluded to, and it is not an area of policy where New South Wales is in a position to act unilaterally. Of course I think everyone has a view that says, "We understand the importance of international students—international students to the sector and international students to the economy." We had a hearing that addressed these matters last year as I recall. But, fundamentally, New South Wales is not in a position to go it alone. It will be a determination of National Cabinet. All of the issues that you have raised go centrally to the Health advice as to what the preconditions should be for the return of international students—

The CHAIR: Okay, so it is unknown.

Mr SCOTT: —and that is being developed in National Cabinet discussions.

The CHAIR: Has the Government got any information or feedback about several media reports in recent days that the Chinese Government is urging its Chinese students not to come to Australia?

Mr SCOTT: I can simply add—

The CHAIR: Minister?

Mr SCOTT: We have seen those reports.

The CHAIR: You have seen the reports?

Mr SCOTT: We have no further information to those reports. There has been a number of speculative pieces in recent days and everyone is watching and monitoring those closely.

CORRECTED

The CHAIR: Are you seeking information from the Department of Foreign Affairs and Trade [DFAT]?

Mr SCOTT: Yes. I think if there is confirmation of that we expect to receive advice from DFAT and the Federal education department, but none has arrived at this point.

The CHAIR: What would be the Government's response to this quasi ban?

Mr SCOTT: I think it is speculation at this point, Chair. We need to wait and see what the reality is. At the moment they are speculative reports and that is what everyone is saying about it at the moment. It is simply speculative.

The CHAIR: So when will the Government get some more detailed information as to whether or not it is true?

Mr SCOTT: When the information becomes available. Clearly these are important stories. It would be a significant step, but at the moment it is only speculative.

The CHAIR: Is it a worry to the Government, Minister, or would it actually help to solve other problems in financial risk management, where the University of Sydney and the University of New South Wales both have near 30 per cent levels of financial reliance just on Chinese international students alone? How do you balance those two questions of a potential ban and the risk management problems that those two universities in particular ran into?

Dr GEOFF LEE: I think the one-in-100-year pandemic could not be expected by any universities. The universities you have quoted obviously had a high proportion of students from China. I think in hindsight that was a highly risky strategy and it has proved to be correct, with no students from any countries coming. I think they have unfortunately had to make some very tough decisions about the course offerings and the type of research that they are actually doing. International students provide a valuable source of economic revenue and cultural exchange for New South Wales. In fact, international education is the highest service export in New South Wales. Every student adds to the economy about \$50,000 in that year. I think we must do everything we can to return international students as quickly as possible when it is safe to do so. But as Mr Scott says, DPC and Treasury actually lead those negotiations.

The CHAIR: Do you support your Federal counterpart Alan Tudge in saying that universities need to diversify their revenue base, instead of being so reliant on overseas student income, particularly from China?

Dr GEOFF LEE: I think that has proved to be correct, that diversifying your markets seems to be a wise strategy. But as we have seen, every university has not been able to bring in students from overseas over the COVID pandemic. It did not matter whether you had 20 or 30 different markets that you are sourcing from. But I think it is a good wake-up call for vice-chancellors and their boards to actually look at diversifying their markets and opportunities to places like Vietnam, India and new and emerging markets to actually change the mix and not be over-reliant.

The CHAIR: Minister, does the Government support an enhanced role for the New South Wales Auditor-General in identifying areas of over-reliance in the annual report—ringing the alarm bell, if you like—if universities do not heed that message and possibly flagging other things that the Government can do to improve the financial risk management in higher education?

Dr GEOFF LEE: I understand that that was one of the recommendations of that great report that you and your committee penned. At the moment we are in consideration of all of those recommendations. As we go through the normal government response process, we will have more to say about that. Can I say that the Auditor-General is, as I have found in my time as Minister, very good in terms of looking at different situations, including those students, but who would have thought we would stop every single student from coming into Australia over the last year?

The CHAIR: Minister, in the strategy on a page there does not appear to be any mention of the Country Universities Centres [CUCs], which have been a great success. I understand in recent times you have been able to visit some of them. Will the strategy be updated to recognise the success of the CUCs?

The Hon. ANTHONY D'ADAM: Point of order: Chair, you had not asked your question by the time the time had expired.

The CHAIR: No, but I had started. I am chairing the meeting and the rule is that I had started. I have got an eye on the time. As much as I always welcome the assistance of Anthony D'Adam, I did start my question. If you start one before the buzzer, you too will be able to finish your question.

The Hon. ANTHONY D'ADAM: The Hon. David Shoebriidge did start a question before the buzzer.

CORRECTED

The CHAIR: No, he did not.

Mr DAVID SHOEBRIDGE: I did—but anyhow, it doesn't matter.

Dr GEOFF LEE: Can I say that recently—you are absolutely right. I did go to Griffith Country Universities Centre to have a look at their operations. I saw from the students I talked to that they provide a valuable opportunity for students to continue to live in their regions and study in their regions. I think the drain of the student who actually has to leave their region and go into Wollongong, Newcastle, Sydney or a major regional centre—they get their education and they tend not to return. I think they can provide a valuable mix. Of course, it is about cost benefit.

If you are saying, "Why aren't they on a strategy to a page?" The higher education sector—international sector—is probably worth \$15 billion. Country universities are important but in terms of—I think our commitment, if I am not wrong, was \$8 million to them over a three-year period. It is not a huge consideration in terms of the whole higher education sector and its importance in things like medical placements. There is a whole range of different things. Development and precincts, in terms of scale, not every university—what we tried to do is capture what all universities were interested in. Country universities are not of interest to some universities.

The CHAIR: Thank you. At that point, we might take a five-minute rest break. When we come back it would then facilitate two more rounds of the 40-minute rotation to take us through to 12.30 p.m.

(Short adjournment)

The CHAIR: Fire away.

The Hon. COURTNEY HOUSSOS: Minister, when was the final decision made to sell Scone TAFE?

Dr GEOFF LEE: I will take it on notice. There has been no final decision to sell it. There is an expression of interest about its sale, looking for people who want to put up a bid. So, there is no final decision, but I am happy to provide on notice the time when I signed off the brief.

The Hon. COURTNEY HOUSSOS: Okay. Can you also tell us then—you outlined previously in your answers that there is a process of divestments and that it goes out to government departments and then to local councils. Can you give us the time line of when it was offered to government departments, when it was offered to local councils, and then—

Dr GEOFF LEE: Yes, I will get back to you on that. Can I say supplementary to what we said before, through an expressions of interest process I am advised that the disclosure of reserve price is not part of the way they do the process.

The Hon. COURTNEY HOUSSOS: Minister, expressions of interest closed last week. How many were received?

Dr GEOFF LEE: As I said, all the divestments are held at arm's length from the ministerial office. I will ask Steffen if he can comment about that, but we certainly do not know who applied. We do not have any influence, nor should we have any influence over that decision-making process. They are not done by me, at all, or my office.

The Hon. COURTNEY HOUSSOS: Who makes that decision?

Dr GEOFF LEE: In terms of—

The Hon. COURTNEY HOUSSOS: Who makes the decision? If there is more than one expression of interest, who makes the decision?

Dr GEOFF LEE: There is a whole process. I will ask Steffen Faurby to talk about the process of disposal through—

The Hon. COURTNEY HOUSSOS: Perhaps, Mr Faurby, you can be briefed and we can go into more detail this afternoon?

Mr FAURBY: Yes, I am happy to.

Dr GEOFF LEE: A report eventually comes to me.

The Hon. COURTNEY HOUSSOS: So, eventually, you sign off on it?

Dr GEOFF LEE: Yes, eventually. Yes.

The Hon. COURTNEY HOUSSOS: Okay.

CORRECTED

Dr GEOFF LEE: But I do not do the negotiations. I do not look at the tenders. I do not put out any documents. I do not have any hands-on things like that. I do not even know who has put in an expression of interest.

The Hon. COURTNEY HOUSSOS: Mr Faurby, perhaps you can tell us how many?

Mr FAURBY: I do not know. There is an evaluation panel that we have established, which is entirely—

The Hon. COURTNEY HOUSSOS: Just your microphone, Mr Faurby.

Mr FAURBY: I am sorry. There is an evaluation panel, which is—obviously for us it is important to follow procedure. I do not have any involvement in that, at all, or any access to any of the information. The evaluation committee should do its work and put forward its recommendations. Part of this, of course, is to make sure that it is assessing and evaluating the bids on contractual terms, commitment, compliance and all those sorts of things. Once they have done their work, which takes a little bit of time, they will present it to me and, in turn, I will brief the Minister on what the recommendations are. I do not, at this point in time, have any access whatsoever to that detail.

The Hon. ANTHONY D'ADAM: What is the land zoned for?

Mr FAURBY: I will take that question on notice.

The Hon. COURTNEY HOUSSOS: It is a wide range: education, ecotourism.

The Hon. ANTHONY D'ADAM: A wide range.

The Hon. COURTNEY HOUSSOS: Minister, will you now commit then to at least releasing publicly who the expressions of interest are from, even at the completion of the process?

Dr GEOFF LEE: I will take that on notice in terms of commercial confidentiality. I am not sure—

The Hon. COURTNEY HOUSSOS: At the end of the process, Minister.

Dr GEOFF LEE: I am happy to take it on notice, and if I can release them, if it does not breach any confidentiality of the process, I will release them, but I do not want to prejudice any—make a statement here today that I cannot follow through.

The Hon. COURTNEY HOUSSOS: Minister, how much did you get for the sale of the Randwick TAFE car park?

Dr GEOFF LEE: From memory—I will just check. I am advised it was around \$20 million—Randwick.

The Hon. COURTNEY HOUSSOS: Was that \$20 million?

Dr GEOFF LEE: Yes.

The Hon. COURTNEY HOUSSOS: Is that right, Mr Faurby? You are looking perplexed.

Dr GEOFF LEE: I am advised.

Mr FAURBY: I would have to take that question on notice—the exact amount. I do not recall.

The Hon. COURTNEY HOUSSOS: This is for the sale for the ambulance station?

Mr FAURBY: Yes.

Dr GEOFF LEE: Yes, the super station—the car park to become a super station for the hospital.

The Hon. COURTNEY HOUSSOS: Yes, so it is about \$20 million, alright, and something else is going to be provided on notice. Minister, I come back to the question on community consultation. Earlier, Mr Faurby, you started talking about 26 October 2020. What occurred then?

Mr FAURBY: From memory, I believe that was the date when our executive leaders went on site and had a conversation and engagement with the local staff to brief them on the plans for the market testing of the facility.

The Hon. COURTNEY HOUSSOS: Sorry, on 26 October your staff went on site to brief the existing staff?

Mr FAURBY: To brief staff, yes. That is my recollection of that, yes.

CORRECTED

The Hon. COURTNEY HOUSSOS: On notice, can you provide the Committee with any minutes of that meeting?

Mr FAURBY: If the minutes exist, I will consider that. I am not sure if there are minutes. I was not there.

The Hon. COURTNEY HOUSSOS: Mr Faurby and Minister, this is something that is disputed by the NSW Teachers Federation, by the workers at the site. They are saying that the first they heard of it was when the real estate advertisement popped up.

Dr GEOFF LEE: You are completely wrong. My advice is that they were consulted prior to that real estate sign. I think you have been misled by the Teachers Federation. Normally they operate really well but, on this one, they have obviously misled.

The Hon. COURTNEY HOUSSOS: Mr Faurby, coming back to 26 October, was that the only time that the staff and the workers on the site were told about it?

Mr FAURBY: I will take that on notice and give you a more detailed response to that.

The Hon. COURTNEY HOUSSOS: Was there any consultation with the broader community?

Mr FAURBY: As I explained before, we do that on a regular basis, and we do not consider this a one-off. We do have conversations and engagement in various ways at various times, so, yes—

The Hon. COURTNEY HOUSSOS: But there was no formal engagement with the community? There was no "We're considering doing this"? There was no engagement with the council to say, "What are your future plans for the area?"

Mr FAURBY: Let me take that question on notice.

The Hon. COURTNEY HOUSSOS: Sure, and if you could provide us with any details of when and where any consultations were undertaken? Minister, has the strategic asset management plan for TAFE been finalised?

Dr GEOFF LEE: Not to my knowledge. I will ask Mr Faurby to maybe detail for you what—

Mr FAURBY: If what you refer to, Ms Houssos, is the infrastructure strategy. Is that—

The Hon. COURTNEY HOUSSOS: Last year we talked about a strategic asset management plan. I do not—

Dr GEOFF LEE: Are you talking about the 20-year strategy? That is probably the one that you are talking about. It has not been finalised.

The Hon. COURTNEY HOUSSOS: When will that be finalised?

Mr FAURBY: We expect that to be finalised sometime in this calendar year. Let me explain why that is. It is a 20-year plan, and I guess most people would accept that what we have been going through in the past 12 months is extraordinary when it comes to predicting even what is going to happen in the next two, three or four years, let alone 20. So what we chose to do was to make sure that we have the next five years laid out strategically as to the direction of TAFE NSW, and then subsequent to that we will present a longer-term plan, which is a 20-year plan for the assets. But to try to predict 20 years out in this environment would be quite difficult and I think actually not worth our while. So that was the decision that we made. When we were here around 12 months ago we did not know what was about to happen about the COVID pandemic, and therefore I think it is only fair to assume—

The Hon. COURTNEY HOUSSOS: Mr Faurby, we will come back to this this afternoon. We have plenty of time. I want to ask the Minister—

Dr GEOFF LEE: Ms Houssos, if I could just add that if there is one thing that we did learn from COVID, it is that the type of delivery that our students are wanting and demanding has changed significantly. The opportunity to gain those efficiencies while keeping students satisfied and producing the best students gives us great opportunity. So to realign our strategy to future learning, I think, is particularly important, and I think it will continue over the time. I am just saying it has changed significantly.

The Hon. COURTNEY HOUSSOS: I am not sure what this will be worth but can you guarantee the Barrack Street TAFE site in Bega will not be sold off?

Dr GEOFF LEE: Let us wait. No, I do not want to be drawn in to individual sites today. Let us see what the 20-year strategy has to say. We are investing significant amounts. I went and saw the new Bega TAFE

CORRECTED

site. It is fantastic. We are investing more in CLC there. It is a wonderful opportunity. I met with the staff there myself. Can I say that—

The Hon. ANTHONY D'ADAM: It is not much of an assurance, is it, Minister?

The Hon. COURTNEY HOUSSOS: Okay, Minister—

Dr GEOFF LEE: —we have no plans. We do not have any plans.

The Hon. WES FANG: Point of order: The Hon. Courtney Houssos has asked the Minister a question. Given the nature of the questioning today, I can understand the Minister's response. For the Hon. Anthony D'Adam to throw in a barb over the top of the Minister trying to make—

The Hon. COURTNEY HOUSSOS: Come on, Wes. Now you are just running interference.

The Hon. WES FANG: No, Courtney, I am trying to keep this civil and allow the Minister to answer the question.

The CHAIR: The Minister was answering.

The Hon. WES FANG: It is inappropriate for the Hon. Anthony D'Adam to jump in over the top.

The Hon. COURTNEY HOUSSOS: Yes, we have got your point.

The CHAIR: Are you requiring a withdrawal of the barb? I heard something said. I do not know exactly what was said.

The Hon. WES FANG: No, the Minister certainly—

The CHAIR: The Minister was answering. If I did not hear it, I am not too sure that the Minister heard the so-called barb. Let us move on.

Dr GEOFF LEE: No, I did not unfortunately. I will not ask him to repeat it. Can I say that TAFE NSW does not currently have plans to divest the Bega Barrack Street campus and, in fact, TAFE NSW is building a \$17 million multi-trades hub in Bega next to the Bega CLC, which opened in 2019, and if you go down and have a look at—

The Hon. COURTNEY HOUSSOS: That is not the Barrack Street site, though, Minister. I am asking you about the Barrack Street site.

The Hon. SCOTT FARLOW: He explicitly talked about the Barrack Street site.

Dr GEOFF LEE: There are no plans to divest the Bega Barrack Street campus. We have a CLC opened in 2019 and we are building a \$17 million multi-trades hub adjacent to that right next to the high school on the main road.

The Hon. SCOTT FARLOW: So much!

The Hon. COURTNEY HOUSSOS: And so, to be clear, you are not going to give that guarantee. Minister—

The Hon. WES FANG: Point of order: Once again, the Hon. Courtney Houssos asks a question, the Minister gives an answer—

The Hon. COURTNEY HOUSSOS: Which is not a guarantee.

The Hon. WES FANG: —and then the Hon. Courtney Houssos then throws in a barb before she goes to ask her next question. I would ask you to ask her to just ask her questions and accept the responses.

Mr DAVID SHOEBRIDGE: To the point of order: The Hon. Wes Fang keeps taking these points of order. There is always a bit of robust exchange in budget estimates. If we are getting some answers, can they be allowed to happen without repeated interjections?

The CHAIR: I missed that barb as well. I do not think the points of order add to the Committee proceedings. Generally this is a fairly erudite Committee. I was at the Transport hearing on Thursday, and it was like a junkyard brawl compared to our more intellectual approach here. We can have a little bit of interchange. I do not think the Minister is reeling from the so-called barbs at this time. We will proceed with questions and answers as best we can, and if there is a little bit of interplay I think we can cope with that along the way.

The Hon. COURTNEY HOUSSOS: Minister, can you guarantee the future of the current TAFE facility operating out of the Tomaree Education Centre?

CORRECTED

Dr GEOFF LEE: I think, with all due respect, Ms Houssos, that to run through every site will simply gain the same answer. We do not have plans to sell it off. We are doing a 20-year infrastructure plan at the moment. We have said why we have had to delay it because of the impacts of COVID and the impacts of what we want to do with TAFE going into the future. TAFE has to be part of that modernisation process of looking after the future of its communities and its learners. Can I say, we can go through every individual site; I do not think that is going to do the Committee any help. You will still get the same answer: there are no plans similar to the ones at Bega Barrack Street campus.

The Hon. COURTNEY HOUSSOS: Yes, but, Minister, I asked you about two specific sites that are exactly the same as Scone where there is an existing TAFE site already delivering courses and now a new CLC being built. That is why I asked you about those two specific sites and you have given us exactly the same answer as last year. But I am going to move on.

Dr GEOFF LEE: Well, that's good. That's consistency, isn't it? If I gave you different answers, then you would be able to say that there was something wrong.

Mr DAVID SHOEBRIDGE: Yes, but in between you decided to sell Scone.

The Hon. COURTNEY HOUSSOS: In between you decided to sell off Scone. I think you have missed the point, Minister. Minister, I would just like to ask you about the real estate TAFE courses that were announced by the Government two weeks ago. Can you just say who is going to pay for those? Will it be up to individual schools—perhaps Mr Scott may want to answer this one—to pay for that or will be up to individual students?

Mr SCOTT: We are still working out the detail of that. I do not anticipate that it will be for individual students. This will be a course that is on offer for students—available course delivered online. The NSW Education Standards Authority [NESA] is currently at work on the development of those courses and will be able to talk to you about those on Wednesday when Mr Paul Martin from NESA is here.

The Hon. COURTNEY HOUSSOS: So will it be at the discretion of the principal?

Mr SCOTT: No, there will be a policy on the funding of that. All that is yet to be announced, but Mr Martin will be in a position to talk about those courses on Wednesday.

The Hon. COURTNEY HOUSSOS: Okay, so including whether it is done in students' own time, whether staffing budgets—

Mr SCOTT: Yes. It is a big investment that is being made to significantly broaden the range of vocational education offering that will be in schools—a range of courses that we believe will be attractive to students. There are questions, of course, that emerge on how that is timetabled and how that is supported at a local level. They are issues we are working through now.

The Hon. COURTNEY HOUSSOS: When will that be announced?

Mr SCOTT: The courses are being developed. We are looking to have them start in term 1 next year, so that is a priority area piece of work for us now.

The Hon. ANTHONY D'ADAM: Minister, can I ask you what the status of the document *A Vision for TAFE NSW*, July 2016, is? Is that still a fair statement of the Government's approach to the reform of TAFE?

Dr GEOFF LEE: 2016?

The Hon. ANTHONY D'ADAM: Yes. *A Vision for TAFE*—a TAFE Commission document from July 2016.

Dr GEOFF LEE: Anything in particular you would like to ask me about that? It was some time ago—five years ago.

The Hon. ANTHONY D'ADAM: No, I just want to know if the document remains a fair statement on the direction that TAFE is—

Dr GEOFF LEE: I will take it on notice and get back to you.

The Hon. ANTHONY D'ADAM: What about the *Strategic Plan 2016-22*? Is that still in operation?

Dr GEOFF LEE: There will be elements that are significant now; there will be elements that are not so significant. I am more than happy to take that on notice.

The Hon. ANTHONY D'ADAM: Okay. Can I ask, you paid \$1.4 million for McKinsey to tell you what the purpose of TAFE is. What did they tell you?

CORRECTED

Dr GEOFF LEE: That is absolutely incorrect. McKinsey did a whole heap of work that we looked at in terms of its future and its accounting and how we have gone through different processes over the years. We needed an independent report to actually show us what was the actual state of play, as best we could identify it in that. It was not what TAFE's purpose is. I think that is fairly clear: It is to provide vocational education training to New South Wales. Can I say, that report, unfortunately—well, fortunately, however you like to say—is commercial-in-confidence.

The Hon. ANTHONY D'ADAM: Commercial-in-confidence?

Dr GEOFF LEE: Cabinet-in-confidence, sorry.

The Hon. ANTHONY D'ADAM: Why is it that you would not be prepared to release that report?

Dr GEOFF LEE: It details a lot of information that—TAFE actually competes in the marketplace against the other 2,000-odd, 3,000 RTOs in the marketplace. By releasing the cost structures of what we actually teach and who we actually teach and the costs that we incur during that teaching would seriously compromise TAFE's ability to keep teaching in a competitive market.

The Hon. ANTHONY D'ADAM: Is TAFE a business?

Dr GEOFF LEE: It depends how you divide—we do cost accounting. It has two interesting roles. It has a community service obligation and it also has the ability to raise its own fees by charging students. So it does various things. It is owned by the government so, if a business can be owned by the government, yes. But, can I say, it does a wonderful job. I think there is one in 10 people identify with Aboriginal heritage, one in 10 people identify as having a disability—

The Hon. ANTHONY D'ADAM: Minister, I think you are drifting at the moment. Can I bring you back to this question about the commercial focus? The reason I asked about the strategic plan is that one of its goals is to make TAFE a contemporary, commercial and sustainable business. If that is the case, why is it that that approach is being taken with TAFE? It is an education provider. We do not take that approach to the school system. We do not say, "NSW Education should be run like a business." Why do we say that TAFE should be run like a business?

Dr GEOFF LEE: I think, firstly, let us be clear: It has a \$1.97 billion budget this year. It is higher than it has ever been before. It is significantly funded by the taxpayer. We must make best use of every single dollar that the taxpayer funds TAFE to do. Can I say about cost accounting, we must make sure that we have the best teachers in front of the classes right throughout New South Wales. But it also has an obligation under its legislation to service rural and remote communities, students with disadvantage, non-English-speaking—so it must do those community service obligations. It is a big organisation with 17,000 staff—

The Hon. ANTHONY D'ADAM: The Audit Office, in its report, has highlighted this as a conflict, haven't they? They suggest that the Government clarify the mandate of TAFE. Are you taking any action to make any legislative changes that would clarify the purpose of TAFE?

Dr GEOFF LEE: Personally, I think the legislation is quite clear. I think we can do both things at the same time. The opportunities to service communities—disadvantaged, social isolation, regional or remote—or industries that need assistance, like child care, aged care, apprentices, trainees and school-based apprenticeships, that clearly cannot pay their own way, I think we must give them the opportunity. But there are other industries where people do get really wonderful jobs and make lots of money and therefore they should bear some of the cost. Rest assured, though, I think you will find that the commitment of this Government—

The Hon. ANTHONY D'ADAM: Can I just explore that a bit further—that question about bearing costs that are borne by varying users of TAFE? As it is a commercially-focused organisation, do you know what each course costs to run?

Dr GEOFF LEE: Certainly, we have an estimate. We are looking at a procedure at the moment that we can more accurately reflect the true cost. The initial costs were done because we have subsidised training. They are fixed price—the contract with Training Services NSW. If Chloe Read, the deputy secretary, would like to talk about it in a second in terms of the true costs and how much we subsidise to give a fixed price into the market. But, rest assured, we have a significant number of fee-free courses that we offer into the market at the moment, like 100,000 fee-free apprentices over four years, 70,000 fee-free trainees. We have just—\$320 million worth of JobTrainer money for various segments and, in fact, there are so many free courses, it would be hard to pay for a course at the moment. We saw the great uptake of the fee-free short courses, and I think TAFE NSW and Steffen Faurby should be congratulated on the 115,000 people who actually enrolled in these fee-free short courses over COVID. It was a fantastic opportunity to let people have a—

CORRECTED

The CHAIR: Thanks, Minister. It is time now for Mr Shoebridge.

Mr DAVID SHOEBRIDGE: People like free TAFE, don't they, Minister?

Dr GEOFF LEE: I think people like free anything.

Mr DAVID SHOEBRIDGE: Yes, so why don't you commit to making TAFE free for the people of New South Wales? You see that there is a need for it. A lot of the people trying to get into TAFE find the fees a major barrier to entry. Why don't you have a strategy to make TAFE free?

Dr GEOFF LEE: I think there is an age-old question about government policy. Where possible we ask people to help contribute to those costs. Where we need to give assistance we give assistance. There has never been a time that we have offered the market as much free training into the market than we have at the moment. As I said, there is \$320 million of JobTrainer money going into the market over the next 18 months.

Mr DAVID SHOEBRIDGE: How much does TAFE spend on managing the fees? How much is actually spent by TAFE on that process of billing—working out the fees, managing the fees, chasing the fees, chasing the debt?

Dr GEOFF LEE: I am happy to take this on notice, unless Steffen has a reliable number.

Mr FAURBY: We will take it on notice.

Dr GEOFF LEE: In general, on this issue, we are in line with other jurisdictions—

Mr DAVID SHOEBRIDGE: You have taken it on notice. If you are taking it on notice a general blurb around it is not helpful, Minister, in the time we have available.

Dr GEOFF LEE: I am just trying to say we are in line with our overhead costs of large public educational institutions.

Mr DAVID SHOEBRIDGE: You seem to say that without any actual evidence. Why do we not get some evidence and then we will look at it then? That would be helpful, do you not think?

Dr GEOFF LEE: I am just trying to help you, that is all.

Mr DAVID SHOEBRIDGE: Yes, but it was not. Can you understand that?

Dr GEOFF LEE: I am sorry. I was just trying to be helpful.

Mr DAVID SHOEBRIDGE: Minister, you know your answers have to be honest here, do you not, about trying to be helpful?

Dr GEOFF LEE: Your questions have to be genuine too, I guess.

Mr DAVID SHOEBRIDGE: Minister, you have got a development application [DA] for the new CLC in Batemans Bay approved. Is that right?

