

REPORT ON PROCEEDINGS BEFORE

PORTFOLIO COMMITTEE NO. 3 – EDUCATION

**TERMINATION OF THE FORMER MANAGING DIRECTOR OF
TAFE NSW**

CORRECTED

At Room 814-815, Parliament House, Sydney, on Friday, 29 April 2022

The Committee met at 10:00.

PRESENT

The Hon. Mark Latham (Chair)

Ms Abigail Boyd
The Hon. Anthony D'Adam
The Hon. Scott Farlow
The Hon. Courtney Houssos

PRESENT VIA VIDEOCONFERENCE

The Hon. Catherine Cusack

* Please note:

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

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

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

The CHAIR: Welcome to the hearing of the Portfolio Committee No. 3 inquiry into the termination of the former managing director of TAFE NSW. Before I commence, it is the custom of the Parliament to acknowledge the traditional inhabitants of this land, the Gadigal people of the Eora nation. I do that with all due respect. I also acknowledge the other important contributors to the history of this site, including those who constructed the Parliament House building, very often working in a dangerous industry, and the parliamentary staff over many decades who have supported members of Parliament and made our work and representative role possible. We acknowledge and thank them all. Today we will hear from the former managing director of TAFE NSW, Mr Steffen Faurby. I thank Mr Faurby for accepting the Committee's invitation to give evidence today.

Before we commence I will make some brief comments about procedures. Today's hearing is being broadcast live on the parliamentary website. Media representatives are reminded to take responsibility for what they publish about the Committee's proceedings. While parliamentary privilege applies to witnesses giving evidence today, it does not apply to what witnesses say outside of their evidence at the hearing. Committee hearings are not intended to provide a forum for people to make adverse reflections about others. Witnesses should focus on the issues raised by the inquiry terms of reference and avoid naming individuals unnecessarily. All witnesses have a right to procedural fairness according to the procedural fairness resolution.

Mr Faurby, if you are unable to answer a question, you can take it on notice and provide a written answer within 21 days. If you wish to hand up documents, you can do so through the Committee staff. I remind Committee members and witnesses to please speak into the microphones, which seem like they are quite high quality compared to those in the Macquarie Room. That is good. Everyone should please turn their mobile phones to silent for the duration of the hearing.

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

The CHAIR: I understand that you wish to start by making an opening statement, Mr Faurby.

STEFFEN FAURBY: Yes, please, Chair, if you would allow me to. Thank you to all of the Committee members for giving me the opportunity to appear as a witness. I would like to take that opportunity to make an opening statement. I have chosen not to publicly discuss my termination previously, despite multiple invitations to do so through the media. However, now that this inquiry has been established, I believe there is a public interest served by setting the record straight. I simply state that the record is that my termination was not due to unsatisfactory performance. Today I can share my interpretation of the events leading up to the termination of my employment.

Due to the suddenness of my departure, I have not been able to consult official records of meetings or TAFE NSW file notes. However, the evidence I shall give today has been prepared from my clear recollection of the events as well as notes I made around the time of the events. I can confirm for the Committee that on the afternoon of 2 December 2021 I met with Ms Harrisson, the Secretary of the Department of Education. The meeting was initiated by Ms Harrisson and conducted in person at her offices at 249 George Street. I recall that the meeting started 15 minutes late and lasted for approximately 20 minutes.

The CHAIR: Is that George Street in Parramatta?

STEFFEN FAURBY: No, Sydney CBD. I recall that the meeting started 15 minutes late and lasted for approximately 20 minutes. I was not provided with any prior indication about the purpose of the meeting. Ms Harrisson handed me a letter signed by the then Minister for skills, Geoff Lee. Ms Harrisson indicated that she had been asked by the Minister to meet with me and advised me of his decision to terminate my employment. She expressed disappointment about the situation and when I asked her if she could shed any light on the reason for my dismissal, she responded that she was unable to do so. The Minister has not spoken to me about his decision to terminate my employment either before, at the time or any time thereafter.