Dr GEOFF LEE: I will check with you for Batemans Bay. Steffen, I was wondering if you have the latest update. We have eight new CLCs underway at the moment. I think that brings us up to 22.

Mr DAVID SHOEBRIDGE: TAFE announced that it got the DA through—it may not be true, but is it true? Did you get the DA through?

Dr GEOFF LEE: That is a slight against TAFE. If they have announced they have got the DA through you would expect them to—

Mr DAVID SHOEBRIDGE: I am asking you if it is true.

Dr GEOFF LEE: If that is what you are reading from, table it. Then I will have a look at it and I will get the answer. One of my colleagues here I am sure will get back to you in the later session today.

Mr DAVID SHOEBRIDGE: Now you have got the DA through for the Batemans Bay CLC, is it your plan as the next stage to close the Moruya TAFE? Is that the next stage of the plan?

Dr GEOFF LEE: There are no plans to close Moruya TAFE.

Mr DAVID SHOEBRIDGE: Is this one of these "no current plans to privatise" answers and then six months later we find it actually up for sale on realestate.com?

CORRECTED

Dr GEOFF LEE: No, there are no plans—and I said that to Ms Houssos. With all due respect, I thought you, after the third time, would understand that there are no plans. We are doing our 20-year strategy. I am not trying to—

Mr DAVID SHOEBRIDGE: But, you see, last year there were no plans to sell the Scone TAFE—

The Hon. SCOTT FARLOW: Point of order: The Minister was trying to complete his answer to Mr David Shoebridge's question. Mr Shoebridge should wait for the Minister to complete before asking his next question.

The CHAIR: I think also it is a fairly standard formulation in public life to say you have got no current plans to do such and such and then the future unfolds. I do not think the Minister's answers are all that unorthodox or unacceptable.

Mr DAVID SHOEBRIDGE: Minister, is this like the answers we got for Scone—there were no current plans to sell Scone TAFE and then six months later it was up on realestate.com? Is it the same guarantee you are giving about Moruya TAFE?

Dr GEOFF LEE: You asked the same question and I am giving you the same answer. I think we have answered it. There are no plans to sell-off the Moruya campus. There are no plans. Over time TAFE changes, and if you kept TAFE exactly the same as 100 years ago we would probably be repairing typewriters at the moment. We actually change things like cybersecurity.

Mr DAVID SHOEBRIDGE: How many of the 678 jobs that TAFE is cutting between now and July are going to be in the regions?

Dr GEOFF LEE: That is another falsehood that you put about the 678 jobs that we are cutting. That is absolutely untrue.

Mr DAVID SHOEBRIDGE: How many jobs are you cutting?

Dr GEOFF LEE: I will ask Steffen Faurby to go into the reductions.

Mr DAVID SHOEBRIDGE: I am asking about the number.

The CHAIR: Order! The Minister has asked the managing director to provide some detail.

Mr FAURBY: If the question is how many jobs are we cutting—

Mr DAVID SHOEBRIDGE: Correct.

Mr FAURBY: —we will be able to confirm the exact number once we have completed the consultation, which is a very important part of the process that we go through, and that consultation takes place as we speak. We are, just for that particular area, having just shy of 60 sessions with staff where we talk them through the proposed structure, and we take that part about the consultation very, very seriously. But to perhaps be more specific about the number that I think you are looking for, we expect the number of people to lose their jobs as a consequence of this to be less than 50.

The Hon. ANTHONY D'ADAM: I think the question was about positions, was it not?

Mr DAVID SHOEBRIDGE: How many positions are going to be cut?

Mr FAURBY: Okay, I will take that question on notice.

Mr DAVID SHOEBRIDGE: How many positions will be cut in the regions and how many positions will be cut in the city?

Mr FAURBY: Let me say again that for us to provide a specific answer to this, as we are absolutely taking the consultation seriously we will not be able to give you a specific number until we have finalised the consultation. The consultation is an important piece—

The Hon. ANTHONY D'ADAM: You could provide the proposal though.

The CHAIR: Order!

Mr FAURBY: Not only is it important because of the fact that it is an obligation under the industrial relations—

The Hon. ANTHONY D'ADAM: It is also important to us.

CORRECTED

The CHAIR: If I can just chip in here. Steffen, with all due respect, a lot of questions have been taken on notice but you have mentioned consultation. There must be a ballpark figure that you are working off. I think there is an obligation here to inform the Committee of your best knowledge of numbers of positions to be cut.

Mr FAURBY: With permission, if I can come back this afternoon with more specific details on that?

Mr DAVID SHOEBRIDGE: And what are the expected budget savings? I assume it is for budget saving you are doing this.

Mr FAURBY: It is first and foremost to follow through on the important role that we have to set TAFE off for its future with the right structure that is needed in order to save the communities and the students. It is worth mentioning that some of these—

Mr DAVID SHOEBRIDGE: No, no, I asked about the budget, what budget savings you are trying to get. If you do not have the answer please just tell me you do not have the answer but you will look for it, if that is the case.

The Hon. SCOTT FARLOW: Which he has done.

Mr DAVID SHOEBRIDGE: We are getting a long diatribe about something else entirely. I am asking about the budget, what the budget savings are you are trying to get.

Mr FAURBY: I was answering your question whether or not savings was the main reason, and my answer is no, it is not.

Mr DAVID SHOEBRIDGE: No, that was not my question. With all due respect, my question was not whether savings were the main reason, my question was what is the expected savings? It is a totally different question, and that is what I am asking for an answer to, Mr Faurby. What are the expected savings? What are you planning to save?

Mr FAURBY: As I suggested, with permission, I will come back this afternoon with more details about the organisational change program and the expected outcomes of that.

Dr GEOFF LEE: And I think it is fair enough to say, if I could just add, Mr Shoebridge—

Mr DAVID SHOEBRIDGE: No, no, please do not. We are going to get the answer after all this. Unless it goes to the cost or the numbers, I do not want just a random blurb from the Minister.

The CHAIR: I know, but the Minister is entitled to add some detail—not a generalisation but some detail.

Dr GEOFF LEE: Thank you, Chair. This is part of the One TAFE strategy, which we are halfway through or two-thirds of the way.

The CHAIR: No, that is a generalisation. If you have got the detail—

Dr GEOFF LEE: What I am saying is that what we are doing is—as we bring the 10 institutions together we are trying to reduce any waste and duplication. We do not have 10 human resources [HR] managers, we do not have 10 chief financial officers [CFOs], we do not have 10 of these, so anything I can do—and this is what we are trying to do—

Mr DAVID SHOEBRIDGE: This is not responsive.

Dr GEOFF LEE: We are trying to reduce back-office staff so that we can have more front people, called teachers.

Mr DAVID SHOEBRIDGE: Mr Faurby, how many additional teachers do you plan to recruit as a result of this round of cuts to positions? I ask about the number.

Mr FAURBY: I do not have a specific number but I certainly have things to say about this that I believe are worth mentioning.

Mr DAVID SHOEBRIDGE: My question is about the number. If you cannot give us a number and you do not have any actual number planned, tell me that.

Mr FAURBY: I do not have a number that I can share with you yet.

Dr GEOFF LEE: Can I just say teachers are based upon demand from student loads. So when you have greater demand—

CORRECTED

Mr DAVID SHOEBRIDGE: So not based on this strategy at all, so we will move on. Minister, why is it that the managing director, Mr Faurby, got a salary of \$575,000 when the normal pay scale for a TAFE managing director is in the range—if you look at the senior executive positions—of between \$345,000 and \$487,000? Why the extra \$100,000-plus for the managing director given TAFE teachers get a fraction of that?

Dr GEOFF LEE: Before I hand it over to Mark Scott to go through the process of remuneration for our senior staff, can I just simply make the point that TAFE's budget of \$1.97 billion has never been higher. Reduction of those back-office staff actually allows us to spend more at the frontline services.

Mr DAVID SHOEBRIDGE: Now if we get an answer to my question, that would be helpful.

Dr GEOFF LEE: The remuneration—I will let Mr Scott go through the government procedure, which is at arms-length from the Minister.

Mr SCOTT: I must say I think we covered this last year. The position was assessed by the remuneration tribunal at the time of Mr Faurby's appointment. Often when a position is to be filled, that assessment will be made. Mr Faurby is paid in accordance with the findings of that remuneration tribunal and the independent assessment that was made at the time.

Mr DAVID SHOEBRIDGE: Just finally—

The CHAIR: Your time is out. You will have to come back in the next rotation, Mr Shoebridge.

The Hon. ANTHONY D'ADAM: What about some latitude, Mr Chair?

The CHAIR: Well, the question was clearly given over time. I will come back to the CUCs. They are very much a community-led success story, certainly assisting massively in helping first-generation and mature-aged students get through to a university education without the dislocation of leaving their country town of origin. Why have they not been mentioned here in this strategy on a page?

Dr GEOFF LEE: That was not an item. As I said, firstly, we wanted to try and simplify it so we could have some actionable results as part of it in terms of the broad macro-scape of higher education and the 10 institutions. The CUCs were never brought up in those deliberations with the vice-chancellors or their staff as being something that should be included in terms of that strategy themselves.

The CHAIR: But it has been a New South Wales Government-funded initiative in part, has it not?

Dr GEOFF LEE: Yes.

The CHAIR: Is this not a major oversight that needs to be corrected?

Dr GEOFF LEE: No, I disagree with you on that. I think our approach—and I will hand over to Mr Scott in a second. I think they provide a valuable role. For instance, in terms of scalability, I think their targets are 45. Some of them have reached—I think Griffith has reached 125 people who use the CUC in a year. We are talking about that in context of a TAFE that has 440,000 students. We are talking about universities, which average, give or take, around 40,000 students. That is millions of students. In terms of scale—and I know your passion for CUCs. We will certainly look at the opportunity to look at how we best support them, if we support them going forward, but that case has to be made. I think the money does not come out of our budget. It actually comes out of the Deputy Premier's.

Mr SCOTT: Simply, Chair, I think there is a certain economy of language that comes with trying to put the strategy on a page. We have got some broad-level desired outcomes. We have got priority areas, desired outcomes and actions. The second priority area, "Ensure wider participation in quality higher education"—there is no doubt that the CUCs are a key part of that work. The second bullet point under "Actions" says:

Develop and expand collaborative programs between education sectors to increase participation of underrepresented regions and equity groups in higher education.

I think clearly the CUCs help deliver that too. If in fact we had more pages for detailed, granular strategies that we are using to deliver on those things, I am sure that CUCs would have had a place. I think it is simply a feature of the design of the one-page strategy that it does not have that level of granular detail. But there is a clear fit between the ambition and remit of CUCs and the priority area of ensuring wider participation in quality higher education.

The CHAIR: With all due respect, is there a recognition of just how restricted this really is? This is not a year 5 project that needs to be placed on a single page in a classroom. It is the New South Wales' Higher Education Strategy and even if you put it just over the page, it would not be using any extra paper. Recognition of the work of the CUCs would be a just and forward-looking acknowledgement of the great potential they hold.

CORRECTED

They have only really just started up, say, compared to universities, which are centuries old. These CUCs are only years old. I just find it almost absurdly limiting to say we can only put these things on one page.

Mr SCOTT: I think, as the Minister said earlier, a decision was made to try and synthesise those conversations with vice-chancellors. It is the first time this has ever been attempted in New South Wales—to simply outline the broad priority areas and directions. It is not a granular, detailed operating plan, nor does it aspire to be that. I think you can see there has been strong support for the CUCs for all the reasons that you have identified: the access and opportunities it is providing for students who would have had to travel hundreds of kilometres to get to opportunities of higher education. We think it is a model that has worked well. That is why more are being planned. That is why there is great enthusiasm in those communities. I think it fits very comfortably with that high-level strategic attendance identified in that plan.

The CHAIR: Minister, one of the dot points reads as follows:

Increase opportunities across government for work-integrated learning for university students.

What does that mean in substance?

Dr GEOFF LEE: Can I just go back quickly to correct what I said? I thought the Deputy Premier funded them in the last round. In fact Training Services has just provided that we funded the \$8 million worth of funding. The other point is the CUCs are not government institutions. Whilst we do part fund them, they are actually funded from the Federal Government and also from universities and a whole heap of other sources. I think this strategy was really reflecting our relationship with universities. Sorry, Mr Chair, I thought I would correct that.

The CHAIR: Yes, the dot point says:

Increase opportunities across government for work-integrated learning for university students.

How is that going to come about?

Dr GEOFF LEE: I think the pedagogy or andragogy of learning can say, "Do we learn best in a classroom with a stage on stage?" Clearly that works for some people but other people work best from a hands-on or a work placement program. For instance, doctors in the university will do their clinical practice and residency in a hospital and they actually get overseen by qualified people to learn those skills and that knowledge, which is best placed as a work-integrated learning model. My own undergraduate degree looked at working six months in a plant nursery to learn about becoming a horticulturalist. Work-integrated learning is how you have both the theory component at universities and how you have the real-life work practice in an industry base.

The CHAIR: Yes, I know what it is. But in this strategy, what is the New South Wales Government going to do specifically to make it occur?

Dr GEOFF LEE: We would love to see opportunities for graduate programs and increasing the number of graduate programs in terms of the VET sector, for instance. I know we are talking about higher ed. So the railways have just taken on I think 80 or 100 new apprentices. It is the first time in a decade that they are actually taking on apprentices. We must work with large industries. I think we have a role to play to broker industry placements for—

The CHAIR: Sure, but what has that got to do with university students?

Dr GEOFF LEE: Because universities are more and more looking at how they teach their students in new and flexible ways and some of those activities—can I learn best by sitting in a classroom or am I best in a university degree going out working with industry? For instance, the Vice Chancellor of the University of Technology Sydney [UTS]—one of Attila's priorities is actually better connecting with industries—he does it very well, I should say—so that students get industry placements. So whatever discipline they are learning, they can get a job in that industry. Perhaps they work for a term there and then do perhaps a major project or some sort of work-integrated learning in terms of producing a better, well-rounded graduate who is able to apply that theory to practice.

The CHAIR: Minister, are you aware of a survey of 1,000 people undertaken by Mainstreet Insights late last year that showed that 77 per cent of people under the age of 25 hold back or restrict their views because of cancel culture and 79 per cent—this is the quote—"struggle to be their authentic self for fear of judgement or exclusion"? In the university and the TAFE sector, do you see this cancel culture/censorship movement as a restriction on creativity? Do we need to do more to foster freedom of speech and expression especially when, with the movement towards identity politics and these restrictions on what people can say and think, they are struggling to be their authentic self? Is this not a tragic commentary on what has happened to young people because of the pale of censorship that comes from the outrage industry and so-called cancel culture?

CORRECTED

Dr GEOFF LEE: I think that was included in the findings of your education committee report, was it not—

The CHAIR: We did have statements about freedom of speech but this is a survey that has come to hand in recent months.

Dr GEOFF LEE: Certainly, we will have the recommendations—

The CHAIR: It is very disturbing, is it not?

Dr GEOFF LEE: Obviously we will have a Government response to your recommendations at the end. In terms of my own personal view and I am trying to be—I think universities need to have those open expressions of interest. When I was at university it was a fantastic opportunity to express what you thought, but I think we need to be respectful. We need abide by the law and we need to make sure that everybody—it is not all right to say anything you feel like you want to say. We have to have a respectful and supportive environment that allows students to debate upon the issues that they think are important. It is sad when people are held back.

The CHAIR: The survey is kind of like the dark ages of feudal restrictions on who you can be and what you can say.

Dr GEOFF LEE: When I went to university—it was probably about the same time that you went there—you had all these weird and wonderful committees.

The CHAIR: We were the golden age compared to what is happening now, there is no doubt.

Dr GEOFF LEE: It was the sixties.

The CHAIR: We lived through some of Australia's best decades and unfortunately young people are not getting them. Are you in dialogue, Minister, with your Federal counterpart about complementary State legislation to the Commonwealth Higher Education Support Amendment (Freedom of Speech) Bill, which is to write into law the Robert French code on free speech on university campuses?

Dr GEOFF LEE: I have not talked to the Minister about that, no.

The CHAIR: Would you be willing to, to foster free speech and guarantee—

Dr GEOFF LEE: I am more than happy to make those considerations. Of course free speech came up in your report. There is a process that we will go through, but I am more than happy to meet with you after this. As you know, I will tell you if I believe it and will not if I do not, to be honest with you.

The CHAIR: Yes, same here. That is all good. We do not waste a lot of time, do we?

Dr GEOFF LEE: No, that is it.

The Hon. ANTHONY D'ADAM: Minister, are you on top of the detail for the restructure and job cuts proposition that Mr Shoebridge was talking about?

Dr GEOFF LEE: In terms of the level of detail?

The Hon. ANTHONY D'ADAM: If I ask you specifics about the number of positions.

Dr GEOFF LEE: If I do not know, I will refer to my colleagues here. There is a whole army of people here. It is generally an operational decision and I am more than happy to share what I can. I just want to be accurate and forthright in it. If we do not have those answers, I am sure Mr Faurby or his colleagues will get back to you.

The Hon. ANTHONY D'ADAM: Are you able to guarantee that there will not be any job losses in the regions arising out of this proposition?

Dr GEOFF LEE: No, that is not correct.

The Hon. ANTHONY D'ADAM: There will be job losses.

Dr GEOFF LEE: We have 17,000 staff and as Mr Faurby said, it may impact 50 or 60 people. I cannot guarantee you that a person in a regional town will not be affected. The Deputy Premier has come out quite strongly in terms of job losses and what is available in the regions and I draw your attention to his statement, which is very specific. But I would say to you that TAFE itself does a fantastic job in terms of senior management staff being decentralised out into the regions—I think 52 per cent.

The Hon. ANTHONY D'ADAM: There is a proposal in this documentation that suggests the location is negotiable, which would suggest that you have actually prioritised protecting jobs in the regions. Are you not prepared to give that guarantee in terms of how the proposal will operate?

CORRECTED

Dr GEOFF LEE: I will let Steffen talk to the detail of the proposal but I would suggest to you that we have to do what makes most sense for the taxpayers' dollar, what makes most sense for our learners and what makes most sense for our communities.

The Hon. ANTHONY D'ADAM: Does that reflect a change in the Government's position in terms of protecting jobs in the regions? Is that now gone?

Dr GEOFF LEE: No, it totally applies. The Deputy Premier has been quite specific. Over COVID, there were no job losses or forced redundancies in the public service. That has recently changed through Cabinet. A position was articulated by the Deputy Premier and we will comply with that Cabinet decision.

The Hon. ANTHONY D'ADAM: So there will be no forced redundancies arising out of this restructure?

Dr GEOFF LEE: No, you did not listen to me. Sorry, that is the wrong way to say it. I was not explaining myself correctly.

The Hon. ANTHONY D'ADAM: I am just clarifying.

Dr GEOFF LEE: During COVID, there were no job losses or forced redundancies in the public service. A month or so ago a decision went through Cabinet. The Deputy Premier has said that you can have job losses, but there are certain conditions that those job losses—

The Hon. ANTHONY D'ADAM: The COVID provisions have come to an end. Is that what you are saying?

Dr GEOFF LEE: Keeping everybody—it was done in the Industrial Relations Commission. We said no increase in public servants' salaries. They came to a different view and set a 0.3 per cent increase and that is why we moved from that position.

The Hon. ANTHONY D'ADAM: So you are saying the pay rise is the reason for the job cuts.

Dr GEOFF LEE: No, you are wrongly characterising it. We are saying that we have brought 10 institutions into one. Where we see waste and duplication, we will try to save that money so we can better direct it into frontline services. What we do is teaching.

The Hon. ANTHONY D'ADAM: I suppose I am just trying to establish the status of the Government's commitment around COVID and job protection. You are indicating that position has changed. The Cabinet has reviewed that position.

Dr GEOFF LEE: I think the Deputy Premier and the Treasurer have been quite forthright in their position and I draw your attention to that. We follow their position.

The Hon. ANTHONY D'ADAM: The restructure is premised on a reduction in positions. Does this restructure have any impact on casual or temporary employees? They are not part of the calculations in terms of the job numbers, are they?

Mr FAURBY: We get a number of questions that relate to the changes. With permission, can I come back when we also have some of the experts with us? Between myself and them we can perhaps provide a lot more detail, if that is okay, Mr D'Adam.

The Hon. ANTHONY D'ADAM: Sure, let us explore that in the afternoon session. Can I come back to my line of questioning around the cost of running courses? I just want to clarify for the record that TAFE is not able to accurately specify whether a particular course runs at a profit or a loss. Is that correct?

Dr GEOFF LEE: Is that question to me?

The Hon. ANTHONY D'ADAM: Yes, that is a question to you, Minister.

Dr GEOFF LEE: It has an estimate. You can calculate by the number of teaching hours, overhead costs and overhead for the business but I could not tell you to the exact dollar what a course costs.

The Hon. ANTHONY D'ADAM: How do you know what is an uneconomical course to run?

Dr GEOFF LEE: You calculate the number of students, the notional revenue and then you add up all of your costs. That tells you how much revenue you have on the other side of the equation.

The Hon. ANTHONY D'ADAM: Presumably at the margins that gets very hard, if you do not know what a course actually costs versus the—

CORRECTED

Dr GEOFF LEE: You can have some estimates. You know how many teachers—so if you have 12 people in a class and one teacher then you know the variable cost of the teacher and the materials that you use. You can then allocate space and overheads and all of the other costs of the organisation.

The Hon. ANTHONY D'ADAM: What is a thin market, Minister?

Dr GEOFF LEE: Markets that are very small, like saw doctoring at Tumut, where you do not have enough students to run a viable course.

The Hon. ANTHONY D'ADAM: They are uneconomical courses that operate in thin markets, are they not?

Dr GEOFF LEE: Uneconomical courses in thin markets. Sometimes other RTOs will not actually enter those markets.

The Hon. ANTHONY D'ADAM: What proportion of TAFE's courses are offered in thin markets?

Dr GEOFF LEE: For that level of detail, I would have to get back to you if we have that.

The Hon. ANTHONY D'ADAM: Can I ask about community service obligation [CSO] funding? How much community service obligation funding has been allocated to TAFE in this budget?

Dr GEOFF LEE: It is part of our overall record of \$1.97 billion.

The Hon. ANTHONY D'ADAM: I understand that it is in the overall figure. How much specifically?

Dr GEOFF LEE: I am happy to get back to you. I do not know if it is commercial in confidence.

Mr SCOTT: We will get a dollar figure for you.

Mr DAVID SHOEBRIDGE: The amount of CSO cannot be commercial in confidence.

Dr GEOFF LEE: We will get a dollar figure for you. I am not trying to be deceptive.

The Hon. ANTHONY D'ADAM: Surely you should know, Minister, given the competitive environment that TAFE is operating in. One of the arguments that has been made is the issue around having to run uneconomical courses. The Audit Office report seems to suggest that is not captured in the CSO funding. I think it is obviously very much in the interests of TAFE and the public to know specifically how much CSO funding is provided to TAFE.

Dr GEOFF LEE: Yes, I am happy to get back to you. I am just making sure. But I think it is important that the CSO funding does service some key equity groups like our Aboriginal students, who are 9 per cent of our enrolments; students with a disability, who are 12 per cent; unemployed people, who are 23 per cent; regional and remote students, who are 34 per cent; and students from a language background other than English, who are 22 per cent of total enrolments.

The Hon. ANTHONY D'ADAM: I understand that, Minister. I have limited time.

Dr GEOFF LEE: I am happy to get back to you. I just do not want to say the wrong number.

The Hon. ANTHONY D'ADAM: Where does the CSO funding come from? I asked Treasury a question on notice about how much CSO funding it had allocated and which organisations it had allocated it to and TAFE is not on the list. I want to know where the CSO funding comes from.

Dr GEOFF LEE: Treasury.

The Hon. ANTHONY D'ADAM: It comes from Treasury.

Dr GEOFF LEE: You would have to ask the Treasurer how they do their budgets, but it is part of our \$1.97 billion.

The Hon. ANTHONY D'ADAM: Is the CSO funding allocated to Education and then disbursed to TAFE? Is that how the system works?

Dr GEOFF LEE: Do you know, David, how the Treasury does its magic?

Mr COLLINS: Part of the Treasury budget goes to the department. There is an amount that is nominated for TAFE NSW as its direct funding and then there is some work between the departments, Finance and TAFE over how that is broken up. That includes what proportion of that is identified as community service obligation funding—which is that funding, as the Minister has said, that is used for additional support within TAFE for Aboriginal students or students with a disability.

CORRECTED

The Hon. ANTHONY D'ADAM: So the CSO funding is conferred on TAFE via the department and is subject to Treasury guidelines around CSO funding. Is that correct?

Dr GEOFF LEE: I will take David's word for it.

Mr COLLINS: Yes.

The Hon. ANTHONY D'ADAM: Is there a service level agreement between TAFE and Education around the CSO funding?

Mr COLLINS: There is a funding deed between the department and TAFE that identifies the direct allocations that go to TAFE. That includes funding for higher level qualifications, further community service obligation funding and other programs. Within that, there is a relationship between TAFE and us as a funder and provider.

The Hon. ANTHONY D'ADAM: Are you able to provide that document to the Committee?

Mr COLLINS: We should be able to.

The Hon. ANTHONY D'ADAM: Does Education fund other competitors to TAFE with CSO funding, Mr Scott?

Mr SCOTT: Mr Collins will have more detail on that. The Smart and Skilled program is fundamentally not covering key areas of the community service obligation.

Mr COLLINS: Under the Smart and Skilled program, funding is made available contestably to TAFE and to private and community providers. There is not within that a direct community service obligation stream; however, there are loadings on qualifications for students with a disability, for Aboriginal students, for regional and remote, so providers who are operating under that, including TAFE, get additional funding related to the context—either the location of the training or the attributes of the student.

The Hon. ANTHONY D'ADAM: So the CSO funding is not exclusively for TAFE, it is provided to education and the bulk of it goes—

Mr COLLINS: No, they are separate—

Mr SCOTT: I think we would almost reverse it and say that we are not going to disadvantage registered training providers that have been, under the process we have, deemed to be appropriate providers. We are not going to deprive them of additional funding that would follow those students; if they were Aboriginal students or students with a disability that funding will follow them. The vast majority of the community service obligation funding will be delivered through TAFE, but there is a mechanism to recognise complexity in the operations of Smart and Skilled.

The Hon. ANTHONY D'ADAM: Does the Minister sign off on those additional allocations?

Dr GEOFF LEE: In terms of the 365 or 360 registered training organisations, yes, I sign off on the budget—

The Hon. ANTHONY D'ADAM: The CSO funding for them?

Mr COLLINS: Can I clarify that we do not identify that as community service obligation funding. The community service obligation funding, as described, is a specific allocation to TAFE related to those things the Government expects TAFE to be doing in providing additional support for certain students. Under the Smart and Skilled model there are loadings on the price that we will pay to providers, recognising that there will be additional costs to them in meeting the needs of Aboriginal students or students with a disability, or delivering training in regional and remote locations.

The Hon. ANTHONY D'ADAM: But you are saying it does not come out of the CSO bucket?

Mr COLLINS: No, it is a separate budget. It is out of the Smart and Skilled budget, which is the contestable funding that is available.

The Hon. ANTHONY D'ADAM: Does that mean that the statement in this vision for TAFE NSW is correct? It says that the New South Wales Government will continue to fund training providers by way of community service obligation funding to ensure continuity of service.

Mr COLLINS: This is the 2016 TAFE document?

The Hon. ANTHONY D'ADAM: Yes.

Mr COLLINS: I am sorry, I do not have that in front of me, so I could not comment.

CORRECTED

The Hon. ANTHONY D'ADAM: Perhaps you could take that on notice just to clarify it.

Mr DAVID SHOEBRIDGE: You say something very similar in last year's annual report too about CSOs.

Mr SCOTT: As I said earlier, I do not think there has ever been an assumption from Government policy at any time, certainly since the establishment of Smart and Skilled and this model, that all Aboriginal students or students with a disability would be trained only by TAFE.

The Hon. ANTHONY D'ADAM: Mr Scott, you misunderstand the line of questioning. I am asking not about the stuff that is being funded through CSO, I am asking with reference to the original line of questioning around the thin markets and the fact that that does not seem to get funded under CSO funding.

Dr GEOFF LEE: I think you are right. I think the Auditor-General has recognised that thin markets in regional and rural New South Wales are serviced by TAFE and CSO funding does not cover—

The Hon. ANTHONY D'ADAM: You are the Minister, you control what CSO funding gets allocated to.

Dr GEOFF LEE: No, it is operational—

The Hon. ANTHONY D'ADAM: Why can you not allocate money to cover thin markets?

Dr GEOFF LEE: No, what I do as Minister is fight for as much money as I can from my dear colleague Dominic Perrottet, and I will continue, and that is why we have a record budget of \$1.97 billion. I will give Training Services as much money as I can and then they will do their negotiations with TAFE for as much money as they can give them and manage that competitive marketplace. The more money, the better we can help our students, but I think we have accepted the two recommendations in terms of what the Auditor came up with and that the funding of rural and remote campuses is not covered under the CSO. They are actually covered under Aboriginal students, people with disability and a whole heap of others, unemployed people and people of non-English speaking background. We must do what we can to maximise the ability of not just TAFE but the other RTOs to service those markets where possible.

The Hon. ANTHONY D'ADAM: Presumably in the service level agreement there are specifics around reporting obligations on CSO expenditure. That is an area that was criticised by the Auditor-General in the recent report. Why have you not specified more stringent requirements in terms of the reporting on CSO expenditure? This is something that has been a goal of TAFE at least since this 2016 strategic plan was adopted. It says "establish a more effective model to allocate, monitor and report impact of community service obligation funding", yet four years later there is still no action and it takes the Auditor-General to make a recommendation that you need to improve your game on that.

Dr GEOFF LEE: No, I think—and I will let Mr Faurby talk about it in a second—we have accepted those recommendations. Can I say that the process of joining together those 10 institutions in one, which is quite a complicated process across the State with 400,000-odd students, 17,000 staff and 130 campuses, to actually bring those together, requires significant work in the background to make sure that we have one record system, a system that is live at the time. It is like flying an airplane and rebuilding it at the same time. It is a significant process and a significant change management process. We are the largest public provider of VET education in Australia. One of the charges that I have asked of Mr Faurby and his team is to look at is how we actually measure that CSO funding and how we accurately capture that CSO funding because, in a sense, it is a big monster. It is like a big container ship that you are turning around slowly. We have every opportunity. As we bring together the organisations and make them more streamlined, we are able to capture those costs and manage better.

The Hon. COURTNEY HOUSSOS: We might come back to that this afternoon. Minister, are you aware of the \$10 million upgrade to Young TAFE that opened in 2018?

Dr GEOFF LEE: That was before my time, I am sorry.

The Hon. COURTNEY HOUSSOS: I have some documents that I am happy to provide, and I have copies for the Minister and for the Chair. It was to provide state of the art hair and beauty facilities.

Dr GEOFF LEE: I think you are aware that that was before I was Minister.

The Hon. COURTNEY HOUSSOS: I have a newspaper article from that time showing the \$10 million upgrade, and I quote directly from the article:

It includes a fully equipped hair and beauty salon and a range of cut equipment.

The CHAIR: It looks like Steph Cooke. Is that Steph Cooke?

CORRECTED

The Hon. COURTNEY HOUSSOS: That is right.

The CHAIR: They have done a good job there, have they not?

The Hon. COURTNEY HOUSSOS: She had a makeover.

Dr GEOFF LEE: She gets lots of money, Mr Chair.

The Hon. WES FANG: All The Nationals members do, Minister.

The Hon. COURTNEY HOUSSOS: Minister, are you aware that hairdressing is not currently offered at Young?

Dr GEOFF LEE: I am not aware of that operation level.

The Hon. COURTNEY HOUSSOS: This is years after a multimillion dollar upgrade and students have to travel a four-hour round trip to Wagga Wagga if they want to study hairdressing, yet they are expected to be working full-time to do their apprenticeship.

Dr GEOFF LEE: Let me say I am happy to take on notice any specific instance, like Young, when you bring it up, but the decision to offer courses is an operational decision based upon the demand from students—whether we can run classes, do we have the teaching expertise and do we have the facilities. I am happy to take it, but it is an operational decision and I do not tend to be involved in any of those. Do we run at Baulkham Hills TAFE certificate IV in marketing? I do not know, to be honest. I rely on the expertise about the TAFE to look at what courses should be run to suit local communities, local students and local industry. I am more than happy, Mr Faurby, if you have any information and would like to get back to the Committee about Young hair and beauty.

The Hon. COURTNEY HOUSSOS: I am happy for you to take that on notice, my time is about to run out. There is a \$10 million upgrade of the TAFE specifically to provide these facilities and yet years later they are not providing them.

Dr GEOFF LEE: I am happy to take it on notice. I do not know. I mean we run 1,200 different courses. There are 17,000 staff—

The Hon. COURTNEY HOUSSOS: Yes, but you spent \$10 million on an upgrade and you are offering currently only a certificate III in beauty services. You are not doing a certificate III in nail technology—

The Hon. WES FANG: Point of order—

The Hon. COURTNEY HOUSSOS: You are not doing a certificate IV in beauty therapy and you are not doing a diploma of beauty therapy in these brand new facilities.

The Hon. WES FANG: Point of order—

Dr GEOFF LEE: As I said, they are operational decisions made on what is available. They could be available this semester, they could be available next semester or the semester after that. Courses change from time to time based upon demand.

The Hon. WES FANG: I was just going to say that the Minister had taken the question on notice.

Mr DAVID SHOEBRIDGE: But he had not; he was answering it.

The CHAIR: Yes, he added something, so that is good. Next question, please.

The Hon. COURTNEY HOUSSOS: Minister, can you rule out selling off the Young TAFE facilities?

Dr GEOFF LEE: As I said to you, there are no plans for divestment of the Young campus. I will say it again: Every time you ask me about a different campus—we can go through it 130 different times—I am sure it will get boring, but I am more than happy to do that for you.

Mr DAVID SHOEBRIDGE: If you just said, "Just like Scone", as a qualifier, it would be really useful.

The Hon. COURTNEY HOUSSOS: Just to be clear, that is exactly the same answer that you provided last year about Scone TAFE and yet it was put up for sale 10 months later.

Dr GEOFF LEE: Things change over time.

The Hon. COURTNEY HOUSSOS: What things?

Dr GEOFF LEE: Well, patterns of where people want training. Industries change, populations change. TAFE has a long, proud, over 100-year history. It is ridiculous—and I have said this in the Chamber—to think we are going to keep exactly the same footprint that we had 100 years ago as we do today.

CORRECTED

The Hon. COURTNEY HOUSSOS: Is it actually your evidence that the Scone TAFE facility is not appropriate for industry use?

Dr GEOFF LEE: What I am saying is I have been advised—

The Hon. COURTNEY HOUSSOS: That it is not relevant for local industry.

The Hon. WES FANG: Point of order—

The CHAIR: Time has expired. The Minister will answer and then we will move to Mr Shoebridge.

Dr GEOFF LEE: —that the recommendation came from TAFE NSW to say it is better to recycle the assets to invest them in other teaching facilities.

Mr DAVID SHOEBRIDGE: Minister, are you aware of the recommendation from this Committee to rein in the disparity between vice-chancellor salaries and the salaries of the people who provide the teaching and the research at universities?

Dr GEOFF LEE: Again, I think that is covered in your committee's eminent report. I commend the chair of that for penning most of it, as I understand, personally.

The CHAIR: No, that was the schools one.

The Hon. COURTNEY HOUSSOS: Not this one.

The Hon. SCOTT FARLOW: Not this one.

Dr GEOFF LEE: The schools one?

The CHAIR: We want to congratulate our secretariat and the collective effort of—

Dr GEOFF LEE: No more sycophantic—

Mr DAVID SHOEBRIDGE: Yes, perhaps if you could address the question rather than make sycophantic smirks to the Chair that are ill-informed, that would be helpful.

The CHAIR: Come on. Hang on.

Dr GEOFF LEE: That is not very nice. That was my best effort, that sycophantic behaviour.

The Hon. COURTNEY HOUSSOS: Seriously, that is your best effort?

Mr DAVID SHOEBRIDGE: It was one of your consistent efforts, that sycophantic behaviour, I accept that, Minister. Are you aware of the recommendations?

The Hon. SCOTT FARLOW: He will ask for the cookbook to be signed next.

The CHAIR: You could learn a bit there, David, about praising me.

The Hon. WES FANG: He knows, don't worry.

Dr GEOFF LEE: To address what? In the general sense I am aware of the concern about vice-chancellor salaries. Can I say there is a public interest in vice-chancellors' salaries, but I assure you that the requirements for the annual reports are set out by the Annual Reports (Statutory Bodies) Act, which legislates responsibilities of the New South Wales Treasurer. As with other recommendations that concern reporting, I will be working with my colleagues in Cabinet on the New South Wales Government's response. Can I say, though, that the vice-chancellors' salaries are a matter for their boards. Now on the boards, people like Peter Shergold run these boards and chair these boards and make their decisions. They are autonomous institutions that determine the salaries, not only of vice-chancellors but of other professionals and other staff who work for them. It is up to those people in general to look at that, but we are more than happy to consider any recommendations.

Mr DAVID SHOEBRIDGE: Minister, are you aware that the average pay for a vice-chancellor in Australia—and it is higher in New South Wales—is \$985,000 per annum, whereas the average pay in the US is \$670,000 and in the UK it is \$635,000? Are you aware of the disparity?

Dr GEOFF LEE: I am not sure of the other countries in terms of those numbers, but I take your word on what you are saying.

Mr DAVID SHOEBRIDGE: Are you aware, for example, that Michael Spence went from having a salary of \$1.6 million at the University of Sydney and then, following a competitive, global recruitment phase for UCL university—what used to be the University College London—he moved to University College London and got a more than 50 per cent pay cut and is being paid "only" \$659,000?

CORRECTED

Dr GEOFF LEE: Mr Shoebridge, I will take your word on his individual salary. I think Michael Spence is a capable individual who led the University of Sydney over 10 years. Can I say that they offer worldwide selection—

Mr DAVID SHOEBRIDGE: Yes.

Dr GEOFF LEE: —and that they are competitive in the marketplace. If you use the US as an example, I know as an academic, for instance, that when I was a senior lecturer our salaries were around \$90,000. The comparable salary as a professor in the US was around \$60,000, but the US allows you to do different things. Typically as an academic in Australia you are not allowed to keep any consulting income.

Mr DAVID SHOEBRIDGE: Minister, I am asking about vice-chancellors, not academics. You know they are different roles, don't you?

Dr GEOFF LEE: Yes, I do.

Mr DAVID SHOEBRIDGE: So why don't we keep focused on this point?

Dr GEOFF LEE: I am saying the systems are different. You cannot just say, "This is one and this is the other." What I am saying is that there are differences in how they are structured and in remuneration.

Mr DAVID SHOEBRIDGE: Minister, do you think that it passes the pub test for somebody to be paid \$1.6 million to do a job at the University of Sydney and then accept that they get paid \$659,000 to do exactly the same job at what some people would consider at least a comparably prestigious—some would say more prestigious—university in the UK? Do you reckon it passes the pub test that we are paying \$1.6 million here and they are paying \$659,000 in the UK?

Dr GEOFF LEE: I cannot comment about—I would suggest to you that vice-chancellors are internationally recruited based upon their merit and the boards pay what they can get away with paying. If they could pay them less, I am sure they would pay them less.

Mr DAVID SHOEBRIDGE: They do pay them less in the UK. They have an international recruitment and they get the same bloke, who we pay \$1.6 million for, for \$659,000. Something is going horribly wrong with the gouging of VC salaries in Australia and you are not going to do anything about it. Is that what you are telling me?

Dr GEOFF LEE: No. What I am saying is that that is up to their own boards to determine the appropriate level of salary that they choose to spend.

Mr DAVID SHOEBRIDGE: It is not appropriate, is it, for somebody to be paid \$1.6 million at a public university—probably the highest anywhere in the globe—under your watch and you do nothing about it? It is not appropriate.

Dr GEOFF LEE: That is untrue. We work very closely with our universities. In fact, there has never been a time that the State Government has worked more closely with our vice-chancellors and our universities.

Mr DAVID SHOEBRIDGE: Tell me when you have ever raised the issue?

The Hon. SCOTT FARLOW: We heard that in the inquiry as well.

Mr DAVID SHOEBRIDGE: Tell me when you have ever once raised the issue about the obscene salaries being paid to vice-chancellors?

Dr GEOFF LEE: I can state here that this is an important issue for you and our Chair, but I say they are autonomous institutions that determine the level of salary.

Mr DAVID SHOEBRIDGE: Yes, but if you would answer my question: When have you ever once raised with the universities the obscene salaries paid to vice-chancellors?

Dr GEOFF LEE: I refer you back to my answer.

Mr DAVID SHOEBRIDGE: So the answer is never?

The CHAIR: Minister, you need to answer the question directly.

Dr GEOFF LEE: I have not raised it directly with them.

Mr DAVID SHOEBRIDGE: Have you raised it indirectly with them?

Dr GEOFF LEE: Not in a conversation like that.

Mr DAVID SHOEBRIDGE: Well, in a conversation like what?

CORRECTED

Dr GEOFF LEE: Well, I have not raised it.

Mr DAVID SHOEBRIDGE: See, that would have been so much quicker if you had just said that straight up. Instead you have wriggled and squirmed. Do you accept that it is easier if you just answer the questions frankly and honestly and straight up?

Dr GEOFF LEE: I am trying to do my best, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: You have never raised it ever?

Dr GEOFF LEE: I am trying to be full and forthright. You asked me for my opinion. You asked me for my view of the disparity of wages—

Mr DAVID SHOEBRIDGE: No, I asked you if you had ever raised it.

The CHAIR: Order! Mr Shoebridge, you have got an answer.

The Hon. WES FANG: Point of order—

Mr DAVID SHOEBRIDGE: I ask you if you had ever raised it and you wriggled and squirmed like "pin the tail on the jellyfish".

The Hon. WES FANG: Point of order—

The CHAIR: Mr Shoebridge, you have your answer, but we are not going to deteriorate to some of those ruffian committees where you get to harangue the Minister beyond any reasonable civility. You have your answer. Move on to your next question, please.

Mr DAVID SHOEBRIDGE: Minister, do you know how many students at TAFE in 2020 sought to have credit for their previous study at an RTO and were denied credit because the RTO was simply not able to even provide a learning transcript?

Dr GEOFF LEE: I will take that on notice unless someone from TAFE has that level of detail.

Mr DAVID SHOEBRIDGE: Has it ever been raised with you, this quite ongoing, systemic problem that a bunch of students—hundreds, potentially thousands—have faced? They cannot get credit because the previous RTO just does not have the records. Are you aware of this as a problem?

Dr GEOFF LEE: There have been a few letters that have come to me in terms of credit transfer or recognition of prior learning or whatever we call it.

Mr DAVID SHOEBRIDGE: Have you done anything about it?

Dr GEOFF LEE: Can I say that the national system—the Australian Skills Quality Authority [ASQA] regulates the RTOs themselves and that they are supposed to keep proper record-keeping activities.

Mr DAVID SHOEBRIDGE: Yes, that is what they are meant to do, but they do not. What have you done about it?

Dr GEOFF LEE: We certainly work with 360—I will let Mr Collins—

Mr DAVID SHOEBRIDGE: No, Minister. You said you have a couple of letters. I am asking you what you did about it. If the answer is "nothing", let us get there quickly rather than wriggle and squirm again.

The CHAIR: Order!

Dr GEOFF LEE: Can I say that we work with them. We can only manage the ones that we are actually funding, which are the 360—

Mr DAVID SHOEBRIDGE: What have you done, Minister?

Dr GEOFF LEE: —and we make sure that they keep proper records.

Mr DAVID SHOEBRIDGE: What have you done, Minister?

Dr GEOFF LEE: I will ask Mr Collins to go through—

Mr DAVID SHOEBRIDGE: No, my question is what the Minister has done—

The Hon. SCOTT FARLOW: Point of order—

Mr DAVID SHOEBRIDGE: —not what Mr Collins has done.

CORRECTED

The CHAIR: The question is what the Minister has done. If the answer is that the actions have been taken by staff, you can refer to the official.

Dr GEOFF LEE: Mr Shoebridge, we work very closely with Training Services NSW—working on making sure that their compliance, contractual obligations and their oversight over those 360-odd RTOs that we fund are done properly. Unfortunately, if there are RTOs out there in the market that we do not control that do naughty things, which happens from time to time, there is little that we as a State can do. But I will ask Mr Collins to talk about that regulatory framework.

Mr DAVID SHOEBRIDGE: With all due respect, Mr Chair, we have a limited amount of time and Mr Collins can address this afterwards.

The CHAIR: You have a minute left. Do you want to come back to Mr Collins after lunch?

Mr DAVID SHOEBRIDGE: Indeed.

The CHAIR: Thank you.

Mr DAVID SHOEBRIDGE: Minister, do you know how many students at TAFE in 2020 sought credit for their previous study at an RTO and were denied credit because the organisation was not even appropriately qualified?

Dr GEOFF LEE: I will take that on notice.

Mr DAVID SHOEBRIDGE: Has anyone raised that with you in letters?

Dr GEOFF LEE: I cannot specifically remember that being raised as a systemic issue.

Mr DAVID SHOEBRIDGE: Do you know how much public funding for vocational education was given to private providers as part of the post-bushfires free courses?

Dr GEOFF LEE: Sorry? Just repeat that.

Mr DAVID SHOEBRIDGE: How much money was given to private providers as part of the post-bushfire free courses that were offered?

Dr GEOFF LEE: I will take it on notice—unless you have the detail at hand, Chloe Read or David Collins? There were a significant number of bushfire recovery courses that we did. They were very effective.

Mr DAVID SHOEBRIDGE: Alright. Well, you have taken it on notice. You have come to budget estimates—

Dr GEOFF LEE: So, 2,300 people actually did bushfire recovery courses.

Mr DAVID SHOEBRIDGE: How many were private?

Dr GEOFF LEE: I will take it on notice—the split. TAFE did some. Whoever was best placed in the regions—

Mr DAVID SHOEBRIDGE: How many additional free TAFE courses have been delivered since March 2019 as a result of the bushfires courses? How many were free?

Dr GEOFF LEE: I will take it on notice, but I know there were 2,300 students. In terms of the courses, I am more than happy to provide the courses that they actually did.

Mr DAVID SHOEBRIDGE: You will do it on notice?

Dr GEOFF LEE: Yes.

Mr DAVID SHOEBRIDGE: How many enrolments have been accepted to date for the 70,000 new fee-free courses for young jobseekers taking on traineeships?

Mr SCOTT: We can come back to that this afternoon.

Dr GEOFF LEE: Yes. Can we get back to you about that? Traineeships—I will just have a look at my ready reckoner.

Mr DAVID SHOEBRIDGE: Does it have a number?

Dr GEOFF LEE: We did 200. I am advised that by the end of December 2020 TAFE NSW had offered in excess of 200 courses specifically targeted to bushfire-impacted communities. There were over 2,600 learners

CORRECTED

who engaged in these courses since March 2020 in areas like first aid, chainsaw operations, construction induction white cards and forklifts.

Mr DAVID SHOEBRIDGE: So, 2,600 of the 70,000?

Dr GEOFF LEE: No, no. That is wrong. You are confusing—

The CHAIR: Time has expired.

Mr COLLINS: Minister, would you mind if I jump in? Just on the 70,000 traineeships—to date, there is 18,752 of those fee waivers that have been taken up.

Mr DAVID SHOEBRIDGE: Thanks, Mr Collins—18,752.

The CHAIR: Thank you. To the Minister or to Steffen, what is the internal operational policy at TAFE for the handling of complaints of sexual assault or sexual harassment either by staff or students?

Dr GEOFF LEE: I will ask Mr Faurby.

Mr FAURBY: That is an area that we, for obvious reasons, take very seriously. If there is any such matter raised with us, we have a policy in place that defines the ways in which we do that. I do not have the policy with me here, but it is an area that we take very, very seriously.

The CHAIR: What is the core of the policy? Is it to refer these matters to the New South Wales criminal justice system and, in the first instance, the police?

Mr FAURBY: With permission, I am happy to try to see if I can get a specific answer on that today, so that we can come back this afternoon—

The CHAIR: Right, but TAFE does not have any what we call kangaroo courts—internal tribunals—that assess these things in an ad hoc way without the normal rules of natural justice?

Mr FAURBY: The vast majority of matters that are brought to our attention that have the nature of—for instance, harassment, bullying or things of that matter will be referred to an independent external consultant for review so that we ensure that we have a very robust, arms-length view on this, so that, of course, we first and foremost put the individual or individuals at the centre of what we do. We have those matters dealt with and worked on by external experts in that space.

The CHAIR: In New South Wales aren't the best external experts the police, if it is a matter of a complaint where the suggestion is that the law has been broken?

Mr FAURBY: Most certainly. If we are talking about matters that—every such case is different and individual. I would say, rather than trying to comment on exactly how we go about this, I think it is perhaps more appropriate if I can come back this afternoon with more detail.

The CHAIR: You will come back this afternoon with the policy and an outline of how it is handled?

Mr FAURBY: Yes, if that is okay.

The CHAIR: Spinning out of that—to the Minister, given that the New South Wales Parliament provides the enabling legislation for universities, is the Government worried about the proliferation of these kangaroo courts at universities where the tribunals there do not have normal rules of evidence, legal representation and natural justice?

Dr GEOFF LEE: Can I first say that we are always concerned that our universities and our places of learning, including TAFE, provide a safe environment for our students and staff. Our priority was always to make sure that we do the right thing by the individuals. Can I say that that is a recommendation in your Committee's report and we will have an answer in terms of a Government position on that as the processes go along. Before June, I think, we are due for coming back to you guys.

The CHAIR: That is right, yes. Okay, thank you. Could I ask about the TAFE commitment at the aerotropolis? What stage is it at, what is the location and what is involved?

Dr GEOFF LEE: Can I say that TAFE is currently negotiating on working with Stuart Ayres, who has the remit to look after the educational precinct along with the multiversity. So, we continue to provide input into that process.

The CHAIR: What is the location of that facility, who is going to be in charge of it and when will it be built?

Dr GEOFF LEE: I do not think they have finalised those details, Mr Chair.

CORRECTED

The CHAIR: Right. Is the TAFE involved in any land swap arrangement or proposal with the so-called Sydney Science Park at Luddenham, where they will give up their land for the metro station that has been identified? Very fortuitous for them.

Dr GEOFF LEE: Not to my knowledge. Our commitment coming up to election was for an \$80 million new facility. It went to an expression of interest. Mr Faurby will come in and—

The CHAIR: Is it part of the Sydney Science Park?

Dr GEOFF LEE: No, no. We actually looked at where it was able to be delivered in an appropriate and cost-effective manner. We are actually building that adjacent to Western Sydney University on TAFE land at the Kingswood campus. That will offer state-of-the-art, advanced construction materials for students in that western Sydney area. The next stage is the airport. It is opening in 2026. I envisage that there will be something in terms of a footprint between—as the centre of not just education, but a centre or a precinct with industry. I think what they want to do is say, "These are the industries. This is what educational components should service these industries." And so, that has not been finalised yet.

The CHAIR: Right. There is a co-location with Western Sydney University at Kingswood—

Dr GEOFF LEE: Yes.

The CHAIR: —and it will be a spin-off facility from that, will it, within the actual aerotropolis boundaries?

Dr GEOFF LEE: I think there will be a new facility at the aerotropolis, looking at a new model to how you deliver it with the multiversity. I think the multiversity has some work to do in terms of what it is actually delivering and who provides very basic things. Who actually teaches? Who actually gets the money? Who actually puts their name on the testamur with four different universities: Western Sydney, Wollongong, New South Wales and Newcastle? I think that is right.

Mr FAURBY: Yes, that is right.

Dr GEOFF LEE: How they actually co-locate together—I think the biggest piece of the puzzle is which industry is actually going to build it. I guess my only hesitancy is to say that you do not want to build the new TAFE facility in the middle of nowhere with no students. You actually want to do it concurrently with industries that develop, whether it is those industries like GE Additive or those other industries that they want to build for advanced manufacturing. We should actually follow their lead.

The CHAIR: The Government has promoted this as a brave new world of training provision at the aerotropolis, but it sounds like it is still very much at the formative, preliminary stage of working out what that means on the ground within the boundaries of the aerotropolis.

Dr GEOFF LEE: So what our part of it is—Minister Ayres has lead agency on the establishment of it. Our part is to supply the necessary educational opportunities for those students and what we can invest. I think it has to be led by industry, to be quite frank with you. You need the industry to determine what sort of training you need first, rather than us holding up our hand and going, "Here are some courses." Well, that is not going to work. We want to have the location of industry and then we—

The CHAIR: Yes, sure. But just to get the process right, it is not TAFE that is in the driver's seat here. It is the Western Parkland City Authority—

Dr GEOFF LEE: That is right, yes.

The CHAIR: —that will put out specifications. And then, will TAFE tender for that along with RTOs?

Dr GEOFF LEE: I would imagine they would put together—

The CHAIR: So, it is not even at the tender specification stage as yet?

Dr GEOFF LEE: No.

The CHAIR: Right. So, you are really in their hands for what they do?

Dr GEOFF LEE: Yes.

The CHAIR: So, it is possible that this facility could be at the Sydney Science Park at Luddenham?

Dr GEOFF LEE: That is up to them to decide the location. I think they have got lots of factors. They have to get utilities there. Where are the industries going to be? What transport? Sydney Science Park is a wonderful park. I think the Catholics are doing a wonderful job there.

CORRECTED

The CHAIR: Yes. We love parkland in western Sydney. But given that the education expertise is at the front table there, Mr Scott, should Education not be having a fair say about how this all unfolds?