The letter indicated that my employment was terminated and did not give any reason. The letter also indicated my entitlement to 38 weeks' compensation for termination under clause 39 (1) (b) of the Government Sector Employment Regulation 2014, utilising section 41 of the Government Sector Employment Act 2013, which deals with the termination of senior executives with or without reason of notice. This reinforces that my termination was not related to issues of unsatisfactory performance or misconduct, with the Government Sector Employment Act and regulations containing separate provisions to deal with this if that were the case.

Indeed, at no stage throughout my tenure with TAFE NSW was my performance raised with me, either by the former departmental secretary, Mr Scott, by the current secretary, Ms Harrisson, or by the former Minister for skills, Geoff Lee. I had a productive and collegiate working relationship with Mr Scott and continue to enjoy a positive relationship with him to this day. I would also categorise my relationship with Ms Harrisson as professional and cordial. I would, however, point out that the Secretary of the Department of Education does not supervise the managing director of TAFE NSW and, therefore, has no performance management remit over the role.

That said, I would like to turn your attention to evidence provided to this Committee by Ms Harrisson on 4 April 2022, in which she referenced ministerial feedback that she shared with me sometime in August 2021. I do recall that sometime in August Ms Harrisson briefly shared her observations about some comments made by Minister Lee regarding his and my working relationship. The conversation between Ms Harrisson and I was brief and was conducted by phone. This was not a conversation conducted as part of a formal scheduled meeting. The word "performance" was not used during the call. Ms Harrisson simply indicated that the Minister had commented about tension between him and I, and in response I concurred that at times it was a difficult relationship.

Ms Harrisson appeared sympathetic to the challenges both she and I experienced in working with Minister Lee and members of his office. We did not discuss performance failures, performance indicators, priorities or actions to address any specific shortcoming. We did not set in place a performance improvement program. I was not advised that an outcome of the conversation could lead to disciplinary action such as my eventual termination. I took this conversation to be a friendly heads-up between colleagues about the Minister's comments. Ms Harrisson did not check in with me again to offer advice or support on the matter, other than what I would categorise as casual, empathetic questions such as, "How is your relationship with Minister Lee going?" This might have happened once or twice during those three months.

Immediately following the phone call with Ms Harrisson, I called the Minister to let him know that I had been made aware of his comments made to Ms Harrisson. I requested that going forward, such concerns be shared directly with me. I invited the Minister to further clarify his views, which he chose not to do. I subsequently called

the Minister's chief of staff to discuss any specific concerns. He was supportive, but did not offer any insights that would help me understand the nature of the Minister's concern with our relationship. He and I agreed it would be advantageous to organise a face-to-face meeting between the Minister and me. I met with the Minister on 11 August virtually via Microsoft Teams. During the meeting I expressed my disappointment about the way the matter had been raised via Ms Harrisson, rather than directly with me. It was a robust conversation. While the Minister acknowledged we had not always seen eye to eye, he also made some positive observations about outcomes achieved under my leadership.

During the meeting I took the opportunity to ask the Minister whether he had lost confidence in my ability to lead TAFE NSW. His response was firm and unequivocal: He indicated that I continued to enjoy his full confidence and support. At no stage during the meeting did he raise any unsatisfactory performance by me, nor did the Minister suggest a specific course of action he required me to take to address my performance. There were no documents shared with me pertaining to this meeting which outline any performance improvements required of me. The Minister did not discuss the matter with me ever again.

As a usual practice, TAFE NSW provided the Minister's office with a monthly report outlining our progress against several priorities that had been set by the Minister. This report formed part of what was discussed during my fortnightly meetings with the Minister. The last such report prepared for the Minister under my leadership was submitted in November and contained, from my recollection, around 30 such ministerial priorities, the vast majority of which were tracking according to plan. However, as is common practice when managing so many competing priorities, some projects required some level of intervention to keep them on track.