Mr SCOTT: I think we are, Chair. We have had numbers of meetings with Jennifer Westacott and her committee, who are involved in that. Minister Ayres has been involved in those meetings as well. I think there is great excitement as to the opportunities that could exist around the aerotropolis. But, as the Minister said, we are just waiting for some clearer signalling from them, particularly around the best location. You do not want the education facility to be ahead of the rest of the development; it needs to come at the same time as the rest of the development. So, we are closely at work with them. I anticipate TAFE and the universities to be working closely side by side on the delivery of this. I think it creates new opportunities for new models that could emerge in delivery. Certainly the signalling that we are getting is that some of the industries that are coming are going to want to be active participants in the training as well, not just assured that it is taking place. The opportunity for work-based training—accredited—provides a great opportunity at the aerotropolis.

The CHAIR: Similar to the German polytechnic type of—

Mr SCOTT: Yes.

The CHAIR: That is one option.

Mr SCOTT: I just think that the industries that are coming are going to want to be involved and be strong participants in it. That creates a great opportunity and I think that is one of the reasons why the vice-chancellors are enthusiastic about it and TAFE are enthusiastic about it as well.

Dr GEOFF LEE: I think the key is having industry, research and education be involved in the same precinct, like Sheffield, to actually leverage off each other. Quite often the best worksites to learn off are actually industry-based worksites, where they have the latest equipment and the latest technologies. We can form partnerships to actually teach in premises that are not owned by the Government.

The CHAIR: Well, it being 12.30 p.m., that is our session. I thank the Minister and the other witnesses very much. We will come back after lunch. Geoff, we will see you—and all your compliments for me—next time. Thank you very much.

Dr GEOFF LEE: Thank you, Chair. Thank you, Committee.

(The Minister withdrew.)

(Luncheon adjournment)

The CHAIR: I reopen the meeting after the luncheon adjournment and throw to questions from the Opposition.

The Hon. ANTHONY D'ADAM: Mr Faurby, I come back to the issue around the restructure. I think you were perhaps coming back with some more information in relation to my question about casuals and temporary positions. Perhaps I might just open and ask if you have any further information based on the questions that you took earlier.

Mr FAURBY: There were a few things asked, which we would be happy to elaborate on here, that relate to the expected consequence when it comes to job losses, but there was also a specific question as to whether or not casual employees were in or outside the numbers that we discussed.

The Hon. ANTHONY D'ADAM: Casual and temporary, yes.

Mr FAURBY: There might be other points as well, which we would be happy to elaborate on now that we have more time to go into this. I am joined by my colleagues, including Ms Tickle, who is the Acting Chief People and Culture Officer, who can assist me and help me if we get to the point of further diving into some of the details if that is okay.

The Hon. ANTHONY D'ADAM: Sure.

Mr FAURBY: To start where you started, which was the question around whether or not casuals and temporary employees were in those numbers—I think that was the question.

The Hon. ANTHONY D'ADAM: Yes. I understand the numbers that have been provided are for permanent positions.

Mr FAURBY: Yes.

The Hon. ANTHONY D'ADAM: So they do not reflect the impact of the restructuring on casual or temporary employees.

CORRECTED

Mr FAURBY: No. I will comment on that, and then I will invite Ms Tickle to add details if that is desired. An organisation like TAFE NSW will always rely upon a number of people who are casual or temporary because the nature of our work from time to time does fluctuate over seasons. An example is around enrolments, where there is an extra work pressure against the whole call centre set-up and the way to respond to questions that students and potential students might have, as an example. For that reason, we would certainly like to continue to have the opportunity to employ people on a casual basis. Specifically to the numbers that were discussed earlier today, those numbers are for employees off TAFE NSW as opposed to casual workers.

The Hon. ANTHONY D'ADAM: I understand that. My question is: Are there other casual or temporary employees who are affected by this restructure, and how many of them are there?

Mr FAURBY: There answer is: There will be. We cannot give you an exact number for this for the very reason I was trying to explain before: namely, that the need for people in those roles will fluctuate every day or at least very regularly. There are times during the year when we have low need for casual and temporary workers or employees. There are times when we have very strong, high demand for that. Therefore, there is no fixed number on how many people we will employ in roles that are not permanent. So it depends on what time of the year you ask that question.

The Hon. ANTHONY D'ADAM: You must have some idea in terms of the impact—it is a point-in-time proposal with an assessment of the number of employees in TAFE in these relevant business units. You know how many employees there are. You know how many are casual, how many are temporary and how many are permanent. You have done an assessment based on the impact on unique employees affected. They are only permanent employees that you are talking about. You must have some idea when you did this assessment how many temporary or casual employees—Ms Tickle is nodding, so I assume she has some information about those specifics.

Ms TICKLE: Yes, sure. Just to clarify, there are two types of employment and then, within those types, several categories. First of all, we have TAFE employees. TAFE employees are made up of permanent, temporary and casual employees, and all of those types of employees are impacted in both the changes that are currently underway. Then we have contingent labour, so those people are not TAFE employees. By our definition they are people who are brought on to do the peaks and troughs that are required. So, we have contingent labour and TAFE employees. If your question is: How many of the people—and just to be clear, the tables that I believe you are referring to are position tables. They are not people tables. We have really got to make that distinction very clear because, unfortunately, the numbers that have been shared in the media are incorrect in terms of job losses because those are positions. They are not unique people in those positions.

The Hon. ANTHONY D'ADAM: I will take up that particular point. Yes, there are positions. They are positions that are on the establishment. At some stage they were occupied by someone. They may have been vacated, and now you are deleting those positions. Is that a fair assessment of what is going on?

Ms TICKLE: Yes, definitely. In fact, some of them have not been occupied for years and years because facilities management and logistics, and student services—both of those branches have been awaiting change for some time. In some cases those positions have not been used for 10 years. As part of modernising One TAFE, we are removing duplication, and in both of those areas there is a number of previous positions that were done which are not done anymore. One example I can share with you is, I was looking at some position descriptions last week in student services and there is a position description there from 1997 quoting tasks such as printing of textbooks, which we do not do, manning a reception desk, and referencing old systems like Austudy and ABSTUDY that we do not have. Some of those positions have been sitting in the TAFE establishment in our SAP system for a long time. Always, when we share these documents, we are transparent. It is part of our requirements under the enterprise agreement to be very transparent, consult with the unions and our employees. We always share the positions, whether they have people in them or not. A number of these positions do not have people in them and have not had for some time.

The Hon. ANTHONY D'ADAM: Has there been a budget for those positions, though?

Ms TICKLE: Not if there are no people in them. Sometimes we might have—there are three reasons, and I think this is an important point to make, so if you just allow me a few moments. There are three main reasons why a position would be on our establishment as a position and not have a person in it. The first one is the one I have been basically referring to, which is it is an old position, it is a legacy position, so quite antiquated, that we do not use and have not used for a long time. The second reason is: We have a number of people who are acting in different roles, and they still hold their old role in our establishment. You could have one unique person who actually, in the system, has two position numbers if that makes sense.

CORRECTED

The Hon. ANTHONY D'ADAM: So they have not been backfilled. That is the explanation for why that position might—they have gone, taken higher duties somewhere else and they have not been backfilled, and so that position has sat vacant on the establishment?

Ms TICKLE: Yes, sometimes they have not been backfilled; other times, the work has changed. Because we are modernising and we have got some branches that have gone through change and other branches that have not the work is done differently. A good example of this is our TAFE services coordinator positions that you talked about last year at this time in budget estimates. Those new positions do tasks that in the old structure used to be done by the facilities people that are in this change. So they did not need to be backfilled because that work is done by somebody else now. So it is a range of things. It is a really broad range of things.

The Hon. ANTHONY D'ADAM: Why aren't those positions routinely just cleaned up in the establishment? If they are redundant—if they are not there, if there is no occupant—there is no cost in deleting them from the establishment. Why would you need a restructure to get rid of those?

Ms TICKLE: We do routinely clean up the establishment but we also take the time when we do organisational change to completely redo the position descriptions. They are all redesigned and they are all done to reflect contemporary work and tasks that are done by the new proposed structure. May I also make the point—and I do think this is important—that we are in consultation. So when we are asking for numbers around employee impacts, it really depends on what comes out in consultation. In the first week of consultation we have already received 173, I think, pieces of feedback around this proposal, and we will expect to see a lot more of that. So things can change. I think that is important to have on record, as well.

The Hon. COURTNEY HOUSSOS: Ms Tickle, are you able to provide us, on notice, with a breakdown of the 700 positions—how many of those were no longer required because you considered their duties not relevant and then whatever the other two categories were? If you can just provide us with a breakdown of those.

Ms TICKLE: Yes, so the other two categories—the higher duties in positions have not been used for years and years? Yes, I can take that question on notice and see what information we have, certainly.

The Hon. ANTHONY D'ADAM: Can I ask you, the document citation I have seen suggests that you are moving towards generic position descriptions. Is that correct?

Ms TICKLE: We are certainly moving to streamlining the positions because we had numerous position numbers and position descriptions which described very similar tasks. So I would not call them generic but they are certainly streamlined. There are a lot fewer positions in the new structure than there is in the old structure. For example, in student services, which is the bigger one, there were over 400 unique position descriptions. In the proposed—and I will say it again, it is proposed; it is under consultation—there are 37. We are reducing the number of position descriptions and there will be groups of people doing the same role across the State in many locations.

The Hon. ANTHONY D'ADAM: Does that reduce the granularity of the position descriptions? So, you know, one person in a particular location might be doing a specific range of tasks that is slightly different from someone in another location—same job title but slightly different tasks. Is it that the case—that you will lose that granularity?

Ms TICKLE: Can you ask the question again—what are you asking?

The Hon. ANTHONY D'ADAM: I am asking, will you lose the granularity by having these kind of generic position descriptions, so that the positions that people are effectively doing, as opposed to the description of the position that they are doing, will be slightly out of kilter?

Ms TICKLE: I would not say that it would be out of kilter. What I would say is that it will modernise the work that is being done and reflect the modern enterprise. A good example of this is in our current system we have a number of positions doing duties around student transactions. Those have been combined into a position description that describes the things that are covered in student transactions. So they are certainly broader in terms of pulling them altogether in a more streamlined set of position descriptions, but I would not say it is reducing the granularity or making the jobs any less useful. In fact, I would say the opposite: They are being streamlined so that people do not have a lot of different position descriptions describing the same type of work, because we had 11 instances where things were described in different ways.

The Hon. ANTHONY D'ADAM: Do use job evaluation in TAFE?

Ms TICKLE: Yes, we do.

The Hon. ANTHONY D'ADAM: Does the shift to generic position descriptions affect the job evaluation outcome?

CORRECTED

Ms TICKLE: A number of factors determine the job evaluation outcomes so I would not be able to say for sure what affects it because a number of things affect the outcome of a job evaluation and a number of factors—

The Hon. ANTHONY D'ADAM: Are there savings to be made out of re-evaluation?

Ms TICKLE: Savings to be made?

The Hon. ANTHONY D'ADAM: Yes, are you making savings as a result of re-evaluating these positions?

Ms TICKLE: We are certainly making the work—I guess, the description of the work—less complex and we are modernising. So we are going to a structure that has positions across the State. In fact, there is a really high number of positions in the new structure that can be done from anywhere across the State—positions negotiable—and a number that are in regional locations. Because of our enablers in terms of our system enablers, the work is able to be done anywhere. So you can ring up for a qualification in Orange and someone in Port Macquarie can take your call—that kind of stuff. So we are certainly getting efficiencies; I would not say we are reducing costs as much as getting efficiencies.

The Hon. ANTHONY D'ADAM: So savings are not being made out of the job evaluation—the reclassification and re-evaluation of positions at lower grades? You reject that completely?

Ms TICKLE: So you are saying—could you ask me the question in a different way?

The Hon. ANTHONY D'ADAM: My assertion is that job evaluation allows you to reclassify positions down and, therefore, you make a saving because a position that is being done at one classification grade is now reclassified at a lower classification grade and, therefore, you achieve a saving in terms of the same work—or effectively same work—being done at a lower rate of pay.

Ms TICKLE: So that goes both ways. In some cases, positions are evaluated and the grade goes up; in some cases, the grade goes down. It actually depends on the tasks and the work that is done in the position that determines the grade.

The Hon. ANTHONY D'ADAM: Overall the structure would have been costed, surely?

Ms TICKLE: Yes.

The Hon. ANTHONY D'ADAM: And the structure is going to cost less, is it not?

Ms TICKLE: I would have to take on notice how much less the structure is going to cost but, in terms of the job evaluations themselves, we have had a number of job evaluations that the proposal—again, it is a proposal—is up and some that are down. In fact, through consultation, sometimes the grading of roles is changed because the feedback is, "We do not think that this position description actually accurately reflects what this job will need to do." So, in some cases, the consultation leads to a change in grade.

The Hon. ANTHONY D'ADAM: Mr Faurby, is there a business case for this restructure proposal? That was a point of criticism from the Audit Office.

Mr FAURBY: Is the question whether there is a business case for what Ms Tickle was talking about just now?

The Hon. ANTHONY D'ADAM: For the proposal of the facilities management and the student services restructures. Are those two change proposals supported by a business case?

Mr FAURBY: Are you able to answer that question, Ms Tickle?

Ms TICKLE: Yes, there is a business case for the organisational design program.

The Hon. ANTHONY D'ADAM: Has that been supplied to the employees as part of the consultation process?

Ms TICKLE: We supply the change management plan, which I believe you already have a copy of. We also provide information which is really important to accompany the change management plan so that employees can understand the design and the rationale for the design. The business case for organisational change—and I think it is important to state that this is part of our modernisation of One TAFE, which started in 2016, so we are towards the back end of that—is done for the organisational design program as a whole.

The Hon. COURTNEY HOUSSOS: Can I just ask a couple of questions about the Kingscliff campus and the Murwillumbah campus closures? What courses were consolidated to Kingscliff after the Murwillumbah site closed?

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Mr FAURBY: Let me take that question on notice.

The Hon. COURTNEY HOUSSOS: Okay. I mean, there was a multimillion-dollar CLC that was supposed to be delivering those courses there.

Mr FAURBY: I will take that question on notice.

The Hon. COURTNEY HOUSSOS: Sure, okay. Can I come to the question of the 20-year infrastructure strategy? Is this the same as the strategic asset management plan that the Auditor-General said that you needed to compile?

Mr FAURBY: No, it is two different documents.

The Hon. COURTNEY HOUSSOS: Okay. Do you have a completion date for either of them?

Mr FAURBY: Both of them are due this year. I will have to come back with a more definitive date but, as I mentioned earlier today, we expect to have both of those plans ready this year.

The Hon. COURTNEY HOUSSOS: This year—middle of the year, end of the year?

Mr FAURBY: As I just said, I would like to come back with a more definitive response to that.

The Hon. COURTNEY HOUSSOS: Okay. Can you explain how they are different?

Mr FAURBY: The 20-year infrastructure strategy plan is the overarching strategic long-term vision for what is required for us in terms of infrastructure in order to deliver our contemporary and futureproof training. That involves things such as the blueprint of a number of campuses that we use; exactly to what extent are we able to provide flexibility around the different delivery modes; the introduction of technology; making sure that we have a correct and up-to-date and current composition between locations, such as between regional and metropolitan. It talks about the involvement, where applicable, of organisations that we would seek to take advice from in terms of what were the future needs of education. It talks about the location where we would like to place and position things like centres of excellence. So it is really a long-term strategy that ties into the long-term strategy of TAFE NSW.

The Hon. COURTNEY HOUSSOS: Almost a strategic asset management plan.

Mr FAURBY: Yes, that is a narrower scope. It is a document that we are obligated to issue, I believe, on an annual basis—I would have to double-check exactly what the frequency of it is—with a narrower interpretation or clarification on what the asset base is for TAFE NSW, such as maintenance and modernisation and upkeep and things of that nature. That is the narrow scope: a narrow time frame and a narrower definition compared to a 20-year infrastructure strategy plan which takes into consideration all the things I mentioned before.

The Hon. COURTNEY HOUSSOS: And you do not have one at the moment. Is that correct?

Mr FAURBY: Which one of them are we talking about?

The Hon. COURTNEY HOUSSOS: The strategic asset management plan.

Mr FAURBY: I will have to check whether we have got one currently, but I can certainly confirm that we are working on issuing that one as part of the deliverable set we talked about for next year.

The Hon. COURTNEY HOUSSOS: I think the Auditor-General found that you did not have one and needed to create one. I will look forward to hearing that on notice. Thank you.

The CHAIR: Mr Faurby, in the lunch break you were going to access the sexual assault, sexual harassment policy.

Mr FAURBY: Yes.

The CHAIR: How does it read?

Mr FAURBY: First of all, let me confirm that any matters such as sexual assault matters are absolutely automatically referred to police for investigation. We do have matters that might be harassment cases, bullying cases, those sorts of things, where we do decide to investigate that, and we will do that through the use of external, independent experts that assist us with that work such that we are sure that we get a balanced objective view on the matter.

The CHAIR: So anything of a criminal allegation you refer straight to the police.

Mr FAURBY: To police, yes.

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The CHAIR: And lesser type allegations, do you have any internal tribunals that sort of act as a quasi court to consider these matters?

Mr FAURBY: No, we do not.

The CHAIR: You then act on the advice of the external consultants.

Mr FAURBY: Yes.

The CHAIR: And who are they generally? What sort of outfits are they?

Mr FAURBY: They will be professional firms that do this for a living, sort of experts. We are happy to provide you with a couple of examples of who they might be.

The CHAIR: Are they arbitration-type arbiters or mediators?

Mr FAURBY: Not really. I think it is more firms that specialise in investigation and recommendations as to whether or not there was any inappropriate conduct and, if so, what suggestions they might have in terms of interventions that are required.

The CHAIR: So part investigative-type organisations.

Mr FAURBY: Yes.

The CHAIR: Thank you. Mr Scott, could I come back to the question about the school/TAFE vocational education interface? In the earlier session you indicated there were three reviews. The School Success Model targets will help in this regard. The Minister mentioned changes elsewhere that took 20 years to implement. Is there enough urgency, do you think, to solve this problem? I have to say, in visiting schools—and it is true that because of COVID I did not visit as many last year as I would have liked to—but particularly disadvantaged schools, the dual problem of the disengaged, mostly male, students in early secondary education rebelling almost against the academic curriculum, limiting their own life prospects unless they get vocational training, and the disruption they cause to the other students inside the school is a double whammy. This is such a critical problem. It spills over, obviously, into unemployment, welfare dependency, petty crime issues and the like. It is a big, big social question. Have we got enough urgency to ensure that every single New South Wales student is engaged with their learning and in the space of vocational education they have the opportunities to do it properly with adequate training and career paths at their high school?

Mr SCOTT: I think it is a top priority for the Government and if we look at the issues that Minister Lee has constantly talked with me about this is the number one issue. I think what those three reviews all identified is long-term structural weakness around this and I think it is fair to say that weakness has emerged at the same time as there have been other policy trends and social trends that have moved in the other direction. I think one of the things you are really referencing there is the lift in the school leaving age from 15 to 17. So we have got many more young people who are in school now than were in school a decade or two decades ago.

So I think it is fair to say, and particularly the Shergold report identifies, and Masters too, that the curriculum has not changed enough in response to that. I think the curriculum reforms around this are on the fast track: the 20 programs that TAFE are offering now; Geoff Masters talked about a decade-long implementation for his curriculum reform, and the Premier has pushed that to four years. I think the pilots we have got going now—the VET high school pilot program and the other initiatives that are underway as well, the Educational Pathways Pilot Program—are all things that we are looking at with a view to scale.

I think one of the challenges—and you have commented on this at times—in education reform is that you can get good pockets of innovation, good insight, but have you actually done that innovation in a way that if it really worked well it would scale. I know as far as the Educational Pathways Pilot Program—we are rolling that out in a couple of dozen centres at the moment—that the Minister is very keen to get advice on that to see whether that has opportunities to scale. The TAFE 20 courses, they are being designed so that they can be delivered in every government high school and also be available to the non-government schools as well. And I think there are a range of initiatives that are coming through, I suspect, and I do not want to pre-empt that Shergold-Gonski will get into this area as well. So it is moving along multiple tracks quite quickly. The time frames are being sped up to deliver it, and when I speak to the Premier and I speak to Minister Lee, this is identified as a top priority of the Government.

The CHAIR: I was in the Federal Parliament for the Working Nation statement in 1994. So for 27 years I have heard of this as a top priority, but it remains for me an ongoing frustration to actually see it in practice. I did see it in practice—a wonderful thing—in my old municipality at Hoxton Park High School. Can we get an ambassador program, do you think, so that other schools can learn from that best practice at Hoxton Park and scale it up at least in the south-west of Sydney where these are critical issues?

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Mr SCOTT: Yes, and I think we can look at a range of different schools. I interviewed recently the principal of Plumpton High, who has done extraordinary work around work placement for his students. His students have very strong industry engagement and are out even from quite an early time in high schools, not waiting for years 10, 11 and 12. So I think there are great initiatives. One of the things about the Ambassador School program when fully rolled out over time is we will be able to look at areas where some schools have had great—and we learn a lot by looking at best practice across our system.

So we will find schools that are using these programs—not just that they are rolling out the programs, but look at the impact that is having on attendance, look at the impact that is having on student engagement, on behaviour, and hopefully look at the impact that is having on the students' other areas of studies, because those areas are lifting. And I think we would hope that a strong vocational education program is going to engage the students in those subjects but is also giving them skills that are helping them across a range of subjects as well. That is what the Ambassador School program is designed to deliver.

Ms READ: Can I just add to that on Hoxton Park? That is actually one of the Educational Pathways Pilot Program schools.

The CHAIR: Yes, I know, that is why I visited it. I visited there and Airds.

Ms READ: Part of that program aims to share the best practice across the schools that are in that network. You would be aware that we engage two different networks—one in south-west Sydney and one on the North Coast—for the PPP schools. That was deliberate because of the nature of sharing of practice and good processes across those schools, including sharing careers head teachers who work across the schools in those networks and bringing young people together with industry and training providers to make sure they understand the pathways available to them.

The CHAIR: Yes, but I think at Hoxton Park it was a situation where they were enjoying the extra resources and participation in PPP, but they were ahead of the curve well before that pilot program. If you could clone the principal and in particular the careers advisor there and we had 100 of them, then many of our problems would soon be solved in other parts of the disadvantaged schools network. Mark Scott, can I come to this question of where it all became problematic? Is this problem with the uneven nature of these VET programs in schools a legacy of Local Schools, Local Decisions, where the schools had a lot of autonomy and they raced off in different variant directions?

Mr SCOTT: My view is that would be too simplistic an analysis of it. I think if you talked to people—

The CHAIR: Why are some hopeless and others best practice?

Mr SCOTT: I think the presumption of your question is that, if you went back 10 years ago before Local Schools, Local Decisions, would there have been the variation.

The CHAIR: Still uneven.

Mr SCOTT: I think that you might well still have seen the variation. Peter Shergold identified the variation not just in New South Wales government schools but in schools in all systems all around the country. There is variation. I think it comes down sometimes to leadership. One of the things I have admitted publicly that we are working on—I do not think we have always made it easy. I mean, we have talked here in the past about school-based apprenticeships. As we do longitudinal tracking survey of students from 14 or 15 and then look at them for the decade that follows, I think we would argue that school-based apprenticeships are our most successful vocational-led offering as far as actually keeping students continuing to study in those areas and getting the skills and qualifications to then have a job.

But I am not sure we have always made school-based apprenticeships easy for our schools to manage. It is complicated to be able to—sometimes we work with TAFE. There have been funding questions that go with that. It has been quite hard to execute. I think some principals would have said, "This is absolutely worth it. We are going to crash through those challenges." There will be others who will have found it difficult and challenging. So one of the things we are trying to do now is—and we have got a team that work on this—run the diagnostic to identify what are the practical inhibitors that stop there being an appropriate take-up of vocational education at the right levels.

The Hon. ANTHONY D'ADAM: Mr Faurby, there was a change in the security contract at Liverpool TAFE. Can you explain what happened there?

Mr FAURBY: There has been a change in the security contracts across TAFE NSW. Part of what we did was to apply or appoint a whole-of-government supplier of security services. That was a matter that I believe was discussed last year as well. and around August of last year we entered into that security contract with a

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company by the name of Southern Cross. As I said, it was negotiated as part of whole-of-government services. That contract has been in place now for over 12 months and it continues to provide great service to us. We certainly still maintain the same level of security as we did before. When it comes specifically—I am sorry, what was the facility that you talked about?

The Hon. ANTHONY D'ADAM: Liverpool TAFE is the one.

Mr FAURBY: I am happy to make sure that there are no special circumstances surrounding that but as far as I am informed and aware that campus, like any other campus as part of the whole footprint of TAFE NSW, is governed by the same whole-of-government contract that we entered into.

The Hon. ANTHONY D'ADAM: Did Southern Cross assume functions that were previously performed by direct employees at TAFE?

Mr FAURBY: They would have, yes, I would imagine because the nature of the work that they do is security and making sure that campuses are safe, both for staff and students. I am happy to take the question on notice to make sure there are not other components or elements of this which are relevant to the question that you asked, but it is my understanding that—

The Hon. ANTHONY D'ADAM: Am I correct in understanding that Southern Cross now has the contract for all security at all TAFE campuses?

Mr FAURBY: That is my understanding, yes, but can I be allowed to double check and take the question on notice so that I am sure I inform you absolutely 100 per cent correctly? But that is my understanding, yes.

The Hon. ANTHONY D'ADAM: How long is the duration of their contract?

Mr FAURBY: The terms will be—I will take the question on notice so I can give you the correct terms.

The Hon. ANTHONY D'ADAM: What is the value of the contract?

Mr FAURBY: I will take that on notice.

The Hon. ANTHONY D'ADAM: Was this done as a savings measure?

Mr FAURBY: It was done, I would imagine—it predates when I joined the organisation so it will be speculation for me to try and answer that question, but I will certainly be happy to take it on notice and provide the details.

The Hon. ANTHONY D'ADAM: If it was a savings measure, can you specify how much was budgeted in terms of saving from a shift to the contract?

Mr FAURBY: Indeed, I can take that on notice.

The Hon. ANTHONY D'ADAM: I asked earlier about the status of the strategic plan. Perhaps you can advise me as to whether it still has currency. It is supposed to run until 2022. Is that right?

Mr FAURBY: Yes. I can certainly confirm that the plan still has currency. I can also confirm that we are in the process of issuing an updated version of that that will govern the next five years. As this one comes to an end by 2022, it is only expected and obvious for us to renew that. We are in the process of doing that as we speak.

The Hon. ANTHONY D'ADAM: And this is a meaningful document that guides the work and priorities of the organisation?

Mr FAURBY: Indeed, yes.

The Hon. ANTHONY D'ADAM: Can you tell me why then, for a strategic plan that was adopted in 2016 that gave as a priority the development of a strategic asset management plan, that has not been actioned to date?

Mr FAURBY: I can certainly try and answer questions that date back four years to before I joined the organisation. Let me say that I think, first of all, it is absolutely the right thing for an organisation of our size and complexity to have a strategic plan in place for how we deploy our resources and how we use our assets. For that very reason but also for other reasons we have we commit work to develop a plan that can be used to inform not just us but others who might be interested in understanding and knowing where we are going with our assets. If I can use one example of the past 12 months. What we have learned in terms of the value of having a strong combination between the different types of service delivery from campus facilities over connected learning centres to real online learning through TAFE Digital and others—we have learned the value of that in terms of the need for agility to adjust.

CORRECTED

When we reflect that in a strategic sense, we of course need to take into consideration what that means for our asset base. So for that reason we have absolutely a strong commitment to making sure that we are able to explain exactly what we want our assets to look like going forward. Had it not been for the work that this organisation has done leading from 2016 up until now, I do not believe our organisation would have been able to deliver as strongly as it did in response to COVID-19 in the delivery and teaching and caring for students and staff, whether they needed continued access to campuses—which some did—or whether they preferred to learn from home or from another facility or location where they could access our training online.

The Hon. ANTHONY D'ADAM: You are operating without a strategic asset management plan, but you are making decisions about divestment of assets. Don't you think that is premature? Should you not have a plan in place and take a whole-of-organisation assessment of the assets and which ones are appropriate to divest?

Mr FAURBY: I think what we do—well, I do know what we do is that we consider decisions around investments and divestments on a case-by-case basis. That goes for the facilities and locations that we have talked about already this morning and into this afternoon, and it will go to decisions wider than that, of course. So we do consider these things very carefully. We do have a good insight and understanding of the condition of the assets and the use of the assets, as we talked about also this morning. So I will certainly not under any circumstances accept the premise that we do not know what to do with our assets. We certainly do.

The Hon. COURTNEY HOUSSOS: Is the evaluation and utilisation of all of your assets part of the strategic asset management plan or part of the 20-year infrastructure strategy?

Mr FAURBY: I believe it is part of the 20-year infrastructure strategy plan.

The Hon. COURTNEY HOUSSOS: Evaluating all of the sites and looking at the utilisation.

Mr FAURBY: I believe so, yes.

The Hon. ANTHONY D'ADAM: Can I ask you about this metric, which is unit cost of assets per annual hour of delivery? Will someone unpack that for me? What is that and how is it calculated? How does it work? Is there someone with expertise who can answer that question?

Mr FAURBY: I cannot give you the exact details about it but I can talk about it in broad terms. It is a metric that is used to make sure that we make good use of our office spaces and campus facilities. A good example of that is what led to the conclusion around Scone that we talked about this morning. Where you have an asset that is heavily under-utilised, it makes commercial sense to divest that asset and instead recycle the funds into new facilities that have stronger metrics and support the utilisation of our facilities. A metric like this assists us in—

The Hon. ANTHONY D'ADAM: Is that asset utilisation the primary metric that you are using to make an assessment?

Mr FAURBY: It is certainly one. Another very important metric for us is enrolments, plain and simple. When I say plain and simple, I mean that at the end of the day our facilities will be used to service the students and drive enrolments. Sometimes there is a build-up to this. It does not necessarily happen from the moment we have established a new asset or built a new building, but it is certainly expected to demonstrate a growing level of enrolment. Our role as an organisation and as an education provider is to make sure that we get the best possible use of our facilities, whether those facilities are conventional campuses like the ones we operate across the State—I think the number is around 135 or thereabouts—whether it is one of the connected learning centres with their associated mobile training units or whether indeed it is the entirely virtual offering that we provide from TAFE Digital. We want to make sure we make the best use of that because it is in our interest to do so, but it is certainly also in the students' interest to have access to all of those facilities.

The Hon. ANTHONY D'ADAM: Is that metric not in tension—I assume it is affected by the extent to which TAFE is involved in thin markets. Obviously if you are providing uneconomic courses with low levels of enrolment then that will have an impact.

Mr FAURBY: Yes, it will have.

The Hon. ANTHONY D'ADAM: Will that metric not be distorted by that non-economic function of TAFE?

Mr FAURBY: That is why I am saying that it is not a metric that in any way would be allowed to stand on its own. It is more a metric that can inform, for instance, a trend for a specific campus over time than a selection criterion between one campus or one location over another. You talk about thin markets and indeed there are other interests at play there. Sixty-two per cent of our offerings are provided in markets that have no other provider of vocational training and I think 20 per cent are in markets where there is only one alternative provider. We,

CORRECTED

therefore, certainly understand the thin markets and their importance. We also understand that we cannot just apply a metric such as the one you were talking about and look at it in isolation. We also have to understand the impact we have on community, particularly in thin markets.

The Hon. ANTHONY D'ADAM: So you accept that reliance on that metric might drive decisions around divestment that are contrary to the long-term needs of TAFE in terms of meeting its social obligations as opposed to its commercial imperatives.

Mr FAURBY: I would accept that if we were to apply that very narrow logic—which we do not—then yes, but the point I am trying to make is that we do not look at it that narrowly. We look at it much more broadly and make sure that we understand the impact and implications of what we have, particularly in rural and regional New South Wales, where a very large number of our campuses are located and where we play an incredibly important role for the community—and certainly for the students who study with us.

Mr SCOTT: It clearly helps frame some good questions. As I hear the managing director, it is not a clear and definitive decision-maker but it helps interrogate the questions: Why would that be the result, following the metric as it is? What are the drivers of that, be they thin markets or whatever else? Looking at a system like TAFE, which operates similarly to the school system, we will look at statistically similar colleges and schools and draw some level of benchmarking. You can see the same in the hospital system and many other areas of public policy provision. That data allows some form of modelling or analytical underpinning in order to interrogate those differences and ask why they are as they are.

The Hon. ANTHONY D'ADAM: Coming back to the strategic plan, one of the priorities that was set in 2016 was to establish a more effective model to allocate, monitor and report the impact of community service obligation funding. Why has that not been actioned in all this time?

Mr FAURBY: As I was mentioning before, it is hard for me to comment on matters and priorities that were in place years before I joined the organisation. What I can say, which I think is more important, is that we understand the importance of this. We understand the role that we play in the communities, including certainly not least the community service obligations. The work that we do under that is a very important part of who we are and what we do. For that reason, we have accepted that we need to absolutely make sure that the work that goes into that is leading to benefits and that we are able to explain it in a way that is consistent with what was recommended by the Audit Office in their report.

The Hon. ANTHONY D'ADAM: Did you interrogate this document when you were appointed as managing director?

Mr FAURBY: I interrogated many documents when I was appointed and no doubt this was one of them, but I can say that it was one amongst many good documents that were at my disposal when I was briefed.

The Hon. ANTHONY D'ADAM: These are the priorities of the organisation, so presumably when you came into the office you would have asked.

Mr FAURBY: It is obviously a very important piece to understand because it guides and informs the strategic direction of the organisation. For that reason, of course, I would have spent a fair bit of time familiarising myself with it.

The Hon. ANTHONY D'ADAM: Is there some reason why there might be some resistance to having more transparency on the CSO funding?

Mr FAURBY: As I mentioned before, I am not sure what the whole situation had been like leading up to the time when I joined the organisation.

The Hon. ANTHONY D'ADAM: I might turn to another matter now. Can you tell me the status of the Chullora TAFE site?

Mr FAURBY: The Government spent \$22 million on upgrading Chullora to make it into a fit-for-purpose facility across western Sydney. They did this at the Miller, Wetherill Park and Granville TAFE campuses. Those three campuses were invested in within the past year or two. The investments were basically done in response to the circumstances of the Chullora campus, which was deemed not to be providing students with an optimal educational experience.

The Hon. ANTHONY D'ADAM: What is the status of the property now? Is it still an asset on TAFE's books?

Mr FAURBY: We still have it and there are no plans, as far as I am aware, to divest it.

The Hon. ANTHONY D'ADAM: It will just sit empty and idle.

CORRECTED

Mr FAURBY: As I indicated before, we are going through a review of facilities to make sure that we make best use of them. We also have a strong obligation, which we take very seriously, to make sure that we maintain it. At this point in time there are no plans other than to make sure it is safe. We can make decisions about it in the future.

The Hon. ANTHONY D'ADAM: You mentioned whether it is safe. Is there an issue in terms of contamination of the site?

Mr FAURBY: Not that I am aware, but I will happily take that question on notice.

The Hon. COURTNEY HOUSSOS: Mr Faurby, I would like to go through some of the other sites that have been divested in recent times. To assist, I am going to give you a document that has been publicly circulated previously, which has a list of proposed divestments. It is a document from 2015-16, which I understand pre-dates your time.

Mr FAURBY: Yes.

The Hon. COURTNEY HOUSSOS: I am keen to work through the document and see what the status of each is. You will notice on the document that I have highlighted some of the sites. These are the ones that I can see in the annual report have actually been divested. Can we go to Glendale? Are you aware of that being divested?

Mr FAURBY: No, I am not aware of that, so I will take that one on notice.

The Hon. COURTNEY HOUSSOS: Sure. Can I just be clear, if you take them on notice, could you say whether they have been divested and, if they have been divested, what the sale price was?

Mr FAURBY: Sure.

The Hon. COURTNEY HOUSSOS: Belmont west side, I think, has been divested recently, according to the annual report, to Roads and Maritime Services, but we have four grouped together—Belrose, Belmont, Dapto and North Wagga—for a total market value of \$4.22 million, excluding GST. Would you be able to provide a breakdown of those four sites?

Mr FAURBY: Most certainly, on notice, yes.

The Hon. COURTNEY HOUSSOS: Are you aware of Muswellbrook being divested?

Mr FAURBY: No. Again I will take it on notice and make sure I provide a detailed response to that, but I am not aware of it.

The Hon. COURTNEY HOUSSOS: I think we have covered Scone extensively this morning.

Mr FAURBY: Yes.

The Hon. COURTNEY HOUSSOS: Moving on to Goulburn—

The CHAIR: No, we want more Scone.

The Hon. COURTNEY HOUSSOS: I am happy to go back there.

The CHAIR: There must be more farriers there, surely.

The Hon. COURTNEY HOUSSOS: Not for much longer, Mr Chair. Moving to Goulburn, which I see was part of the ones that were grouped together in the 2018-19 annual report, that is, Belrose, Bombala, Epping, Goulburn, 43 East Street at Grenfell, Hornsby, Randwick and Tuncurry—

Mr FAURBY: Yes.

The Hon. COURTNEY HOUSSOS: They are grouped together with a market value of \$60.83 million. Could you provide us with a breakdown of those?

Mr FAURBY: Yes, most certainly.

The Hon. COURTNEY HOUSSOS: We have talked about Dapto. Are you aware of Queanbeyan?

Mr FAURBY: I will take that one on notice as well.

The Hon. COURTNEY HOUSSOS: Wollongong West?

Mr FAURBY: Same, on notice please.

CORRECTED

The Hon. COURTNEY HOUSSOS: Again, Vincentia, Petersham and Meadowbank have been grouped together in the 2017-18 annual report for \$22.3 million. Are you able to provide us with a breakdown of those?

Mr FAURBY: Certainly.

The Hon. COURTNEY HOUSSOS: We have talked about Great Lakes, so coming to Maclean—

Mr FAURBY: On notice as well, yes. I will do that for all of them, if that is okay, because I have some information but I do not have all the information. In order to provide you with a comprehensive response to that, I would rather simply take that matter on notice.

The Hon. COURTNEY HOUSSOS: Okay.

Mr FAURBY: Can I just ask this for clarification purposes: The document that you handed out does have a number of these locations highlighted in blue—is there a particular reason for that?

The Hon. COURTNEY HOUSSOS: Yes, as I said earlier, they are the ones that I can find in the annual report having been divested. You have indicated that you will take Murwillumbah, Taree, Trenayr, Ballina—Belrose and Epping we have covered already—Albury, Narrandera and Corowa. Chullora we have covered, but the next ones are Granville and Katoomba, which were grouped in the 2016-17 annual report for a total of \$12.6 million, so if you could give us a breakdown for each of those.

Mr FAURBY: Yes.

The Hon. COURTNEY HOUSSOS: Then we have Enmore, Ultimo, Forbes, Grenfell and Bourke.

Mr FAURBY: Thank you, I will take all of that on notice.

The Hon. COURTNEY HOUSSOS: That would be excellent, thank you.

The Hon. ANTHONY D'ADAM: There was a restructure of the information and communications technology [ICT] section last year—is that correct?

Mr FAURBY: I am sorry, would you mind repeating that question?

The Hon. ANTHONY D'ADAM: Was there a restructure last year of the ICT section?

Mr FAURBY: Yes, there was, and that was part of the same restructure as we have talked about this morning and into this afternoon, which is all part of the modernisation process that commenced in 2016. The previous focus was around the ICT organisation and now we are talking about student services and facilities management and logistics.

The Hon. ANTHONY D'ADAM: Did that restructure delete the onsite field support positions?

Ms TICKLE: I will have to take the question on notice in terms of the specific position titles. So it was the onsite—

The Hon. ANTHONY D'ADAM: Yes, effectively the help desk people who were located onsite to support staff. I understand that they were deleted, but you are going to take that question on notice.

Ms TICKLE: Yes. I do not have the systems change plan in front of me.

The Hon. ANTHONY D'ADAM: Is it correct that, as a result of that, the response times have blown out for staff ICT support? Sorry, I will ask another question first: Do you have in place a metric for measuring the response time for ICT support?

Mr FAURBY: Yes, we do, and we will be happy to provide some details. I can certainly confirm that the changes that were made—in fact most of the changes that we made in this area we made about the time when we prepared ourselves and, more importantly, our students for COVID-19. We made some changes to the way we organised support of ICT, both for students and staff, which has led to some phenomenal levels of support and service for both students and staff, which we are quite proud of in fact. If it is okay with you I would like to provide you some examples on notice so that we explain what the positive implications of those changes were, including the number of calls, how we have responded to calls, but also importantly how the changes that we introduced took strain away from teachers and teaching staff and into those specific expert areas that will deal with ICT support questions. Because historically we have seen students phone up or call and enquire or seek support from all staff, including teachers. I do not think it will be unknown to this Committee that anything we can do to take some of the administrative burden away from teachers is good because it will free up the teachers to do what they like to do the most—namely, to teach and to assess—and therefore the result of this change was a real positive one which I would like to lighten—

CORRECTED

The Hon. ANTHONY D'ADAM: How do you measure this positive? You are asserting that there is a positive result as a result of this structural change on teachers.

Mr FAURBY: We measure it in a number of different ways. We measure it in the number of hours that teachers are no longer required to answer phone calls that relate to ICT. As an example, for instance, as at the end of November we had saved for the year 1,321 teacher hours. These were hours that teachers in the previous period would have used to support students on ICT related matters but now, through the help desk setup that we have implemented, we are able to alleviate and actually answer specifically from experts. Also I would say it is worth talking about here that 60 per cent of technology calls that were placed to this help desk were resolved in the first point of contact. In other words, a student calls up with a problem and the matter has been resolved in the first call, so that student can get on with what the student needs to do—namely, study. I think it is an example of what you gain and what you benefit from when you allow the experts to do the work, and this is exactly what this model was meant to do.

The Hon. ANTHONY D'ADAM: The One TAFE model?

Mr FAURBY: Yes.

The CHAIR: Can I come back to the question of the interface between government high schools and TAFE? How many New South Wales government high schools would have a financial relationship with TAFE?

Mr SCOTT: I will have to take that on notice.

The CHAIR: How many would have the capacity to buy in TAFE services to their school campus? For instance, a TAFE teacher comes in to provide instruction to students at the high school doing vocational education.

Mr SCOTT: Depending on the availability, I see no difficulty in that being able to happen, but I will take that on notice and come back with more detail.

The CHAIR: But how much of that does happen?

Mr SCOTT: I will come back with more detail on that.

The CHAIR: And the other relationship—how many government schools and how many students would be doing this, where the school is paying for the student to go to a TAFE course in the local area to match up to a reality where the school has not got the facilities to run this vocational education program, but the TAFE down the road does, so they can go there for half the week and then half the week at school?

Mr SCOTT: Let me see if I can come back to you with a bit of detail on how that operates. I know that we have in excess of 2,000 school-based apprenticeships that are working out now. That is a great example of students at school, at TAFE and out and about—that mix that you are talking about. So we have 2,000 of those that are currently operational. That has been a fairly consistent figure in recent years. But I can come back with more detail on notice.

The CHAIR: Just on that figure, isn't it paltry when we think of the number of high schools? So it is three per high school?

Mr SCOTT: It is a figure that we want to grow. That is part of the clear strategy we have that is identified as a priority in the Shergold report and that is what we are at work on now.

The CHAIR: So when do you think it will grow and what is the ambition?

Mr SCOTT: We will come back and talk in more detail about the plans to grow that, but that is partly what the work is on off the back of that curriculum review and a range of the other initiatives that we are talking about now.

The CHAIR: But what is the Government thinking on this?

Mr SCOTT: I am not sure that there is a target that has been identified for this number, Chair, but, as I said, we have identified through the tracking research that this is a successful initiative, so we want to grow it. School-based apprenticeships and traineeships are around 2,000 at the moment. We want to see that increase.

The CHAIR: But does New South Wales look at Queensland and say, "A smaller State has [audio malfunction] and that would be an ambition for our State"?

Mr SCOTT: I note that you referenced Queensland. There are strong elements in the Queensland system. We have recruited a senior executive out of the Queensland system who is now on the executive of New South Wales Education, but I think that there are differences between the systems as well, as you know.

CORRECTED

The CHAIR: What differences are they?

Mr SCOTT: There have been longstanding differences between how the New South Wales and Queensland education systems have evolved. The New South Wales education system for most of its history compared to Queensland has run an extra year of schooling, for one thing.

The CHAIR: I mean in vocational education.

Mr SCOTT: The nature and structure of the Higher School Certificate is quite different in New South Wales than in Queensland. I think one of the things that is identified by Peter Shergold—and I know you know—and also in these other reviews has been the dominance of the ATAR and the universities in shaping the senior years of schooling. That, we think, has also informed the curriculum choice that has been available in schools and advice of careers advisers and others. So it is not an insignificant change given the longstanding custom and practice that has existed in New South Wales high schools. That is not a new phenomenon; that is a phenomenon that I think you could make an argument has long existed in high schools and that change has really come to bear.

When people of our generation did the HSC—when the HSC started in 1967 only 20 per cent of students stayed on to complete year 12. When we were doing it, it would have been 30 per cent of students. Now it is closer to 80 per cent of students. It is not that the ball has suddenly been dropped; it is that the nature of the clientele, the nature of those who are staying on to do year 12, has significantly changed. I think there is a concession from the Government and a concession in these reports that the system has been too slow to respond to that, hence the activity and the focus that is underway now.

Ms READ: If I could also add, over a third of year 11 and 12 students in public schools in New South Wales study a VET course as part of their HSC. So while we were just talking about school-based apprenticeships, there is a lot of engagement with VET already from our secondary schools and those students—over a third of them are studying.

The CHAIR: Yes, but of those students only a very small proportion would be pitching their career path in that VET area, wouldn't they? It is probably just a unit or two.

Mr SCOTT: I think that is what our tracking shows, and hence in a sense our bias towards the school-based apprenticeships because you can see that kind of correlation. So there are plenty of vocational education schools. I think that is what Ms Read was saying.

The CHAIR: But are there vocational outcomes for the students who need it most?

Mr SCOTT: Yes. One of the things that I think we aspire to do, and I think the TAFE 20 program will do this too—there is a lot of discussion about, say, the German model. You know, people talk about the German model all the time. One of the things about vocational education in schools in Germany is that there is a full range of vocational courses on offer. They are not just courses that are on offer for those who do not aspire to go into university. I think one of the things we are hoping to see out of our TAFE 20 courses is a full range of demand, rigour and complexity from those programs. So there should be no reason why a student who aspires to go to university and might want to do advanced studies there would not have a vocational education course that is also on offer in our schools. As you would be well aware, part of the difficulty of vocational education in schools has been this branding problem—that it is a residual effect as far as vocational education is concerned—that you do that if you cannot cope with the other classes that are on offer. That is too simplistic for what it is we need to try and offer.

The CHAIR: Well, you mentioned earlier on that it is 20 per cent of the student cohort, so it cannot be that hard to craft a policy for one-fifth of our students to match up to their learning, engagement and interest. On the establishment of the VET high schools—one at Seven Hills, a marginal Government seat; one at Tweed, another marginal Government seat—surely the most pressing need would be in south-west Sydney. How did those electorates for voting Labor effectively miss out on a VET high school?

Mr SCOTT: As I said, these are only two pilots. I can come back to you on notice on what the selection process was for those, but I think the Minister—

The CHAIR: Wouldn't you start with the number of students who do not go to university at an existing high school? I do not know if anyone could top Airs, for which 90 per cent of the student cohort do not go on or aspire to go to university. Wouldn't it be a logical place to start the pilot?

Mr SCOTT: I take on board your comments.

The CHAIR: Sorry that it is in the safe Labor seat of Campbelltown, but I am interested in equity.

CORRECTED

Mr SCOTT: I take on board your comments. All I know is that the pilots are underway in these two areas, in western Sydney and on the North Coast, at the Seven Hills and Tweed River high schools. We have identified the subject areas that they are going to focus in: electrotechnology, plumbing, health and community services, and transport and logistics at Seven Hills; and hospitality, construction and primary industries at Tweed River. There has been extensive consultation with those communities up there, with local industry and the school community, to get those areas of specialisation. Also, both schools will be offering complementary courses in business and financial studies, digital technology and retail. I know that if the Minister was here his hope is that these are successful pilots and this serves as a good model, which might be expanded at a future time.

The CHAIR: Was assessment made of the potential of schools in south-west Sydney to be VET high schools, such as Airds, Eagle Vale, Sarah Redfern and Casula?

Mr SCOTT: I will come back to you on notice on what the process was.

The CHAIR: Coming to the broader question of how to cut the Gordian knot—how to crack through to make these systems work better for the 20 per cent of students who have VET aspirations—there have been so many reviews, but is it so hard in the end to allow schools to buy in these services, to establish a direct financial relationship with TAFE and then a performance standard under the new School Success Model, that every student needs to be engaged? If you cannot do it by academic means, you have the money there to buy in the services from TAFE or other providers to replicate the success of the Hoxton Park-type model.

Mr SCOTT: Let's start at the end and work forward. I should simply say, on where the schools were located, that as I understand it the commitment made by the Premier for these vocational high schools was for one in western Sydney and one on the North Coast.

The CHAIR: You just got that message then?

Mr SCOTT: No, I just saw it on my note, so I thought that I would share it with you.

The CHAIR: What is wrong with south-west Sydney?

Mr SCOTT: All I am saying is that the election commitment was for western Sydney, so what is happening is that the election commitment is being fulfilled. I do not think there is anything against south-western Sydney, but the commitment as I understand it was for one in western Sydney and one on the North Coast. But as I have said, I think it is everyone's wish that these pilots and trials are successful and, if they are, then I am sure you would expect to see the geographical footprint that they cover broaden over time. As I said this morning—and as I am sure we will talk about on Wednesday—school engagement is one of those areas that we are looking at. One of the great things that I think we can do is use the data that we are collecting to find outliers in performance as far as schools are concerned—we have some data on school engagement; we certainly have data on school attendance—and then try and find strong causation effects for those changes and those outliers. And then, to learn from success within the system—and schools that are having a successful implementation of ambitious vocational education programs that are seeing a lift in student attendance, student engagement and student behaviour metrics, all of which we should be able to collect. This is information that we want and this is best practice that we want to share.

The CHAIR: Mr Shoebridge?

Mr DAVID SHOEBRIDGE: Thanks, Mr Chair. In a resolution on 2 June last year, Charles Sturt University [CSU] Council committed to commissioning an independent external audit of their financial performance and position that included an assessment of the Sustainable Futures program, and to work transparently and cooperatively with the New South Wales Government as the audit is undertaken, and in the analysis of the report and adoption and implementation of the recommendations. Since that time, how has CSU management been engaging with the Government and the department?

Mr SCOTT: Let me speak to that. First of all, I can just say that as far as—this is in the context of COVID you are speaking, in particular?

Mr DAVID SHOEBRIDGE: I think their concerns were more significant than just COVID. They were substantially more significant than COVID.

Mr SCOTT: One thing I can speak to first up is the—all New South Wales universities were clearly impacted by the events of last year, the impact of international students that was referenced this morning and other areas as well. One of the things the Government did was to provide a \$750 million loan guarantee—

Mr DAVID SHOEBRIDGE: Just to be clear: I am not asking about COVID support. I am asking about the crisis that is engulfing Charles Sturt University, which is quite distinct to COVID.

CORRECTED

The Hon. WES FANG: I think "crisis" is a bit of an overreach.

Mr DAVID SHOEBRIDGE: Perhaps if you knew more, you could tell me more, Wes.

Mr SCOTT: I will have to take that on notice and come back to you on that.

Mr DAVID SHOEBRIDGE: According to summaries of the Charles Sturt University council meetings, KPMG was commissioned to undertake that work and their report was considered at a council meeting at least on 30 September 2020. In a summary of the report, KPMG stated that it was commercial-in-confidence and that the council deemed it was not appropriate for the full report be made public. Has Charles Sturt University given, consistent with its earlier resolution, a full copy of that report to the New South Wales Government and your department?

Mr SCOTT: Well, let me reference what I was talking about earlier, which was the \$750 million loan guarantee scheme, because part of that work to provide that loan guarantee was a willingness for universities to engage with the Government and the department on their financial situation. I will have to come back to you on notice on the engagement of Charles Sturt.

Mr DAVID SHOEBRIDGE: In October 2020 the Commonwealth Minister for Decentralisation and Regional Education said in the Commonwealth Parliament that the Charles Sturt University chancellor had disclosed to him:

... a litany of systemic issues that required investigation ...

He then referenced allegations of potential fraud and possible referrals to the Independent Commission Against Corruption. This is the Federal Minister.

The Hon. WES FANG: Andrew Gee—is that who you are talking about?

Mr DAVID SHOEBRIDGE: Has the New South Wales Minister for Tertiary Education and Skills, the Government or the department received any information or taken any action to investigate these issues?

Mr SCOTT: I will want to check that on notice, if I can.

The Hon. WES FANG: Some of us have been given briefings on it, David.

Mr DAVID SHOEBRIDGE: Sorry, Mr Scott. There is a noise over there.

Mr SCOTT: You are asking whether, in fact, we received correspondence from them. I said I want to take that on notice.

Mr DAVID SHOEBRIDGE: No, no, no. Has the Minister or the department received any information or taken any action to investigate the issues?

Mr SCOTT: I want to see what information we have received formally from Charles Sturt on the matter, and then I will be in a position to outline what response there has been to that. I will do that on notice.

Mr DAVID SHOEBRIDGE: Have you been advised—"you" being yourself, the department and/or the Minister—about the extraordinarily high turnover of senior executive and management positions at Charles Sturt University over the last 12 months? I could give a list of them but it is an extraordinarily long list, starting with the acting interim vice-chancellor, going to the acting provost and deputy vice-chancellor, et cetera. Has this not come across your desk at all? There is a university that seems to be in quite substantial crisis.

The Hon. WES FANG: There is that word again.

Mr DAVID SHOEBRIDGE: You have nothing to add to that?