I would assert though that the November report showed TAFE NSW was making progress on the large number of priorities set by the Minister and therefore there was no genuine performance issues that needed addressing. Had my performance been an issue, it would have been raised within the context of this monthly reporting cycle. It was not, not even once. While there was no doubt disagreement between the Minister's office and me, it is not accurate to categorise this as a performance feedback. Indeed, disagreements between Ministers' offices and agency executives happen all the time, and are part of an effective democracy, and we certainly had our fair share of those. I would also add that I received overwhelming positive feedback from the TAFE NSW commission board, including the chair. In my conversations with the board, it is my firm view that we were aligned around the future direction of TAFE NSW and that there were no concerns regarding where I was taking the organisation.

I would like to conclude now just by making a few brief comments about an untrue narrative that had managed to take hold about my appointment as managing director of TAFE NSW. During the Committee hearing on 4 April, and also other budget estimates hearings, it has been suggested that I was headhunted for the role as managing director by the former Premier of New South Wales, Gladys Berejiklian. This is categorically untrue. I did not discuss the role, or my application for the role, with Ms Berejiklian. The former Premier did not call me, did not text me, email me or meet with me to discuss the role either prior to my application or during the recruitment process. Nor did I ever contact her. I went through a rigorous merit selection process led by the Department of Education, with numerous interviews, including with the Minister. In fact, it was the Minister who conducted the final interview with me and subsequently employed me into the role. I think it is important to note that for the record. With that, I conclude my opening statement, which I hope has been of assistance to the Committee.

The Hon. ANTHONY D'ADAM: Thank you, Mr Faurby, for your attendance today. You mentioned in your opening statement that there had been areas of disagreement with the Minister. Are you able to elaborate on some of the areas where those disagreements might have occurred?

STEFFEN FAURBY: They were mostly around leadership style. The Minister and I have distinctly different styles when it comes to leadership. Mine is one of seeking to make people perform to their very best: to allow debate, discussion, challenge, to ultimately play to people's strengths, to empower them to do a great job. There are so many incredibly skilled people in the TAFE NSW organisation. The Minister has a different style, and that is a matter for him. It is not for me to tell him his style. But where—

The Hon. ANTHONY D'ADAM: How would you describe the Minister's style?

STEFFEN FAURBY: More top-down, more sort of command-control style, less time for debate and discussion. Not so keen on the challenge, and if it is challenged, which we did quite often, we would be told that that sort of challenge would cause a divide between TAFE NSW and the Minister's office. That is as opposed to the way I see it: A challenge is actually the way to lead to a decision, ultimately, which is a lot more robust. But let me point out that I am not here to say that my style is the only right way to do it and his is not. My point is simply we had distinctly different styles, and that is fine so long as he allows me to lead the way I lead and so

long as he—I allowed him to lead the way he leads. Where we have challenges is where the two teams come together and they seek to, from time to time, cause some tension between them. And it did happen.

The Hon. COURTNEY HOUSSOS: Did you discuss this leadership style as part of your interview process? Did you have discussions about ways that you would handle specific situations, and was that discussed with the Minister?

STEFFEN FAURBY: I am not sure it was with the Minister, but it certainly was with the countless, numerous rounds of interviews that I took part in, as I am sure any other candidate would have taken part in, which included, by the way, people with expertise in that area who would test and try us very rigorously to make sure that we would explain exactly the leadership style we had. By the way, my leadership style that I applied there is not an uncommon way to lead an organisation of this size and magnitude, and I would certainly argue that it is the better way to do it.

The Hon. ANTHONY D'ADAM: So there was not disagreement on a policy level?

STEFFEN FAURBY: I mentioned the leadership as one area. Another area would be around priorities and decision-making, where the Minister would often add to priorities. He would often add to what was already a really, really rich list of things that he was expecting us to do. Sometimes, in my view, those things were not really the right things to focus on, and I would challenge it and so would my team challenge it. When we did challenge it, there would often be situations where it did not really land that well.

The Hon. ANTHONY D'ADAM: Can you give us an example?

STEFFEN FAURBY: We have also seen examples of, for instance, we were discussing things such as enrolment targets and we were setting a certain standard for what we thought was realistic given the circumstances we operated under. We would be challenged on that, as we should be. Sometimes we accepted the challenge; other times we stood our ground. When we stood our ground, there could be situations where people from his office, or indeed himself, would sort of call around to other people in the organisation and try to get other outcomes or other commitments made and thereby, of course, cause some lack of focus on what we were here to do. When situations like that happened, I would bring it to the attention of the Minister, obviously, and discuss it with him directly. I would imagine that part of the tension, and part of the friction, would come as a consequence of those kinds of conversations. It certainly felt like that.

The Hon. ANTHONY D'ADAM: In terms of the relationship with the Minister's office, how did that work? Did that exacerbate this misalignment in terms of the approach between your office and the Minister's office?

STEFFEN FAURBY: I would say so, yes, Mr D'Adam. I do believe that there were times where those different schools of thought were clashing also between the Minister's office and my team. It is not unusual, I should say. I actually do not mind that at all, and I do not know that anyone else minds it, from the perspective of making sure that what we discuss is being dealt with in a responsible and robust way that leads to the right outcomes. We have got to allow time for discussion and debate. Ultimately, of course, decisions are made, and we rally behind those decisions and we get on with it and get it implemented. But the process of a robust conversation and the challenge must be part of the way we operate as an entity. I am not sure that that modus operandi was always as liked by people in the Minister's office and the Minister himself, and I think that is what caused the conflict. We would often be told that this is causing a divide, as opposed to adding value.

The Hon. ANTHONY D'ADAM: Were there particular members of the Minister's staff that you thought perhaps were exacerbating that divide?

STEFFEN FAURBY: I do not think that I should go into specific members. I think I will simply say that we dealt with these matters as and when they happened, including directly with these members. So I would rather—

The Hon. ANTHONY D'ADAM: I suppose what I am trying to get at is whether it was a personality-driven issue or whether there was some structural element in the way the Minister's office was operating that was actually exacerbating the tension or the discordance between your office and—

STEFFEN FAURBY: I would say that it was a structural issue. It was like—dare I say—a contemporary way of leading an organisation versus one that perhaps belonged to a time that had passed.

The Hon. ANTHONY D'ADAM: What might have been done differently that might have improved the relationship?

STEFFEN FAURBY: I think the best thing that you could do in situations like this is to have the confrontation, have the discussion and seek to resolve matters—which we often did. It is not like you would walk

away from every such conversation feeling unresolved. You would resolve these matters. Often, or sometimes at least, the Minister and his office would absolutely convince us to raise the bar or do things differently because they had ambitions for us to go further. Other times, we stood our ground. I encouraged my team to stand their ground when we had done the homework. The organisation is full of incredibly competent, talented people, who know what they are doing. They are educators, professional educators. They know. So rather than discussions at a ministerial level whether or not a certificate III level of enrolments in, say, Tamworth should be X or Y, let us leave those sorts of conversations to the people who really know what they are talking about. Let us lift the conversation at the level between the Minister, his office and me and my team to a much more strategic style. That, I think, sometimes did not happen.

The Hon. ANTHONY D'ADAM: Did you find that you had unfettered access to the Minister or was there a gatekeeping role being played by some—

STEFFEN FAURBY: Absolutely no gatekeeping. I could call the Minister at any time.

The CHAIR: Can I just ask about the meeting with Georgina Harrisson on 2 December in person in George Street, Sydney? Were you given any indication in the lead-up as to what the meeting was about? It would be unusual, wouldn't it, to go to a meeting with no item on the agenda? How did that come about?

STEFFEN FAURBY: It would be rather unusual. I think it is the first time I went to a meeting where there was no agenda. We tried, and we could not get out of the Department of Education what this was about. So my own conclusion was—this was actually timed around the time when there were quite a few speculations about a ministerial reshuffle. So my expectation was that I am going to go there to be told what the plans are around the ministerial portfolios going forward. That was just an assumption I made. I had absolutely no reason, other than my own assumption, to form that opinion.