Mr SCOTT: I would simply say, as the Minister said this morning: The management and the governance of Charles Sturt University is a matter for its governing board—its senate. That is how it operates under the structure that exists under the governance of Charles Sturt University. And so, if there are matters around management turnover, then they are matters that are the focal point and the responsibility of the governing board of the institution. Now, I said to you that I will take on notice whether in fact there has been formal correspondence that has come in from the chancellor or the president of the board—I am not precisely sure of the title—and I can come back to you on notice on that.

Mr DAVID SHOEBRIDGE: But, Mr Scott, I commenced this round of questioning with a resolution from the council itself—the governing board that you refer to—who resolved to not only get the audit but then to:

... work transparently and cooperatively with the NSW government as the audit is undertaken and in the analysis of the report and adoption and implement of recommendations.

CORRECTED

Mr SCOTT: I want to check that the analysis been completed and as to whether in fact the council has, subsequent to that statement, formally reached out to the Government on that. That is what I am taking on notice.

Mr DAVID SHOEBRIDGE: So, sitting there now, you cannot provide any—

Mr SCOTT: No—

Mr DAVID SHOEBRIDGE: Let me finish the question, Mr Scott. Sitting there now, you are not able to provide any detail at all about the crisis at Charles Sturt University or the response, if any, that has been done to it?

The Hon. WES FANG: That is the third time you have used that word.

Mr SCOTT: Yes. I must say, the phrase "crisis at Charles Sturt University" is a somewhat loaded phrase.

The Hon. WES FANG: Agreed.

Mr SCOTT: I can tell you that the key focus that has been from Government around the universities that has included Charles Sturt has been the financial situation universities have found themselves in, with a very significant hit to revenues that has come through COVID-19; with the inability or unwillingness of the Federal Government to include universities as part of JobKeeper; concerns about the wellbeing of international students who are here without levels of financial support—

Mr DAVID SHOEBRIDGE: And this was all in the KPMG report, was it?

Mr SCOTT: On all of those matters there has been clear and strong action of the Government and the department on that. I am in a position to speak to you on any of those matters, if you wish.

Mr DAVID SHOEBRIDGE: Mr Chair, I was asking the secretary about the KPMG report and the very specific audit that was undertaken. Was any of that answer responsive to the KPMG report or the audit? Because I do not think it was.

The Hon. WES FANG: Point of order—

The CHAIR: No, no, no. I have got it, Wes. I think the issue is that the secretary has taken on notice a response regarding the situation at Charles Sturt University and a review of the KPMG report to gain further information. I think where we are at, Mr Shoebridge, is that the secretary has not been presented with crisis documents about this university—

Mr DAVID SHOEBRIDGE: He does not seem to have any documents.

The CHAIR: —and is taking on notice a response to the Committee.

Mr SCOTT: I can add: The Minister—and I believe his public record has demonstrated this—has had some meetings with the university. I have not been at those meetings—

Mr DAVID SHOEBRIDGE: Alright. Well, perhaps we can get some details on notice.

Mr SCOTT: —and I will get details on notice about that.

The CHAIR: Thank you.

Mr DAVID SHOEBRIDGE: Previously I have asked questions about the staffing at TAFE, particularly asking questions—and I will just repeat them now. How many teachers are employed by TAFE, broken down by category? As we sit here now—or the most recent date that you have—how many are full-time permanent, how many are part-time permanent, how many are casual and how many are contract? When I asked a similar question last year I was referred to the annual report. That, of course, does not produce any of that kind of detail. I am going to ask you again: Can you give that breakdown of TAFE teachers?

Ms TICKLE: Did you want me to?

Mr FAURBY: Please.

Ms TICKLE: So, our annual report provides full-time equivalent [FTE] numbers and provides the total number of teachers we have. The workforce mix of our teachers changes based on enrolments. So at any given time we have a fluctuation in particular in our casual teacher numbers. The annual report—we provide FTE numbers and the FTE numbers for teachers have gone up over the last two years.

CORRECTED

Mr DAVID SHOEBRIDGE: So, you have no data? You cannot assist in any way about a breakdown of the full-time permanent, part-time permanent, casual or contract staff? You are not able to provide that answer, Ms Tickle?

Ms TICKLE: We do not have contract teachers. We have part-time casual teachers and full-time teachers, either temporary or ongoing. And so we calculate that at FTE. Now, it is difficult to provide headcount numbers for part-time casual teachers.

Mr DAVID SHOEBRIDGE: I am quite comfortable with them being FTE. Can you provide that breakdown at FTE as at 1 March, today?

Ms TICKLE: We can provide what is in the annual report, which is the total number of teachers.

Mr DAVID SHOEBRIDGE: Well, you have previously provided the annual report, which does not give any of the breakdown. It does not give an understanding about the degree of impermanence in employment relations. That is what I am asking you about.

Ms TICKLE: I think it is important to note that we have converted over 1,000 people from temporary to ongoing.

Mr DAVID SHOEBRIDGE: So you must have some data, which is what I am asking for.

Ms TICKLE: And that includes teachers. But in terms of teacher numbers, particularly with our part-time casual teachers, it fluctuates. I was a part-time casual teacher myself for eight years. It really fluctuates, depending on enrolments.

Mr DAVID SHOEBRIDGE: Yes, so I am asking for the numbers as at 1 March. Will you undertake to provide those on notice or do we have to go through a Standing Order 52 [SO 52] process against TAFE to get all the data?

The Hon. WES FANG: Point of order—

Mr DAVID SHOEBRIDGE: That would be frustrating.

The Hon. WES FANG: If there was ever a comment that was meant to be threatening or to have aggressive tone, that was it from Mr David Shoebridge.

The CHAIR: What did he say?

Mr DAVID SHOEBRIDGE: I am happy for points of order to be taken, but that sort of rubbish comment about an aggressive tone is unworthy of Wes Fang. I would ask him to withdraw it because it is plainly untrue.

The CHAIR: What was the threatening comment?

The Hon. WES FANG: Chair, he indicated that if he was not given the answer, he would be prepared to SO 52 the documents in the upper House.

The CHAIR: That is a legitimate process. We do not want any toxic masculinity. That is the thing we want to avoid.

Mr DAVID SHOEBRIDGE: I was trying to—his course was false, just plainly false and plainly wrong. It was in no way aggressive or threatening.

The CHAIR: Okay. You are allowed to say that you will SO 52 things.

Mr DAVID SHOEBRIDGE: It was a plain question, and it is unworthy of Wes Fang to make it.

The Hon. SCOTT FARLOW: I think the Chair was ruling in your favour, David.

Mr DAVID SHOEBRIDGE: I understand that, but it is unworthy of him.

The CHAIR: No, I do not think it is unworthy. It is a fair point to raise.

Mr DAVID SHOEBRIDGE: It is probably his standard patter; I accept that.

The Hon. WES FANG: Chair, I think it is inappropriate to come in here—

Mr DAVID SHOEBRIDGE: You have had a ruling on that already.

The Hon. WES FANG: They have taken the question on notice. For Mr Shoebridge to—

Mr DAVID SHOEBRIDGE: You have just had a ruling on this.

CORRECTED

The Hon. WES FANG: David, sh, sh!

Mr DAVID SHOEBRIDGE: No, you have just had a ruling.

The CHAIR: You will have to get to your point. I am giving you a fair bit of latitude.

The Hon. WES FANG: I am thinking that—

The Hon. COURTNEY HOUSSOS: You are "thinking that". That is good to know.

Mr DAVID SHOEBRIDGE: I can hear it ticking.

The Hon. SCOTT FARLOW: Point of order: Let the Hon. Wes Fang finish.

Mr DAVID SHOEBRIDGE: It is like being gummed by a sheep.

The Hon. WES FANG: For the witness to take the question on notice, and then to have Mr Shoebridge come over the top and indicate that if he does not get the answer that he wants he is prepared to SO 52 it is inappropriate—

Mr DAVID SHOEBRIDGE: You have already had a ruling on that.

The Hon. WES FANG: —and is a threat against the witness. I would ask you to ask him to—

The CHAIR: No, I am sorry, I do not take that as a threat.

The Hon. WES FANG: Okay.

The CHAIR: A threat is more intimidating than that. SO 52 is available to any member of Parliament at any time. I think we just need to move on if we can.

Mr DAVID SHOEBRIDGE: Ms Tickle, I am inviting you to take that question on notice and provide what information you have. Will you take it on notice?

Ms TICKLE: Yes, certainly, we will take it on notice.

The Hon. ANTHONY D'ADAM: Is Mr Alacqua here?

The CHAIR: Yes, he was sworn in earlier.

Mr FAURBY: He is, yes.

The Hon. SCOTT FARLOW: Come on down. You are the next contestant on the Committee.

The Hon. ANTHONY D'ADAM: We do not have someone in the hot seat.

The CHAIR: Where is the hot seat?

Mr FAURBY: Chair and Mr D'Adam, while we get Mr Alacqua to the table, can I clarify a point that I mentioned before and, Ms Houssos, it also relates to a question you asked me—namely, whether or not we have strategic asset management plans and asset management plans in place. I want to correct what I might have been unclear about. We do have annual plans in place, and those plans are renewed annually. The part that I wanted to make sure is understood here is that the reason why we have not updated them this year is because we are waiting for our own completion of the 20-year infrastructure strategy plan before we update the asset management plan. I just wanted to clarify that matter if that is okay, thank you.

The Hon. ANTHONY D'ADAM: Are you able to provide copies of those asset management plans to the Committee?

Mr FAURBY: The ones that are on public record, certainly.

The Hon. ANTHONY D'ADAM: And the ones that are not on the public record?

Mr FAURBY: They will be commercial in confidence. We have that as an absolute key component to the way in which we compete in a contestable market, and I see no reason why we should or would disclose anything that we are not required to disclose.

The Hon. ANTHONY D'ADAM: Mr Alacqua, you are the Chief Transformation Officer. Is that correct?

Mr ALACQUA: Correct.

The Hon. ANTHONY D'ADAM: Can you describe for me what that role involves?

CORRECTED

Mr ALACQUA: Yes. As the Chief Transformation Officer, my role is to oversee and report the status of the two-year operating plan.

The Hon. ANTHONY D'ADAM: Is that the One TAFE proposal?

Mr ALACQUA: Yes, the two-year operating plan outlines what we are doing for the next two years until 30 June 2022, which outlines the completion of the One TAFE reforms.

The Hon. ANTHONY D'ADAM: Where are we up to in terms of One TAFE? How close to completion are we?

Mr ALACQUA: The One TAFE reforms are quite a way through. Mr Faurby, if you want to add any sort of details—a number activities, as you have even heard today, around org design and other programs are progressing. I might ask Mr Faurby to provide some more details.

Mr FAURBY: Perhaps I can give a bit of an update on where we are at with the One TAFE reform, and I think it is also important to make the point that the main reason why we undertook the work around One TAFE reform was to streamline TAFE NSW from what used to be 10 individual institutes and a separate entity called TAFE Digital. We had 10 different brands. In fact, we had 12 online brands. We had 220 websites, and every one of the institutes were their own RTO. That meant, back in the day, that we had institutes fighting against one another for the work—that was to teach students. We also had 10 CFOs, 10 human resources managers, 10 of everything because every one of these institutes were organisations in their own right. What we did was streamline all these into one RTO with one website and with all the benefits that we have seen through the much more streamlined set-up and approach that TAFE NSW is today, which makes it a lot easier for students to access, whatever they want to access us about, from inquiring about opportunities for courses and also enrolling in courses and, ultimately, graduating in courses. That was the main purpose of the One TAFE reform, and for that we have come a long way in making sure that we have delivered that. We have also—

The Hon. ANTHONY D'ADAM: Have you achieved the \$250 million savings that were foreshadowed?

Mr FAURBY: As the Audit Office report points out, that saving was not achieved. That is a conclusion from the Audit Office report.

The Hon. ANTHONY D'ADAM: How far short have you fallen?

Mr FAURBY: We do not have specific details as to exactly where that sits because it depends, really, on how you look at it. Let me explain. What we have is an annual budget that incorporates a number of initiatives that are continuations of the One TAFE implementation. Some of these things have been achieved already. I have talked about some of them; others are works in progress. To your question as to Mr Alacqua's role, Mr Alacqua's role is to make sure we have oversight and the right prioritisation and focus on the remaining initiatives that are required for us in order to finish the One TAFE reforms. When Mr Alacqua refers to a two-year operating plan, that plan has a set of initiatives under it that are all meant to have us finalise and complete successfully the One TAFE reform. So that is Mr Alacqua's role.

The Hon. ANTHONY D'ADAM: Where are we in the operating plan? Are we coming up to the end of the two years or are we heading into the middle of the two-year period?

Mr ALACQUA: The two years commenced 1 July 2020, and that takes us up to 30 June 2022. It aligns back to the strategic plan from 2016. The two-year operating plan outlines the plan to complete the last two years of that—

The Hon. ANTHONY D'ADAM: And that is the last two years of One TAFE?

Mr ALACQUA: Yes, correct.

The Hon. ANTHONY D'ADAM: Can I ask about the size of the staffing? Is TAFE NSW the right size now? Is it at the right level of staffing?

Mr FAURBY: I do not know that you can ever draw an absolute hard conclusion on these things. The reason for that is that the nature of our work fluctuates. All you need to do, all we need to do, is look at what the past year has brought about in terms of challenges—challenges in terms of the composition of the workforce, the location of people, the means and opportunities or ways in which they undertook their jobs, whether they were teaching staff, teacher support staff or had other important roles in this organisation. And so is TAFE NSW. Therefore it is really for us as an organisation to always be able to have the right set-up—if I can use that expression—in the various roles that we have. For that we need robustness in understanding and analysing the

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organisation and the impact we have. That is what this whole modernisation process that we commenced three or four years ago has given us.

But it is also fair to say that any such project or undertaking that takes four, five, six years will, of course, over the course of that period from time to time throw certain challenges at us. COVID was one, frankly. So were bushfires. So was drought. So were some of these other constant impacts that there is on an organisation like ours. That is the nature of what we do. The fact that we operate out of so many locations means that we constantly need to be able to adapt. For that reason there is no answer to say that we have once and for all established the right set-up for the organisation. I do not think we ever will, frankly, because the world—

The Hon. ANTHONY D'ADAM: But this overarching structural change that you have sought to achieve through the One TAFE process, we hear that that is coming to an end. Don't staff deserve the reassurance that that structural change that has been an integral part of the transformation of One TAFE is now coming to an end and there will be some certainty, particularly in terms of the permanent staff? You have got a staffing structure that you have said on record today is premised on having some level of casualisation, some level of temporary staff. That is there to enable you to manage the vagaries of your operating environment. But in terms of your permanent staff, don't they deserve some assurance that this process is now coming to an end?

Mr FAURBY: What they deserve more than anything and what everyone deserves more than anything is transparency and openness and forthrightness by the organisation and the organisation's leaders. So for us the most important thing is to have those discussions and ongoing consultations with staff. I believe I mentioned earlier today that a big part of my role is to visit the whole organisation and all its locations and listen to what people tell us. The one thing that they always tell me is, "Please, work with us and tell us where TAFE is going, what is the direction of this organisation, and give us some indication, as much as you can, about the way the organisation is moving." That is the most important thing for people to get, and I frankly believe they deserve that. It would be misleading of—

The Hon. ANTHONY D'ADAM: Sorry, I have limited time. Mr Alacqua, presumably part of your role is to map out the further areas of reform and change that are required in the execution of the two-year operating plan. Is there further restructuring proposed?

Mr ALACQUA: The restructuring is outlined in the One TAFE reform. So they have already been outlined.

The Hon. ANTHONY D'ADAM: In terms of the staffing restructuring. We have had the restructuring of the facilities management and student services. Is there any further restructuring proposed in this two-year operating plan?

Mr ALACQUA: I might ask Julie, who is more across the organisational design component of the two-year operating plan.

Ms TICKLE: Organisational design specifically is a process from 2016. We are nearing the end of it but there are a couple more groups to go through. Student services, based on the size, is broken into two tranches. The first tranche is the one going through now, and that is student services operations. Tranche two includes the other roles in student services that are directly related to student support—the counsellors and the librarians, those roles for example. Then we also need to still do our workforce services, payroll in particular, because we did workforce services recruitment last year. We are nearing the end of the One TAFE modernisation organisation design program but there are a couple of groups to go through.

The Hon. ANTHONY D'ADAM: How many position deletions do you expect to arise out of those two further restructures that you mentioned just then?

Ms TICKLE: I would not be able to comment today because they have not gone through yet. We have not presented the change management proposal. We do a lot of design up-front, and we work very closely with the leaders through the organisational design program to unpack what the rationale is for the new structure and what is needed to be done. I would not be able to comment on numbers because we have not done the proposal yet.

The Hon. ANTHONY D'ADAM: When will you know?

Ms TICKLE: When we complete the design process.

The Hon. ANTHONY D'ADAM: When will that be?

Ms TICKLE: What we do is we stagger these changes. This is why it has actually taken quite some time. Just to share an example: We do have people in student services and facilities management and logistics have been saying to us, "We need to go through." We have not gone through for a long time. Some of the position

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numbers are outdated, like we said earlier. So we stagger them. We do not do all of them at once. In terms of when we will have them, we are proposing that we will move on to them when we finish student services. But student services will take us a long time because, as I have said, we have a long consultation period and following the consultation period we move into what we call implementation, where the placement process begins. The placement process takes us a long time because there is a lot of people moving around different roles. Student services has quite a high number of people mapped into roles in the new structure. So those movements will take a long time.

The Hon. COURTNEY HOUSSOS: You said that there is a couple of departments who are still to go; there is the workforce services, payroll, and—

Ms TICKLE: Workforce services, payroll, and the second tranche of student services.

The Hon. COURTNEY HOUSSOS: Roughly how many positions there are there currently?

Ms TICKLE: I would have to take the question on notice. I do not know that detail.

The Hon. ANTHONY D'ADAM: Mr Scott, the Minister's record of his diary indicates that he has met with Charles Sturt University on a number of occasions. Is it customary for you to attend those meetings?

Mr SCOTT: No, I have not attended those meetings. There might be a departmental officer who looks after higher education who would attend those meetings. I can check who attended those meetings. But, no, it would not necessarily be customary for me to attend those meetings.

Mr COLLINS: I would have to take it on notice. I have only just stepped into the role. But from time to time departmental members may attend those meetings but not as a matter of course.

The Hon. ANTHONY D'ADAM: Mr Faurby, is it customary for you to attend meetings with the Minister when TAFE matters are to be discussed?

Mr FAURBY: It certainly depends. Did you say "when TAFE matters are being discussed"?

The Hon. ANTHONY D'ADAM: Yes.

Mr FAURBY: Most certainly. If it is matters that relate specifically to TAFE NSW, certainly, but if you are alluding to meetings that have had external representation—what do you mean?

The Hon. ANTHONY D'ADAM: I was going to say, just to see whether your memory is better than the Minister's, were you in attendance at the meeting with Trifalga where TAFE matters were discussed?

Mr FAURBY: I was not.

The Hon. ANTHONY D'ADAM: Were you at the meeting with Racing NSW when TAFE matters were discussed?

Mr FAURBY: I was not.

The Hon. ANTHONY D'ADAM: Is that unusual?

Mr FAURBY: I do not know how to answer that question.

The Hon. ANTHONY D'ADAM: You would not be invited to a meeting—

Mr SCOTT: I would not have thought necessarily at all. If I think of the Ministers I have worked with in this role, I think it is two or three on both sides of the portfolio. You will have a regular meeting with the Minister, sometimes a meeting with the Minister to discuss specific issues. But the Minister's diary is full all day, every day meeting constituents, meeting different stakeholders. There will be many meetings that the Minister will hold that will go to portfolio matters that I would not be in and, I imagine, Mr Faurby would not be in and other departmental officers would not be in. I do not think that is particularly surprising or unusual.

The Hon. COURTNEY HOUSSOS: Mr Faurby, are you able to take on notice to see whether anyone from your department was in on those meetings with the Minister at the time?

Mr FAURBY: Most certainly. The two meetings we talk about was the one with—

The Hon. COURTNEY HOUSSOS: Trifalga Property Development and Racing NSW.

Mr FAURBY: Yes, we will take that question on notice.

The Hon. COURTNEY HOUSSOS: We can give you the date for those.

CORRECTED

The Hon. ANTHONY D'ADAM: Trifalga was on 14 July 2020. The Racing NSW meeting was on 6 August 2020.

Mr FAURBY: Thank you.

Mr COLLINS: Can I just clarify while we are here, I have just been advised that departmental officials did not attend the meetings on Charles Sturt University. It was a meeting with the Minister.

The Hon. ANTHONY D'ADAM: No departmental official attended those meetings?

Mr COLLINS: No, it was a meeting with the Minister.

The Hon. ANTHONY D'ADAM: Can I ask about the process for deciding about the location of Connected Learning Centres. Is there a policy that guides the deliberations of TAFE in terms of where it sites Connected Learning Centres?

Mr FAURBY: Yes, there is. There is a guide or a set of principles that we use. First and foremost, they will relate to things such as the community we serve, what other training facilities are there—

The Hon. ANTHONY D'ADAM: Can you step me through the process that is applied from—

Mr FAURBY: I can highlight some of the key components of this, which I think will be well understood, and then if there is anything more we need to provide we will take it on notice. Really we look at, for a particular location, the growth in population; we look at composition of the labour force today and what we expect it to look like in the future; we look at the various businesses and corporations—small and large—that exist in the area because that is an indicator, of course, of training needs; we look at accessibility, including public transport but in general; we look at whether or not the location is near another TAFE location or another training facility that would suggest that the demand is met already. So those are the key criteria that will form the basis of where we choose to locate a new facility.

The Hon. COURTNEY HOUSSOS: Who makes the final decision?

Mr FAURBY: That is a TAFE decision. We make a recommendation, that goes to the Minister and it is TAFE's decision.

The Hon. COURTNEY HOUSSOS: Have you had any recommendations refused by the Minister?

Mr FAURBY: I do not recall any.

The Hon. COURTNEY HOUSSOS: Can you take that on notice just to check?

Mr FAURBY: Yes, absolutely, I will take it on notice. I do not recall any.

The Hon. ANTHONY D'ADAM: Can I ask about whether—and this might be able to be answered by Mr Scott or maybe Mr Faurby—there has been any dialogue between Education and TAFE in relation to providing access to connected learning centres for the purpose of achieving the same policy goals as the Country Universities Centres? They seem to be quite similar types of structures—similar kind of infrastructure. Has there been any dialogue between the two agencies about perhaps utilising Connected Learning Centres for the purposes of facilitating a country university-type arrangement?

Mr SCOTT: I am not aware of it but I am happy to check it and return on notice to you. I should add to that that Country Universities Centres are not run by the department, of course.

The Hon. ANTHONY D'ADAM: No, I understand that. But my point is—

Mr SCOTT: Yes, I can see that there is a parallel pattern there.

The Hon. ANTHONY D'ADAM: —there is clearly some pattern in terms of the establishment of these facilities, and they are the obviously there to serve a community benefit. They might actually provide an alternative pathway rather than investing in CUCs, as the case may be.

The CHAIR: I just had a few questions briefly on the returning of international students to the university sector. When the New South Wales Government deals with the sector, what is the point of contact? Is it individual universities, the vice-chancellors' committee or Universities Australia?

Mr SCOTT: In the main it has been meeting with the vice-chancellors committee. Minister Lee has met with them at a departmental level as well. I think Mr Reardon, Mr Pratt from Treasury, and vice-chancellors and I have been involved in some of those meetings, too. And also meetings with the chancellors as well.

The CHAIR: What is their most recent submission as to what they would like to see happen?

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Mr SCOTT: I think it is clear that they are keen in support of the return of international students, clearly as could be expected as part of their revenue challenge that they are facing through COVID-19. They have been strong advocates of that and supporting the New South Wales Government in its advocacy to try to find a solution and a way forward for some international students to be able to return for school year 2021. There have also been discussions and engagement—as I was indicating earlier, there is a \$750 million loan guarantee scheme that was outlined last year that came on the back of consultations with the universities, the vice-chancellors in particular and, similarly, the support package the Government delivered for international students who were in financial distress. That again is the kind of activity that has emerged through the consultations at the vice-chancellors level and senior levels of the Government.

The CHAIR: Have they proposed to look after their own quarantine arrangements?

Mr SCOTT: Yes, I think—I do not want to go into detail about that—the challenges that you see around the return of international students is—

The CHAIR: The numbers are so vast.

Mr SCOTT: Well, the numbers are significant. There are limits on the number of flights, what is the prioritisation for flights and what is the prioritisation for quarantine. As you would be aware, New South Wales has carried a disproportionate burden of quarantine on behalf of the rest of the country. I think there is a question as to how the international students' return fits into that broader strategy, which is why it is a National Cabinet discussion.

The CHAIR: Sure, but the universities' position is to recognise that the vast number of students would not fit into the existing hotel quarantine system and to create their alternative. At the beginning of the pandemic, the University of Sydney had a proposal to quarantine the students at the Cobbitty ag centre, for example. Are those proposes still on the table?

Mr SCOTT: I think the universities are still keen to be agile in proposals to help and assist where possible around issues like quarantine and also issues like returning flights. But, again, their proposals, and even the wishes of the State Government, all come under the broader decision-making of National Cabinet as far as these matters are concerned.

The CHAIR: Right. So there is an expectation that there will be a national approach to this—that New South Wales will not have arrangements different to Victoria or Queensland?

Mr SCOTT: Yes, I think that is the expectation and there have been strong statements made by the Treasurer and the Secretary of the Treasury around desire to help facilitate the return of international students in some form this year. But it has to fit into a national framework and national decision-making around this.

Mr DAVID SHOEBRIDGE: When did Racing NSW or Mr V'landys first approach TAFE with an offer to buy the Scone property?

Mr FAURBY: Are you asking me?

Mr DAVID SHOEBRIDGE: Whoever knows. It is probably you, Mr Faurby.

Mr FAURBY: We will take that question on notice.

Mr DAVID SHOEBRIDGE: Well, you know he has approached to offer to buy the property—Racing NSW.

Mr FAURBY: Yes, I am aware of that.

Mr DAVID SHOEBRIDGE: When did you become aware of that, Mr Faurby?

Mr FAURBY: The exact date I do not recall; it is a while ago. I will take it on notice and let you know.

Mr DAVID SHOEBRIDGE: Before the sale was put up publicly?

Mr FAURBY: I will take it on notice. I do not recall.

Mr DAVID SHOEBRIDGE: Well, that would be an important distinction. You must remember that—whether it was before the sale was put up publicly or not.

Mr FAURBY: There was an approach made, I believe, to—I do not believe that approach was made to TAFE. But there was an approach made, I believe, to the Minister at some point in time.

The CHAIR: But, Mr Faurby, you are being asked directly: Was Mr V'landys, in effect, the instigator of the proposal? There must be some memory of that sequence.

CORRECTED

Mr FAURBY: Excuse me, of what?

The CHAIR: To sell the property.

Mr DAVID SHOEBRIDGE: Why don't we break this down, Mr Faurby?