The CHAIR: What contact did you have with Ms Harrisson prior to the meeting to arrange the meeting? Was it her secretary who contacted your appointments person?

STEFFEN FAURBY: We had people from my office reach out a number of times to try and seek clarity on what the purpose of the meeting was but —

The CHAIR: And they kept you in the dark. It was just a "turn up"?

STEFFEN FAURBY: Yes.

The CHAIR: Even though the education department secretary has no performance supervision remit over the TAFE managing director?

STEFFEN FAURBY: That is correct.

The CHAIR: What indication were you given at that meeting as to why you were being terminated?

STEFFEN FAURBY: None. I mean, I asked about it. I mean, the secretary was unable to give me any indication of it.

The CHAIR: You were just handed the letter—

STEFFEN FAURBY: Yes.

The CHAIR: What did that letter say as to the reason for the termination?

STEFFEN FAURBY: The letter said that as per the regulations that I cited before that I was no longer required in the role. And my role was terminated with effect of today's date.

The CHAIR: For you, that must have felt like something of an ambush.

STEFFEN FAURBY: It was certainly a massive surprise, let me put it that way. It also—when we talk about leadership and leadership styles, I would have much preferred to have had that conversation with the Minister directly, so that I could have looked him in his eyes and saw a reason as to why he chose to terminate me. He chose not to, and he has also chosen not to talk to me ever since.

The CHAIR: You must feel in that massive surprise that this was quite cowardly by the Minister.

STEFFEN FAURBY: Yes.

The CHAIR: You are basically saying he did not have it within himself to have a conversation with you one on one as to honest reasons why you were being terminated; he left it to Georgina Harrisson, who did not actually have any remit over your performance. Have you thought about taking further action because of the way you have been treated?

STEFFEN FAURBY: No, I have not. I mean it is as per the regulation which was passed by this House and this Government—Parliament, I should say, entirely within the Minister's right to terminate me without giving a reason. I just believe, fundamentally believe that every person deserves to be given a reason, and also to actually discuss eye-to-eye with the person who makes the decision. That is a personal opinion of mine. The Minister was entirely in his right to do what he did.

The CHAIR: It is a decent industrial relations standard, is it not, to give someone an explanation—

STEFFEN FAURBY: I believe so, yes. I would do so.

The CHAIR: And a failure to do so. What do you think this says about the way in which they treat employees? If you can be dealt with this way, what hope is there further down the chain for reasonable treatment and industrial relations standards?

STEFFEN FAURBY: I will let others form their opinions and make their views about that known. I have moved on.

The Hon. ANTHONY D'ADAM: You mentioned the Westminster system and that system of democratic government. This mechanism, section 41 of the GSE Act, provides for dismissal with no reason. Do you think that is corrosive of that process of democratic government in that it may actually provide circumstances where bureaucrats are disinclined to challenge and take the approach that perhaps you have taken with the Minister in terms of trying to initiate robust discussions about the direction of government? Do you have some reflections on that?

STEFFEN FAURBY: Mr D'Adam, I took this job knowing perfectly well the terms and conditions in which I was employed. So this is not a surprise to me. It is not my first senior executive role, including in the New South Wales Government. So I walked into this with my eyes wide open and I accept the terms and conditions in which I was employed. If there are views as to whether or not that is fair and whether or not that leads to the right behaviour, I don't think it is for me to make those views known here. I am here to discuss the circumstances around my termination. I will leave the opinions to others and for another day.

The CHAIR: But there is a big public outcome consequence here, isn't there?

STEFFEN FAURBY: There is.

The CHAIR: Who, in applying to replace you, would want to be treated this badly by effectively a coward who did not have it in him to talk to you one on one about the reasons for termination? Who would want to work for a government that does this?

STEFFEN FAURBY: I don't know that you expect an answer from me today—

The CHAIR: You must have an opinion—

STEFFEN FAURBY: I have. My opinion is that—

The CHAIR: You are the one who was ambushed and shocked at this treatment.

STEFFEN FAURBY: My biggest concern about what was done was actually not what happened to me. My biggest concern was what might happen to TAFE NSW. The person who replaced me as the managing director or acting managing director was the fifth managing director in, I believe, seven years. I cannot for the life of me think that that is a good way to secure and ensure stability and run an organisation with the importance of TAFE NSW. That, to me, is the much more serious implication of this. I will be okay; I have already moved on. But I certainly did not like the way in which it happened—no secret in that, and you would have picked that up from my answers up until now. But I think it is more important to focus on the organisation and the institution, which is a phenomenal institution, TAFE NSW, and it deserves stability and it deserves stability also in leadership. Actions like this do not lead to stability; it actually destabilises, in my view.

The CHAIR: In your assessment, this is a very poor way to conduct public sector management? This revolving door at the top and the way you have been treated, it weakens TAFE as an institution?

STEFFEN FAURBY: I believe so, yes. I would certainly have done it in a different way.

The CHAIR: I want to ask about the friendly heads up you had in August last year from Georgina Harrison. Did you seek to talk to her further between August and December? Did she have any more feedback from the Minister about so-called tensions?

STEFFEN FAURBY: Ms Harrison and I had regular contact. She was the Secretary and I was the head of an agency within in her portfolio. So we spoke regularly about, can I call them business matters and matters that related to operating and leading this organisation, responding to the crisis we were in, et cetera, et

cetera. When I say "crisis", I mean the COVID situation and recovery from that. She would, as I mentioned once or twice, ask me almost sort of in passing, "How's your relationship with Minister Lee going?" I saw it much more as a friendly, between two peers, between two people in senior executive roles, to check in whether or not I was making any—

The CHAIR: Did Mark Scott used to do that?

STEFFEN FAURBY: I was not aware that there was any such conflict raised by the Minister to Mark Scott about me [inaudible] the Minister. Mark Scott and I spoke very regularly. We had meetings, similar to with Ms Harrison, very open dialogue and discussion about matters that were relevant for TAFE NSW and for the Department of Education.

The CHAIR: Not this friendly heads-up process. Do you sort of look back on it now and think maybe Georgina Harrison knew some discontent from the Minister and was just trying to give you—

STEFFEN FAURBY: I absolutely believe that the way in which she relayed this to me was that there was a conflict. The Minister had gone to her and talked about the conflict between the Minister and me and she would then, either on her own account or initiative or asked by the Minister, come to me and make me aware of that. So absolutely did she allude to that? Did she give me the impression that the Minister had made comments to the effect that between him and I there was a conflict or there was tension? I think that was the purpose of the call. It might have also been the purpose of her checking in a couple of times along the way but in a very casual way, probably because Ms Harrison would know that she does not have that remit of managing the role that I was in. So I saw it as a friendly, collegial support.

The CHAIR: But your immediate superior, the Minister, has got the remit on your performance and he has decided to go through another public servant to try to voice his tensions or concerns—

STEFFEN FAURBY: Yes.

The CHAIR: It puts Ms Harrison in a difficult position. Was there a subtext here, do you feel, that really what they saying to you is, "Look, you should just agree with the Minister more often and concede to him, lose your independent policy advice and just do what the Minister wants"?

STEFFEN FAURBY: I do not think it is for me to make those kinds of speculations. I can only respond to what she tells me. I do not think it is for me to speculate too much about what the underlying purpose of this was. Surely, there were—and Ms Harrison would know this as well as any other senior official in the Government, or any government, is that from time to time there is tension between the public servants and the Minister. So there should be, in my view.

The CHAIR: Yes, of course.