Mr FAURBY: Yes.

Mr DAVID SHOEBRIDGE: There was an approach by Racing NSW. It went to the Government directly, not TAFE. That is the first point. Is that right?

Mr FAURBY: Yes, I believe so.

Mr DAVID SHOEBRIDGE: Now you must have some basic understanding about when that was. Was it in calendar year 2021, calendar year 2020 or before that?

Mr FAURBY: I honestly cannot tell you exactly when that is.

Mr DAVID SHOEBRIDGE: Was it this year, Mr Faurby?

Mr FAURBY: I will take the question on notice.

Mr DAVID SHOEBRIDGE: Well, Mr Faurby, you must have some understanding about the rough time of which it is.

The Hon. WES FANG: Point of order—

Mr DAVID SHOEBRIDGE: I know it is awkward for you—

The Hon. WES FANG: He has taken the question on notice.

Mr DAVID SHOEBRIDGE: —because you might put your Minister in it, but you must have some—

The CHAIR: Order! There is a point of order. But, I have to say, as Chair, there is also a cut-off point in terms of the number of items that get taken on notice. A reasonable expectation that this Committee would have is that the Managing Director of TAFE would have a recollection of the sequence here as to whether or not Mr V'landys was, in effect, the instigator. You know, was this the light-bulb moment at which a decision was made—"Ah! Here is a possible idea to sell the property"?

Mr FAURBY: I can certainly say that we had—we being TAFE NSW—given consideration to the future of Scone that predates any approach that was made by any third party person, such as the person that was—

The CHAIR: Okay, well that helps.

Mr DAVID SHOEBRIDGE: So for you to be able to say that, you must have some knowledge in your mind about when that approach was made. Simply constantly avoiding giving us even a basic idea of when that was and taking it on notice—I do not think you are being genuine with us, Mr Faurby.

Mr FAURBY: I certainly am. What I am saying is that we have had considerations about the future of Scone that go back to—

The CHAIR: That predate Mr V'landys. Mr Shoebridge, I think—

Mr DAVID SHOEBRIDGE: You know that they predate Mr V'Landys. You must have some sense of when Mr V'Landys' approach was. Those two things cannot sit totally separate.

The CHAIR: He said that.

Mr DAVID SHOEBRIDGE: So I am pressing you, Mr Faurby, to give an indication, and perhaps you could seek some assistance from the staff behind you—there are a number of staff there—about when that approach from Mr V'Landys was so we can get an answer today.

The CHAIR: Let us come back to that. If Mr Faurby wants to get some more information we will come back to it.

Mr DAVID SHOEBRIDGE: Will you do that?

The Hon. WES FANG: Point of order—

The CHAIR: Order! It is being handled. Mr Faurby is going to get some more information and Mr Shoebridge can come back to that once an answer is available at this session.

CORRECTED

Mr DAVID SHOEBRIDGE: Thanks, Mr Chair. Mr Faurby, Mr V'Landys has said that he has offered to purchase the property for more than its original acquisition cost. Are you aware of that?

Mr FAURBY: No, I am not.

Mr DAVID SHOEBRIDGE: Do you know what figure has been put forward by Racing NSW to buy the property?

Mr FAURBY: No.

Mr DAVID SHOEBRIDGE: Could you find out?

Mr FAURBY: I will certainly take on notice to see what we can find out, but I have no knowledge of that number.

Mr DAVID SHOEBRIDGE: This is a fairly obvious question that I think we would expect an answer to today: Did Racing NSW, either through Mr V'Landys or others, approach the Government and/or TAFE about the purchase of the Scone property before the Scone property was listed for sale? Will you give us that answer?

The CHAIR: Order! That is the information, in all fairness, Mr Faurby said he is accessing separately.

Mr DAVID SHOEBRIDGE: I just want to be clear that that has been taken on notice and we will get an answer today.

Mr FAURBY: Yes.

Mr DAVID SHOEBRIDGE: Mr Faurby, the original plan for One TAFE was to have \$250 million per annum savings on and from 2018-19. You would be aware of that?

Mr FAURBY: That was the plan that was in the initial One TAFE, yes.

Mr DAVID SHOEBRIDGE: What was the savings from the One TAFE program in 2018-19?

Mr FAURBY: I do not know that number off the top of my head.

Mr DAVID SHOEBRIDGE: Were there no savings you could actually cost?

Mr FAURBY: Absolutely was there savings, yes.

Mr DAVID SHOEBRIDGE: What were the savings last year from the One TAFE program, in the 2019-20 calendar year?

Mr FAURBY: My answer will be the same: I do not know what the number is but I can certainly confirm there were savings.

Mr DAVID SHOEBRIDGE: Can you tell us on notice what the savings were?

Mr FAURBY: I will take that question on notice, yes.

Mr DAVID SHOEBRIDGE: What are the expected savings this financial year from the One TAFE project?

Mr FAURBY: We have, as part of the TAFE NSW annual budget, an expectation of certain efficiencies that we deliver and that forms part of the budget. The budget is \$1.967 billion.

Mr DAVID SHOEBRIDGE: As we heard repeatedly from the Minister. But this is budget estimates and I am asking you what the budget proposes to have in terms of savings from the One TAFE program this year. You cannot answer that, you cannot answer for last year, you cannot answer for the year before. Do you have any information you can share with us about the budgeted or actual savings from One TAFE—any at all?

Mr FAURBY: I can take that question on notice.

The CHAIR: Mr Faurby, at this point, and for future budget estimates, Mr Shoebridge has raised a pretty valid point that these are budget estimates and this is a serious committee with some serious people on it. I have got to say, having been through now close to five hours, I am not expecting the Minister to have all this data at his fingertips but I am expecting, as Chair of the Committee, that someone in your position as the managing director of TAFE will have done some basic research and will bring data with you to these meetings to answer questions that are not really unexpected from Mr Shoebridge and the Opposition, to edify the Committee, to give us the information and provide the basis of follow-up questions. We have been pretty tolerant to this point, but I really would ask that in future you have a lot more of this information available to you directly to help the Committee in its budget estimates deliberations please.

CORRECTED

Mr DAVID SHOEBRIDGE: We might just cut up today's video of every single time the Minister or a bureaucrat has taken a question on notice and we will just play it.

The CHAIR: No, we are not going to do that.

Mr DAVID SHOEBRIDGE: I think I will.

The CHAIR: What we are going to do is listen to the point the Chair has made—

Mr DAVID SHOEBRIDGE: And it is a valid point, Chair.

The CHAIR: —and hope that in the future we have got more available information about the financial situation of TAFE, please.

Mr FAURBY: I certainly take those comments on board and thank you for providing those, but can I also make the point that TAFE NSW operates in a competitive, contested and commercial market where a lot of the initiatives that we do we do with a view to setting ourselves up to compete against hundreds of other RTOs out there in the market for vocational training. Therefore, it is in our interest to safeguard the efficiencies and the savings that we are seeking to achieve, particularly when initiatives are targeted at strengthening our competitive position vis-a-vis that of other operators.

The CHAIR: I am sorry, Mr Faurby, that does not wash here because you are competing with public money, and this is a budget estimates committee set up primarily for the purpose of transparency about the use of public money. That is just the situation you are in and these answers need to be provided. Otherwise, members of Parliament cannot discharge their legitimate duty. You might be worried about your competitors but we have got to be worried about the efficient and effective use of public money. That is why you are here, that is why we have these meetings, and in future you really do need to provide more transparent information for the edification of the Committee.

Mr DAVID SHOEBRIDGE: So, Mr Faurby, do I understand it that as part of your preparation for today's budget estimates you did not have figures on the One TAFE savings—I would have expected that as a basic response given the savage response from the Auditor-General's report? You did not come with any figures to actually identify what, if any, achievements you have had from One TAFE, even though you had that savaging from the Auditor-General at the end of last year?

Mr FAURBY: As I have explained, we have put together a list of activities and initiatives that will set us up to complete successfully the One TAFE reform. That is what we refer to as the two-year operating plan that has a number of initiatives. Many of them relate to our position in the market and the competitive tension that we operate in, and therefore for us to have numbers that specifically answer this question is difficult.

Mr DAVID SHOEBRIDGE: The Chair's proposition—we do not agree on much, the Chair and I, but on the point that you need to have transparency about \$1.96 billion of money going to a public institution like TAFE and you come here and hide behind commercial in confidence and say that is why you are not providing answers, I have got to say I am astounded that that is your attitude, Mr Faurby.

The CHAIR: Can I put it this way, Mr Faurby: I do not doubt that you are doing a really good job as the managing director of TAFE, but I will say this as the Chair of the Committee—Mr Shoebridge says he and I have some disagreements; I have some disagreements with Mr Scott and perhaps other leadership in the department, but I will say this for the benefit of Mr Scott and the other officials: We have never had a feeling at this Committee, which, as I say, is a serious committee with some serious people, that there is any attempt to stonewall against our legitimate access to the basic financial information as part of budget estimates. I think we have crossed that line today and I think it has been a negative aspect of our deliberations and I am just urging you not to allow it to happen again.

Mr FAURBY: Sure.

The CHAIR: I know your competitive pressures, but we have a bigger responsibility as public representatives to make the budget estimates work. We have never had stonewalling from Mr Scott or the education department officials about their finances and arrangements; we do not always get the answer we necessarily want to hear, but there is no sense that we are being held up in our public duty. That has happened today with TAFE and I am not as stringent in the language I use as Mr Shoebridge but I am urging in a reasonable way for that not to happen again in the future. Thank you. The Labor Opposition?

The Hon. ANTHONY D'ADAM: I want to ask about apprenticeship support, particularly around whether there is a dedicated team for dealing with apprenticeships and particularly managing the processing of apprenticeship training plans. Who is the best person to answer that question?

CORRECTED

Mr COLLINS: I am happy to answer that. For all apprenticeships there is a requirement for training plans to be developed. They are a document that describes effectively the pathway through the apprenticeship, how the teaching and learning will occur, and it is a document that is shared between the training provider and the employer and the apprentice. It is a very important document and it is one that we, as the regulator of apprenticeships and traineeships, require to ensure that there is the right mix and that the progress of the apprenticeship or traineeship can be monitored effectively. For the compilation of the training plan it is actually the responsibility of the training provider to undertake that and to negotiate that with the employer.

The Hon. ANTHONY D'ADAM: So there is a team that deals with—presumably your organisation receives the training plan proposals and ticks them off. Is that right?

Mr COLLINS: We receive them from the training provider and, yes, we do.

The Hon. ANTHONY D'ADAM: How many staff members are dedicated to that function?

Mr COLLINS: We have got a team across the State that is not specifically dedicated to that function. We have got a team across the State that provides administrative support for us in terms of processing training contracts as part of that training contract arrangement. It also receives and registers those training plans.

The Hon. ANTHONY D'ADAM: So you are not able to say how many people are specifically dedicated to turning around those training plans.

Mr COLLINS: I could not specifically say. There is no-one whose job is just dealing with training plans. It is part of a broader administrative role and only a very small part of that role.

The Hon. ANTHONY D'ADAM: How many training plans do you process in a year on average?

Mr COLLINS: There is required to be one for each apprentice or trainee who commences, so I would have to check my notes on the actual commencements. But we are anticipating receiving a training plan for each apprentice or trainee who commences.

Mr SCOTT: One thing, as Mr Collins was saying, is that they are reviewed but the people who review them, it is not their exclusive job to review those plans. It is part of a broader array of responsibilities they have.

The Hon. ANTHONY D'ADAM: Is there a benchmark in terms of how quickly a plan is to be processed?

Mr COLLINS: There is not a benchmark for how quickly the plans are processed, but we would expect that we are performing that registration function as swiftly as possible and that we are processing—it is not an issue that I am conscious of having been an issue on our side, so I do not have data on that. But—

The Hon. ANTHONY D'ADAM: If I were to say that there has been a suggestion that the processing is slow, you would not be able to say yes or no to that. You do not have that information. You are not in a position to make an assessment about whether that unit that performs a critical function is actually discharging its duties in a sufficiently customer-focused way?

Mr COLLINS: Can I get to the heart of the issue? We are the recipient of a completed training plan. The development of the training plan is actually something that happens within the training organisation and between the training organisation and the employer. We are aware of the various times that it takes for that to happen before it is received by us. I am not aware that there are issues. I am not denying that there may be issues. I am not aware that there are issues in our processing of those training plans once they are received. They are an important part of a bigger picture and that is actually the registration of the training agreement and therefore the making official of that employment and training arrangement. I am not aware that there is an issue, but I am certainly very happy to look into it.

The Hon. ANTHONY D'ADAM: Can the training commence without the training plan?

Mr COLLINS: The training can commence without the training plan and the training does commence without the training plan.

The Hon. ANTHONY D'ADAM: Is it usually the case that it does commence without the training plan?

Mr COLLINS: The training plan is often completed once the apprentice or trainee is enrolled and has commenced training.

The Hon. ANTHONY D'ADAM: Mr Faurby, does TAFE allow apprentices to be enrolled in courses without an approved training plan in place?

CORRECTED

Mr FAURBY: I don't know. Either Ms Tickle or Ms—

Ms HOSEA: I think it is Margot who would know better.

Mr FAURBY: Would it be a question for Margot?

Mr COLLINS: Can I also say in terms of the processing there is another party within the processing of all of this, which is the Commonwealth-funded Australian Apprenticeship Support Network alliance. The Commonwealth funds organisations that work with the employer and with the apprentice or trainee and the training provided to do the administration. That involves completing the training contract, completing of the training plan and completing of documents to get access to Commonwealth employment incentives. We get the documentation from those bodies, so there could also be a delay within that part of the network.

The Hon. ANTHONY D'ADAM: I see. Can I ask about the 100,000—

Mr SCOTT: Sir, did you want to ask about TAFE? Dr McNeill is in a position—

The Hon. ANTHONY D'ADAM: Sorry, yes, someone from TAFE was going to come back to me on that. We have got a new person on the table.

Dr McNEILL: I will just add that in terms of the process, while the student is enrolled then they might go on to begin something like the orientation process and they can all begin before the training plan has been finalised. So some of these things will happen concurrently.

The Hon. ANTHONY D'ADAM: It has been suggested to me that students are facing delays in having their training plan proposals approved and as a consequence they are not able to enrol at a TAFE closest to them. Then once the approval has occurred they have found that there are not adequate places at their nearest TAFE and they have to be relocated.

Mr SCOTT: Mr D'Adam, I think we have canvassed a bit of the experience. What I have heard Mr Collins say is that that is not an area of complaint or concern that has been activated to his area. So if there are specifics, I think we would value that. We are saying there are some complications in that chain, including the work the employer needs to do before it is sent off for approval or ratification. If there are some specifics on that, we would welcome to investigate that. This is an important service that needs to be provided to the students so they can get on with their study. So we would value any detail that you have.

The Hon. ANTHONY D'ADAM: Sure. There is the issue around the benchmark that obviously will need to be addressed because as far as—

Mr SCOTT: I think it will be on the case studies you bring to bear because I think we are a responsive organisation where students indicate concerns and we are aware of that feedback. We have mechanisms for feedback and we try and attend to it. This has not been something that has been highly visible to us, so let us take a look at what the case studies say and what we can learn from the processes that come behind that.

The Hon. ANTHONY D'ADAM: Okay. There was an announcement for 100,000 fee-free apprenticeships. How many of those have been taken up?

Ms READ: 47,304.

The Hon. ANTHONY D'ADAM: Do you have figures on how—

Mr SCOTT: As of this hour. That is a very precise number.

Mr DAVID SHOEBRIDGE: Sorry, was it 47,000?

The Hon. SCOTT FARLOW: And 304.

Mr DAVID SHOEBRIDGE: Is this of the 70,000?

Ms READ: No, this was the 100,000.

The Hon. ANTHONY D'ADAM: The 100,000 fee-free apprenticeships. And what is the total number of apprentices who have dropped out of their apprenticeships in the last financial year?

Ms READ: I do not have that for the last financial year. We did see significant disruption obviously over the period of 2020.

The Hon. ANTHONY D'ADAM: You can take that one on notice if you like.

Mr SCOTT: Do you want to give detail on that?

The Hon. ANTHONY D'ADAM: And for the previous year as well if that is possible.

CORRECTED

Ms READ: Okay. So you are looking for financial—so 2019-20 and then 2018-19 and specifically for apprentices?

The Hon. ANTHONY D'ADAM: For apprentices, yes, the number of drop-outs.

Mr SCOTT: But we can give you detail. It is quite interesting to look at the pattern and movement through the calendar year 2020. Because you did see a period of time where suspension rates were higher and there was a slowing down of the activity through March, April and May but really quite a strong surge back in the second half of the financial year and year-on-year significantly higher figures for I think October, November and December that you saw from the previous year. So we can give you a sense of the pattern of movement. There was a lot of engagement with industry and trying to provide the support infrastructure that we could do to keep traineeships going and keep apprenticeships going to keep students in that economy with their studies. So we can give you some detail.

The Hon. ANTHONY D'ADAM: Are you able to provide on notice how many of those were fee-free apprentices?

Mr SCOTT: Yes, we can give you that detail.

The Hon. ANTHONY D'ADAM: Are you able to tell me—we might have had this question already—how many students are enrolled in a school-based apprenticeship?

Mr SCOTT: Yes, I have those numbers at the moment. I think it is around 2,000 annually.

The Hon. ANTHONY D'ADAM: Can I turn now to the COVID-19 support fee-free courses. How many of those were taken up?

Ms READ: Are you referring to the JobTrainer support—the 100,000 fee-free places?

Mr DAVID SHOEBRIDGE: There are two elements of it, isn't there? Around 70,000 for the young jobseekers on traineeships and 30,000 for mature-age workers?

Mr SCOTT: Yes, that is true.

Mr DAVID SHOEBRIDGE: Maybe if we break them down in two, that would be more useful.

The Hon. ANTHONY D'ADAM: Yes, so are you able to provide data on—

Ms READ: There are also 100,000 fee-free places under the JobTrainer Skilling for Recovery program.

The Hon. ANTHONY D'ADAM: Are you able to provide data on how many of those were taken up for each of the categories that have been mentioned?

Ms READ: Okay, so we talked about the fee-free traineeships earlier. Sorry, let me just find that number.

Mr DAVID SHOEBRIDGE: That was the 17,000.

Ms READ: That was the 17,000 and then for JobTrainer—sorry, let me just find it in my notes.

Mr SCOTT: I have a figure here that to date we have delivered 15,000 places of the 100,000 free training places that were on offer.

The Hon. ANTHONY D'ADAM: How many of those have been completed?

Mr SCOTT: I can get that detail for you.

The Hon. ANTHONY D'ADAM: Are you able to provide data on how many of those then translated into further study with TAFE?

Mr COLLINS: It is rather premature for the 100,000 JobTrainer ones, because they have really only started rolling out in the past couple of months. Some of those are short courses that were designed to give people a basic skill so they might be better equipped to look for jobs if they have lost jobs. Some of them are longer, full qualifications that will be ongoing. It is premature for us to have any data, really, about the transition from that into further training. The extent to which they are doing that is something that we would be looking for as we roll into this year. Of that 100,000 in the fee-free JobTrainer courses, a small number, 4,000, were specifically for school leavers under the banner of Summer Skills—a range of short courses that were designed to basically give people an introduction to vocational education and training and to get them thinking about what they might want to do. They range through hospitality services, primary industries—a whole range of different areas. We are just wrapping that up now. Some of those students would be completing their courses about now and we would hopefully be seeing a transition from there into further vocational education and training. We hope to see some of those students making positive choices that this is where they want to go.

CORRECTED

The Hon. ANTHONY D'ADAM: Are you able to provide locational data as well?

Mr COLLINS: We can provide data on where those courses were, yes.

The CHAIR: Is the Opposition just about expired? I sense we are dragging a little bit.

The Hon. ANTHONY D'ADAM: No, we still have a bit to go.

The CHAIR: I want to be reasonable around the room.

The Hon. ANTHONY D'ADAM: We did have a similar range of questions about the bushfire relief in terms of data, if you could provide a similar dataset.

Mr SCOTT: Yes, we can do that. We will take that on notice.

Mr DAVID SHOEBRIDGE: I have a series of questions that will last until we get an answer on Racing NSW. I have enough to go until we get the answer.

The CHAIR: We will come back to that, because I assume we have the V'landys answer. We will run out at 5.00 p.m.

The Hon. ANTHONY D'ADAM: I do have one other question.

The CHAIR: One more, and then you have up to 300 supplementary questions.

The Hon. ANTHONY D'ADAM: Perhaps Ms Tickle might be able to explain this. In the annual report, you have reported quite considerable improvement in terms of your lost-time claims for workers compensation. I just wonder whether you might be able to explain what was driving that.

Ms TICKLE: I do have some information on workers compensation. I do not have the annual report in front of me. Obviously that is public, so you have that. What is the specific question?

The Hon. ANTHONY D'ADAM: I just want to know whether there is some explanation for what has been driving the lower rate of workers comp claims. It has dropped substantially.

Ms TICKLE: Yes. There is a lot of things that we are putting in place in the area of our work health and safety strategy. In particular, we are working on making sure that injuries are reported to our incident hotline as soon as they happen. In fact, our safety theme for the month we are in as of today is, "Report the incidents before you leave for the day." That means that if incidents are reported on time and we can have early intervention in terms of medical responses, then we do not get as many workers compensation claims, so that could be reducing those claims. We are also working on quite a number of things around making sure that the people on the ground are aware of everything that is happening in their sphere, so we are making sure that our head teachers and our leaders on the ground are aware of what types of injuries are happening in the workplace.

We are communicating a lot more. In fact, every month we have senior leader briefings. Our managing director talks about the safety theme and every leader who attends that senior leader briefing—which is all of our leadership team across the State, numbering about 200 leaders who report directly to the chiefs—must do a toolbox talk on the current topic. They must actually tick off that they have done it. I cannot be sure, but I think that a number of improvements are attributed to the activity that we are undertaking in the space to make sure people know what is going on around them.

The Hon. ANTHONY D'ADAM: I want to ask you about one further matter, Ms Tickle, which is an investigation that was conducted at Hamilton campus by Workdynamic. Are you aware of that investigation?

Ms TICKLE: Yes, I believe I am. Is there any more information?

The Hon. ANTHONY D'ADAM: I want to know how much the Workdynamic contract was worth for that particular investigation.

Ms TICKLE: I do not have the amount, but I can certainly find out. I will take that on notice.

The Hon. ANTHONY D'ADAM: Has Workdynamic done any other inquiries for TAFE?

Ms TICKLE: Any other investigations? Yes, they have.

The Hon. ANTHONY D'ADAM: How many?

Ms TICKLE: I do not have that number in front of me but it would not be hard to find, so I will take it on notice.

The Hon. ANTHONY D'ADAM: Are they regularly asked to perform this work for TAFE or do you have a range of providers of investigation services?

CORRECTED

Ms TICKLE: Correct. We have a number of providers on our bench that we go to when we need to investigate. As we have previously talked about in terms of our complaints policy, depending on the nature of the complaint it is sometimes handled through alternate dispute resolution. It depends on the nature of the complaint. Sometimes we look at them internally and at other times we will seek the support of an investigation provider similar to Workdynamic.

The Hon. ANTHONY D'ADAM: Are they on a panel contract? They are pre-qualified and you can just pick whichever one you like—is that right?

Ms TICKLE: Yes, we have a number that we use regularly.

The Hon. ANTHONY D'ADAM: Who makes the decision about which investigator gets selected?

Ms TICKLE: It depends on the nature of the circumstances: the nature of the complaint and therefore the nature of the investigation required. Our head of workplace relations usually recommends which of our panel of investigation organisations we would use, so it really depends on the nature of the complaint.

The Hon. ANTHONY D'ADAM: Is that not something that would normally be done by internal audit? Do you not have an internal audit unit?

Ms TICKLE: We do have an internal audit unit. But for things of this nature, in particular around our people and complaints made around things in the workplace, we often need to go to specialists and we use the people on our panel. In some cases we do look at it internally. It just depends on the circumstances, and I guess the severity of the complaint and how many people are involved—all those sorts of things.

The Hon. ANTHONY D'ADAM: What budget does it come out of? How do you account for it internally?

Ms TICKLE: It comes out of the People and Culture allocation.

The Hon. COURTNEY HOUSSOS: I want to come back to the question of the disposal of non-current assets. Mr Faurby, you seemed to think that it was \$12.959 million, which is the amount in the budget papers, but then the Minister said \$20 million. Did you have a chance to check that?

Mr FAURBY: The \$12.959 million is the accounting adjustment or impact on this year's financial results as a consequence of the Randwick divestment. That is the number that I had and have in my mind. In order to not confuse that with the \$20 million that the Minister had, I think I undertook to double-check that. The \$12.959 million is the profit on the disposal.

The Hon. COURTNEY HOUSSOS: So it was sold for \$20 million but there was a significant amount that was required to do what?

Mr FAURBY: I am saying that the \$12.959 million that I talked to was the profit that you will take up on the annual accounts for this financial year.

Mr DAVID SHOEBRIDGE: The structure of my questioning will depend upon whether we have an answer about Mr V'landys and Racing NSW. Do we have an answer?

Mr FAURBY: Yes, we do. The question was at what point in time Racing NSW approached the Minister for the future of Scone, I believe, and the answer is that that happened in July of last year.

Mr DAVID SHOEBRIDGE: When did Racing NSW first offer to buy it?

Mr FAURBY: I am not aware if they actually did. I will have to take that on notice. All I can say is that they approached us. I think the wording of the letter that was written to the Minister in July of last year did suggest that they had an interest in the facility. Because it was an unsolicited offer, we directed them to the DPC guidelines for the ways in which to deal with unsolicited offers. As far as I am concerned, that was the end of that discussion.

Mr SCOTT: And the site, as I understand it—Mr Faurby will correct me—is now being disposed of under standard public service guidelines for the disposal of assets. An approach may have been made, an unsolicited approach, that was reported through the Department of Premier and Cabinet guidelines, but as I understand it this is a standard divestment under public service guidelines, and those rules and protocols are now being followed.

Mr DAVID SHOEBRIDGE: So there was a letter from Racing NSW. Was it signed by Mr V'landys? Was he the author of the letter in July of last year?

Mr FAURBY: I have not confirmed whether that was the case or not, I honestly do not recall, but it was from the organisation. I think that is as much as I recall.

CORRECTED

Mr DAVID SHOEBRIDGE: And that included the suggestion at least that Racing NSW would purchase the Scone facility?

Mr FAURBY: My recollection is that they expressed an interest, yes, and that—

Mr DAVID SHOEBRIDGE: Did they put a figure on it?

Mr FAURBY: I do not believe they did.

Mr DAVID SHOEBRIDGE: I am sorry, Mr Faurby, I did not mean to cut you off. Had you finished what you were going to say? You said, "And that".

Mr FAURBY: All I am saying is I do not recall that there was a figure, but I will gladly confirm.

The CHAIR: Did they lodge a formal unsolicited proposal?

Mr FAURBY: Not that I am aware of. It was a letter that expressed an interest in the facility.

Mr DAVID SHOEBRIDGE: You referred that off to the Department of Premier and Cabinet [DPC] under the unsolicited bids policy.

Mr FAURBY: I believe the Minister did.

Mr DAVID SHOEBRIDGE: What happened to that?

Mr FAURBY: I am unaware; I do not know.

Mr DAVID SHOEBRIDGE: Will you provide us with a copy of the letter?

Mr FAURBY: It is the Minister's letter, but I will certainly take it on notice and—

Mr SCOTT: But the one thing I think we can reasonably assume is that the asset was not sold to Racing NSW because the asset is now being disposed of under a divestment strategy that follows the public service guidelines.

The Hon. COURTNEY HOUSSOS: Despite assurances to us that it would not happen last year.

Mr DAVID SHOEBRIDGE: We will get to that, Mr Scott. I do not think we have had a clear answer yet: Will you provide a copy of the letter?

Mr FAURBY: I am not sure if I have the letter on file, to start with. A letter was written, as I am advised, from the Minister to Racing NSW.

Mr DAVID SHOEBRIDGE: From the Minister to Racing NSW?

Mr FAURBY: That is my understanding, yes, because the letter was addressed to the Minister.

Mr DAVID SHOEBRIDGE: Surely the Minister would have sought advice from you about the letter.

Mr FAURBY: He did, yes.

Mr DAVID SHOEBRIDGE: Therefore, you would have received a copy of the letter.

Mr FAURBY: I did.

Mr DAVID SHOEBRIDGE: And, consistent with the State Records Act you would have kept a copy of the letter, Mr Faurby?

Mr FAURBY: I am sure I have.

Mr DAVID SHOEBRIDGE: You did not shred it?

Mr FAURBY: No, no.

Mr DAVID SHOEBRIDGE: So will you provide a copy of the letter?

Mr FAURBY: Yes.

Mr DAVID SHOEBRIDGE: Was it an assessment by TAFE NSW that precipitated the move to sell Scone TAFE or was it the receipt of the offer to purchase from Racing NSW that precipitated the proposal to sell Scone TAFE?

Mr FAURBY: It was TAFE's assessment that the facility was underutilised and, therefore, we believed and still believe that we are better off divesting the facility and the proceeds made from the divestment being reinvested into future facilities for TAFE NSW in the region.

CORRECTED

Mr DAVID SHOEBRIDGE: Yes, but I am asking what precipitated that. Did TAFE's assessment post-date the receipt of the letter from Racing NSW or did it precede the letter from Racing NSW?

Mr FAURBY: We would have formed that view prior to receiving the letter from Mr V'landys.

Mr DAVID SHOEBRIDGE: You say "would have".

Mr FAURBY: Yes.

Mr DAVID SHOEBRIDGE: What, if any, documentary evidence can you provide to us to substantiate that position?

Mr FAURBY: I will take on notice exactly what evidence I am able to provide, but what I can say here is that there was consideration given to that before the July letter was received by the Minister. Let me take on notice and provide exactly what that process looked like, and also the number of iterations or the work that went into assessing the validity or the attractiveness of that proposition.

Mr DAVID SHOEBRIDGE: I have to say, Mr Faurby, that with the difficulty we have had in getting a straight answer on this and the timing, being the receipt of the letter in July of last year from Racing NSW and then the sale this year, it looks very much like the Government is responding to a Racing NSW offer. Do you want to provide an answer as to why what looks like the answer is not the answer?

Mr FAURBY: My answer is the answer I just gave, namely that this was entirely an operational consideration given the fact that we have an 18-hectare facility that is heavily underutilised—in fact so much so that only three out of 12 buildings are used to provide training on only 30 days a year—so the termination or decision that we made, or rather the recommendation that we made, was based entirely on the conclusion that we came to that there would be better use of taxpayers' assets and there would be a better way in which to seek to expand our footprint and involvement in the Upper Hunter through the ways in which we have outlined we want to do that.

Mr SCOTT: And you asked about following your logic. As I listen to your logic, the difficulty with your logic is that the site has not been sold to Racing NSW. TAFE has done an evaluation of the property there, its utilisation rate, and only a couple of the buildings on site are being used. The new facility that has opened in town has been very successful and effective for TAFE to broaden the impact of TAFE in Scone, and a decision has been made that that site is surplus to requirements. It has not been sold to Racing NSW. It will be divested under the guidelines set down for divestment and sold to whoever wants to purchase it, I imagine, under the guidelines of the sale, for maximum return, and we should not prejudice that process. What we heard this morning was that applications have been sought, that the Minister was not aware of who has applied for that, nor is Mr Faurby, and there will be an independent vetting process that takes place on the back of that.

Mr DAVID SHOEBRIDGE: Sorry, Mr Scott, we have limited time.

Mr SCOTT: So there is a process for orderly divestment of assets to maximise benefit to the owners of that asset—the State—and that money will then be reinvested in education in the Upper Hunter area, as Mr Faurby has said.

Mr DAVID SHOEBRIDGE: Mr Faurby, you want us to accept that it is just a pure coincidence, that there is no causation or causal relationship—

The Hon. SCOTT FARLOW: Point of order—

Mr DAVID SHOEBRIDGE: Let me finish the question.

The Hon. SCOTT FARLOW: No. Point of order—

Mr DAVID SHOEBRIDGE: You want us to accept it is mere coincidence—

The Hon. SCOTT FARLOW: There is no question you are putting forward. He has already taken it on notice in terms of the timing and you are continuing to go over this point.

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

The Hon. SCOTT FARLOW: Mr Faurby has answered this question several times. There is no question at the moment.

Mr DAVID SHOEBRIDGE: Because you did not let me finish it.

The Hon. SCOTT FARLOW: All it is is accusations from you.

CORRECTED

The CHAIR: I think where we are at is that a reasonable person would conclude that Peter V'landys has come up with a lightbulb moment, the Government has made some response to that and they have not gone down the unsolicited proposal—

Mr DAVID SHOEBRIDGE: But that is not what they say.

The CHAIR: But it sounds like there is going to be an auction of the site to see who is the highest bidder.

Mr DAVID SHOEBRIDGE: That may well be my conclusion, V'landys came up with an idea and the Government responded to it, but unfortunately that obvious conclusion from the timing is being denied by the witnesses and I want to understand that. Are you saying that we should accept that it is just a coincidence that in July of last year Racing NSW offered to purchase the site and it goes up for sale six months later? You want us to accept that it is a pure coincidence?

Mr FAURBY: I think I would like you to accept the fact that the recommendation that we put forward was one based on the best use of that facility and the best way for us to ensure that we can continue to get the right composition of offerings and facilities in the area. We have maintained all the way through this that we remain very strongly supportive of TAFE in that region and for us to operate a facility that is greatly underutilised does not make sense.

Mr DAVID SHOEBRIDGE: You say you have "maintained all the way through this", but the first time you told the public about the formal approach from Racing NSW to purchase the property in July of last year was right at the tail end of a budget estimates hearing after we basically had to force it from you. You have not been transparent with the public on this.

The CHAIR: That is not a question, and you are out of time.

The Hon. SCOTT FARLOW: It is not a question, just your accusations again.

Mr SCOTT: Can I simply add that the fact that the site was dramatically underutilised was not a State secret. It was not a secret to the industry up in Scone and it was not a secret to the local community. It was one of the issues, I suppose, behind your questioning a year ago, at which point there was not a plan to sell that site, but why of the 130 sites did you raise that site? The fact is that it was widely known that that site was underutilised and the fact that someone might come forward and say, "We know that site is underutilised; we believe we can make better value of that site", I think is hardly surprising and in no way is in conflict with what Mr Faurby has said, which is that TAFE has continued to look at asset utilisation and ask questions as to whether in fact that site is being optimised or whether in fact that site could be, in a sense, put to better use by the investment of funds that that site's sale could raise.

The CHAIR: I have some question time. Mr Faurby, it is hardly surprising that Peter V'landys would say that he could do it better. He will be running the Super Bowl next, with his sporting endeavours. That in itself is hardly surprising. But who asked you to make the assessment of the under-utilisation of the site and this recommendation that you have made to sell it?

Mr FAURBY: That was part of the work that we did under the 20-year infrastructure strategy plan that I referred to earlier, where we go through the entire number of facilities that we have and familiarise ourselves or satisfy ourselves with us having the best use of facilities.

The CHAIR: Sure.

Mr FAURBY: Out of this comes from time to time flags, for lack of a better word, that suggest "here is an opportunity". One opportunity that we became aware of was the Scone divestment because of the low utilisation level that we have talked about.

The CHAIR: But at what point did the Minister say to you, "Hey, Steffen, I have been talking to Peter V'landys. They are up there, they run the racing industry, the breeders, the racing itself. V'landys reckons he can do it better. What is your assessment of that?"

Mr FAURBY: That was when the letter was received.

The CHAIR: So that is what the Minister said to you at that point?

Mr FAURBY: Yes.

The Hon. MATTHEW MASON-COX: July last year.

The CHAIR: July last year.

CORRECTED

Mr FAURBY: We were all obviously asked as the—

The CHAIR: So that set it in train. That is what set it in train.

Mr FAURBY: —responsible agent.

The CHAIR: Let's not pretend that there was some abstract, coincidental assessment of utilisation rates around the State. The catalyst was the V'landys letter and the subsequent meeting with the Minister.

Mr FAURBY: No, that is not entirely true.

The CHAIR: Not entirely true? Partly true?

Mr FAURBY: What I was saying was that prior to receipt of that letter, we as part of the preparation for the 20-year infrastructure plan identified the opportunity for divestment of the Scone facility, which predates the receipt of the letter from Mr V'landys.

The CHAIR: Would anyone to your knowledge have spoken to Peter V'landys about the under-utilisation analysis?

Mr FAURBY: I have absolutely no such reason to think that would be the case.

The CHAIR: No knowledge of that.

Mr FAURBY: I certainly have not.

The CHAIR: So it was just a convergence of events that have come together. From my perspective it may well be true that Racing NSW will have a higher utilisation rate at that facility than what you have been able to achieve. I would not be surprised by that in the least. But the important thing for this Committee is to get accurate information about the process and in Mr Shoebridge's eyes and in Labor's eyes the probity of what has gone on here. Do you feel like you have given a full and thorough explanation now of the sequence?

Mr FAURBY: Yes, I do.

The Hon. COURTNEY HOUSSOS: I might continue on this. Mr Faurby, your department returned answers to this Committee in April last year. So let's just work slowly through the time line. There were no plans in April to divest. Had you undertaken the under-utilisation analysis at that point?

Mr FAURBY: I believe that the timing of the work that—am I going from—

The Hon. COURTNEY HOUSSOS: Mr Faurby, I am asking you a question: Did you undertake the utilisation analysis before April or after April?

Mr FAURBY: What I was about to answer was, to the very best of my recollection I think that was around the time when we commenced that work. April or so last year was when the work went into—

The CHAIR: After our Committee.

Mr DAVID SHOEBRIDGE: In this tiny window of opportunity between the answer to this Committee and receipt of the letter.

The Hon. SCOTT FARLOW: You might have given him the idea.

The Hon. WES FANG: Point of order—

The CHAIR: I uphold the point of order. Mr Shoebridge, we need to take these answers at face value—

Mr FAURBY: Can I also make the point that—

The CHAIR: —for the time being.

Mr FAURBY: —I joined this organisation only shortly before that. I joined the organisation in the middle of January last year; therefore tap it up until the time where I came on board. I would also say that it is hopefully only to be expected that in the first period of time before you commence a role like this there are all sorts of considerations and work that goes into this. It will take some time before I get to the point of giving considerations to these matters. I can answer for what I recall from my process or from my commencement here in the organisation. But I am happy to take on notice to see whether or not there was any other work that went into this prior to my arrival.

The Hon. COURTNEY HOUSSOS: What I am really interested in is you say you started your role in the middle of January. You came and reported to us in March, or the Minister reported to us in March.

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Mr FAURBY: Yes.

The Hon. COURTNEY HOUSSOS: In April apparently it got underway. So one of the first things that you did when taking on that role was to quickly have a whip around and see if there was anything you could sell off?

Mr FAURBY: No, absolutely not.

The Hon. COURTNEY HOUSSOS: How is there any other way of characterising this, Mr Faurby?

Mr FAURBY: The first thing I did was to familiarise myself with the commitment that the Government has to invest in TAFE, including, from memory, the \$230 million capital expenditure commitment they made leading into this financial year and a similar amount the previous year, and to make sure I understood the portfolio of investments into new facilities such as CLCs and campus upgrades et cetera.

The Hon. COURTNEY HOUSSOS: What about the commitment to keep Scone TAFE open? Did you familiarise yourself with that, Mr Faurby?

Mr FAURBY: That was not an immediate matter for me to consider back in the days when I joined, no.

The Hon. COURTNEY HOUSSOS: Sorry, that was not something? So you were running around the State—as the rest of the State was shutting down in the midst of the COVID pandemic, you were running around the State checking out which parts you could sell off of TAFE sites—

Mr FAURBY: No, no, no.

The Hon. SCOTT FARLOW: That is not a fair characterisation of what he said.

The Hon. COURTNEY HOUSSOS: —and you were not familiarising yourself. You just told the Committee that you were not familiarising yourself with the commitment to keep that in public hands, to keep it open.

Mr FAURBY: I totally dismiss that.

The Hon. SCOTT FARLOW: Point of order: The Hon. Courtney Houssos has just twisted the words of Mr Faurby. What he said was that it was "not an immediate priority" and that has been taken out of context completely.

Mr FAURBY: Yes.

The CHAIR: I suppose that is technically true, but is it out of order? I ask Courtney Houssos to respect the answer of the witness. We are getting closer to the facts. It may well be that this is a better training facility run by Vlandys but that is not the point at hand. You are after a process as to how it all came about and has the public been fully informed of what is going on.

The Hon. COURTNEY HOUSSOS: With respect, Mr Chair, if the position of TAFE NSW and the TAFE Minister is simply to throw up their hands and give up on TAFE, then that is a pretty sad state of affairs—

The CHAIR: I know that is your concern.

The Hon. COURTNEY HOUSSOS: —for New South Wales.

Mr FAURBY: We most certainly do not give up.

The Hon. ANTHONY D'ADAM: Mr Faurby, how is it possible that you have a site like Chullora, which has a 100 per cent under-utilisation rate and remains on the books, yet Scone, where there is some level of utilisation, gets scheduled for priority sale? How can you reconcile that? Isn't Chullora more likely to be an asset that you would want to sell, given there is no utilisation at all on that site? It is just a dead asset at the moment. Surely that would be a higher priority. How is it that you can reconcile the position you are taking in respect of Chullora and the position you have taken with respect to Scone?

Mr FAURBY: I think for the Scone facility, certainly the one—I have explained the reason why we were interested and recommended the divestments. We had and we have alternative solutions for the delivery. We see significant growth in that area, not least through the CLC facility where we have taken a significant increase in enrolments and also we have gone from five course offerings to now 14. As part of this there was a logic, in our view, to the suggested divestments. I will take the considerations around Chullora on notice and come back with more specific reasons as to why we have not gotten to the point of divesting that facility, if that is what we would want to do. As I explained earlier, we have no plans to do that and there has been no recommendation made by TAFE NSW or any other party that I am aware of to do that.

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The Hon. COURTNEY HOUSSOS: Can you explain if this under-utilisation analysis occurs regularly? Does it happen monthly? Does it happen once a year?

Mr FAURBY: No, certainly not monthly. It is part of an annual cycle of asset management and the whole strategic definition of the priorities of the organisation. There is a great deal of volatility of course on facilities, and we accept that. We accept that some facilities from time to time are under-utilised. We do look at the future likelihood and possibility of growth and ways in which to put new offerings on where that makes sense. We listen to the community, we talk to industry—

The Hon. COURTNEY HOUSSOS: Mr Faurby, I am just going to stop you there because in your previous answer you said there were "opportunities for significant growth at Scone" and yet you are selling off that site. Chullora, which is currently closed, is not being sold.

Mr FAURBY: What I am saying is we have experienced through the CLC in Scone a significant uptake in courses that had nothing to do with the facility that we are divesting but everything to do with the new Connected Learning Centre that we put on. So, the fact that we have put on a multimillion-dollar facility has allowed us to put offerings up, which have been taken up quite generously by the community inasmuch as—not just increased offerings but also increased enrolments.

Mr SCOTT: Can I just add: On Chullora, I think it was accounted for, because you want to explore that difference. I think, as the Minister outlined this morning—\$22 million spent in campuses nearby. And so, I think what has now happened with TAFE—they have made that investment in Miller, Wetherill Park and Granville. They are now, I suppose, looking at the flow of students and courses through the TAFE colleges in the immediate vicinity. At the moment, the Chullora campus is not being used. Similarly—

The Hon. COURTNEY HOUSSOS: Mr Scott, my time is about to run out, so I am just going to ask Mr Faurby one last question. Can you explain why there has been a series of moves for the location of the CLC in Port Stephens? It started at Nelson Bay and then it moved—

Mr DAVID SHOEBRIDGE: Sorry, but they did put Chullora up for sale. Do you know that?

The Hon. COURTNEY HOUSSOS: I am just moving on, Mr Shoebridge. My time is about to run out.

Mr DAVID SHOEBRIDGE: They actually did put Chullora up for sale.

The Hon. COURTNEY HOUSSOS: It was supposed to go to Nelson Bay. There were four sites put forward by the council and now it has moved to Salamander Bay. Can you just talk us through that process and the role of TAFE NSW in it?

Mr FAURBY: I do not know the details of that because most of the considerations that you talk to there, I would imagine, had taken place before I joined the organisation. To provide you with an answer to the specificities of that I would like to come back with the details. I am not in a position to do that here.

The Hon. COURTNEY HOUSSOS: Okay. When is the Gonski-Shergold review due?

Mr FAURBY: You should ask the Premier about that. It is not a time line that I control.

Mr SCOTT: It is a report commissioned by the Premier—report due to the Premier and then Cabinet consideration after that. Shortly, I think.

The Hon. COURTNEY HOUSSOS: We were told in this hearing last year that it was due in July last year.

Mr SCOTT: Things intervened. We can go into detail as to what intervened. Both Mr Gonski and Mr Shergold—chancellors of two of the leading universities in this city. There was a discussion that took place, I understand, at the time when COVID really bit, that there would be a delay in the delivery of that report. That report will be delivered shortly, I understand, and after that will be considered by the Cabinet.

The Hon. COURTNEY HOUSSOS: Mr Faurby, when will the next analysis of under-utilisation be undertaken across TAFE sites?

Mr FAURBY: We will do that as part of the strategic work that we have now, which we talked about earlier. It is due sometime later this year. So, that will be—

The Hon. COURTNEY HOUSSOS: So, there will be a new round of analysis this year sometime?

Mr FAURBY: Yes.

The Hon. COURTNEY HOUSSOS: Do you have a rough month for that?

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Mr FAURBY: I would say sometime in the second half of the calendar year.

The Hon. COURTNEY HOUSSOS: In the second half of the calendar year—and that will happen across all TAFE campuses?

Mr FAURBY: Yes.

The CHAIR: Thank you. Did you have any more, Mr Shoebridge? We are drawing up to time.

Mr DAVID SHOEBRIDGE: Yes, I just want to clear up some time frames.

The CHAIR: We are a bit Sconed out.

Mr DAVID SHOEBRIDGE: Yes. I am just confused, Mr Faurby, about the time frame on Scone. You said very clearly that the position about divesting TAFE of the Scone facility predated the July letter from Mr Vlandys. You told me that a number of times. Do you want to change that evidence?

Mr FAURBY: I do not think I said "the decision". I said that the work that led into this—the analysis that we used to inform ourselves and ultimately land at a recommendation started before we received a letter from Racing NSW. That is what I was saying. I apologise if that was not clear enough, but that was the message.

Mr DAVID SHOEBRIDGE: So you had been working on the sale of the Scone site prior to July?

Mr FAURBY: No. We had been considering options and the validity of a continued operation of 2 Flemington Drive versus the alternative of divesting. We had not worked on the divestment. We had not made any decisions yet.

Mr DAVID SHOEBRIDGE: So there were preliminary investigations?

Mr FAURBY: Yes.

Mr DAVID SHOEBRIDGE: Alright. Well, you see, you were asked last year in March and you provided an answer on 8 April. I will give you the question:

Have there been any preliminary or advanced investigations into a partial or full sale or closure of Scone TAFE?

You did not say "yes", which is what you are telling me now. You said:

I am advised that there is no current plan to divest the Scone site.

Mr Faurby, you were not being frank. Either you are not being frank now with your answer or you were not being frank in April with your answer. Which is it?

Mr FAURBY: What I will say again, which I said already, is that leading into—around the time that we talk about here, April or May last year, we were looking at options. We were considering options for the facility at Scone and that is absolutely the case. I did not have any personal involvement in that at that point in time. But we had, as part of the preparation for the 20-year infrastructure strategy plan, considerations given to the future composition of campuses, which included considerations to the future of Scone.

Mr DAVID SHOEBRIDGE: Mr Faurby, you told us unambiguously just a minute or so ago that there were preliminary investigations into the sale of Scone TAFE—

Mr FAURBY: Yes.

Mr SCOTT: Prior to July.

Mr DAVID SHOEBRIDGE: —prior to July.

Mr FAURBY: Yes.

Mr DAVID SHOEBRIDGE: You told us unambiguously in answer to questions on notice on 8 April last year that there were no such preliminary investigations. This leaves a very narrow window between 8 April—

Mr SCOTT: A three-month window.

Mr DAVID SHOEBRIDGE: —and July. Is that what you are now trying to tell us—that that is when it happened, in that narrow window?

Mr FAURBY: As I started this whole conversation, my response to this was: That is, to the very best of my recollection, the way in which it went. I have undertaken to take on notice and provide more clarity to this so that we give the Committee the right detailed answers.

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Mr DAVID SHOEBRIDGE: Mr Faurby, could I suggest one of the other options? You can tell me if I am wrong on this—that you were not being honest and frank in your answers on 8 April last year.

The CHAIR: Well, we are going to have to rule that out of order.

Mr DAVID SHOEBRIDGE: Do you want to deny that?

Mr FAURBY: Yes.

The CHAIR: You need proof to claim a dishonest answer on the parliamentary record. Look, I think where this is headed is obviously a Standing Order 52 to get the documents and see what—

Mr DAVID SHOEBRIDGE: And some supplementary hearings.

The CHAIR: Okay. Well, you are head of the pack, so that is a possibility too.

Mr DAVID SHOEBRIDGE: I think it should be at supplementary budget estimates.

The CHAIR: Okay.

Mr SCOTT: Chair, if we follow the chronology of what we have heard today, we have heard Mr Faurby say in a separate line of questioning that he has had to deal with the 20-year strategic asset plan of TAFE. And so work being done around that went centrally to occupancy rates and utilisation rates and the like. That kind of work that is being done over the 20-year plan and the strategic asset plan happens for every public sector organisation: What is your asset base and how is it utilised? Mr Faurby said he arrived in January and that his understanding was that around April and May is when a lot of that intensive work was being done.

Subsequent to the answer given to this Committee in March, when there were no plans to sell Scone—and I said that. That is where we started this morning. Subsequent to the answer on notice, which said that work had not been done on 9 April—it is perfectly consistent with everything Mr Faurby has said today. Sometime between early April—effectively, that answer would have been developed in the first week of April—and July that detailed asset work had been done, particularly in the timetable that Mr Faurby identified. There is a consistency there in the answers.

Mr DAVID SHOEBRIDGE: Could I just ask if you have knowledge of this, Mr Scott, or if it is speculation?

Mr SCOTT: I have been listening—

Mr DAVID SHOEBRIDGE: Do you have knowledge that that is what happened or are you speculating? They are quite different things.

Mr SCOTT: I will simply say to you, Mr Shoebridge, that you made a comment that the Chair referenced that raised questions of the integrity of the answers that had been provided.

Mr DAVID SHOEBRIDGE: Correct.

Mr SCOTT: What I have said here is: I have listened to all of those answers carefully and there is absolutely a consistency in the timetable and the chronology that has been applied by Mr Faurby.

Mr DAVID SHOEBRIDGE: We will see.

The CHAIR: Look, I think we have covered this extensively. There was a point this morning where we must have had an hour on Scone and we have done 90 minutes this afternoon. Unless there are any other pressing answers, we really are at the end of the session, I do feel.

Mr FAURBY: Can I just make one point, which has not got anything to do with Scone but has to do with the question that was asked of me earlier around the modernisation and the One TAFE reform? I undertook to take on notice the question that related to the savings that were achieved for the modernisation for the past two financial years. I have since then dug up my notes and details and can confirm that the savings that were achieved in financial year 2018-19 were \$84 million and in the year 2019-20 were \$155 million. So, what does that pertain to? It pertains to the initiatives that form part of the One TAFE modernisation and the whole One TAFE reform, which, as I also talked about earlier, related to unifying the 10 previously autonomous institutes to One TAFE with one brand operating as a single RTO, including consolidating the 10 corporate offices that existed back then, with 10 human resources managers, 10 finance managers and all these other roles.

It also involved the integration of 220 websites and 12 online brands to one brand and to one website. It allowed us to extract and centralise in excess of 300 systems, services and applications that TAFE NSW shared with the Department of Education, and that of course also resulted in cost reduction. It allowed us to establish TAFE Digital Lab out at Armidale, which is still there—a state-of-the-art learning tools and innovative

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technologies facility that enhances the learning experience for students. It allowed us to launch the TAFE Digital campus, a best-in-class digital learning platform that enables students to learn how, when and where they want. It allowed us to open the 15 connected learning centres that are supported also by the mobile training units and also maintain an adaptable industry standard on digitally enabled TAFE NSW. Those were the main purposes of the One TAFE modernisation. Those were the initiatives that led to those achieved savings year on year, as I have just reported. I apologise that I did not have that information at hand in the first instance, but I wanted to at least share it with the Committee.

Mr DAVID SHOEBRIDGE: Mr Faurby, can you advise us on notice if they were net savings?

Mr FAURBY: I will certainly do that, yes.

Mr DAVID SHOEBRIDGE: And, just because it was raised, the Chullora TAFE site has been up for sale. Is it still proposed for sale?

Mr FAURBY: No, not that I know.

Mr DAVID SHOEBRIDGE: Did the sale fall through because of the cost of asbestos remediation on site?

Mr FAURBY: I am unaware, but I will take the question on notice and provide the details.

The CHAIR: Okay, we will finish that point. Mr Faurby, the fact that you have now dug up your notes and details—that is the sort of material that needs to be brought to the estimates up front, not by the process we have been through today.

Mr FAURBY: I understand.

The CHAIR: You are relatively new to the process here at estimates, but all that information needs to be part of preparation for this Committee so we can function with due transparency and the meeting gets to the detail in the public interest as quickly as possible. On that note, I thank everyone for their participation—the Committee members, witnesses and observers. A few of them are left. Your TVs are obviously broken and you have had to listen to plenty about Scone and related places. Thank you, everyone, for your participation. Mr Scott, we will see you again on Wednesday for more fun. Thank you.

(The witnesses withdrew.)

The Committee proceeded to deliberate.