STEFFEN FAURBY: We have got to have that tension. We have got to have that. There is tension in this House. I think that is what leads us to decisions. It is what leads us to outcomes. The Minister is very focused on outcomes; so he should be. So am I as the head of that—or, was I, as the head of the organisation.

Ms ABIGAIL BOYD: When Ms Harrison spoke to you about—I think in your opening statement you called it "a difficult relationship". I am guessing that was no great surprise to you, though. You already knew there was tension?

STEFFEN FAURBY: Yes, I knew there was tension because I almost would say that, by design, there should be some tension.

Ms ABIGAIL BOYD: So when Ms Harrison then raised this with you, given that it was not really a surprise, what was the notable information you were receiving in that? Was it that the Minister had seen the tension to be of such an extent that it was worth commenting on?

STEFFEN FAURBY: Well, I think the first thing I took away from this was that his style was to convey this through a third party as opposed to directly to me. So that in itself told me a thing or two about the working relationship between him and me, because I would have much preferred that he had picked up the phone and talked to me about it.

Ms ABIGAIL BOYD: Yes.

STEFFEN FAURBY: I would also say that if we look at the actual messaging it would have been to be alert to the fact that the Minister had disagreements or concerns as to the way in which he and I worked together, possibly the way in which my team and his team worked together, and it would be good for me to give considerations as to whether or not we could do things in a way which was more conducive and better. I will absolutely, wholeheartedly, support the notion that any team and any individual, not least myself, will constantly

listen to that type of feedback and seek to take on board what is said and adjust to the extent I think it is reasonable to do so. And I did, and we did. We discussed this. We discussed this in the team.

Ms ABIGAIL BOYD: Okay, so you did change your approach as a result?

STEFFEN FAURBY: Yes. We also had a number of specific actions taken to make sure that we were aligning ourselves with the Minister about his expectations. One of them had the intervention of the board chair, where we had a meeting between the Minister, the board chair and myself, going through all the priorities—and there was a list this long, if you can believe it, of priorities. Some of those were ministerial priorities, and you would be well known to those because they are the ones we often talk about that lead to outcomes such as building new campuses and those sorts of things.

But when you lead an organisation of this complexity with 17,000 people employed, 460,000 students who choose TAFE NSW as their preferred provider of education, 136 or 137 facilities across the State, there are many other priorities that must be discussed and dealt with, which were very, very close to my heart but perhaps not as close to the Minister's—the way you treat your own people, the way you treat the students, the way you make sure people go to work feeling safe and secure, the way you respond to a COVID crisis, the way you deal with risk management, the way you make sure you watch your money, those sorts of things. Back to your point, Ms Boyd—sorry if I am deviating a little bit.

Ms ABIGAIL BOYD: That is alright.

STEFFEN FAURBY: But, to your point, in order to make sure that in and amongst our priorities, TAFE NSW's priorities and the priorities of the Minister, we had an understanding and an alignment on what the priorities of this organisation should be, for that reason, we held a session with the board chair. He chaired it and we went through all of these priorities, signed off on them and agreed that these were indeed the priorities. They are the ones I refer to as what we discussed on a biweekly basis. A report was submitted monthly and it had all the—

Ms ABIGAIL BOYD: So you get notification that there is a difficult relationship between you and Minister Lee, which is taken to be a notification to you that you need to change something—correct?

STEFFEN FAURBY: Yes.

Ms ABIGAIL BOYD: Is it your evidence that you did change something in your approach in terms of the relationship with Mr Lee, or did that not change? You said you had a conversation with him?

STEFFEN FAURBY: Yes.

Ms ABIGAIL BOYD: But did anything else change in terms of that relationship.

STEFFEN FAURBY: Yes, absolutely, it did. Yes, and this was what I was trying to explain and I might have been a bit—

Ms ABIGAIL BOYD: Which is the example of the—

STEFFEN FAURBY: Yes.

Ms ABIGAIL BOYD: So how is that not performance management?

STEFFEN FAURBY: Because every piece of feedback along the way which you get from the first day you get into a role like this you take on board and you seek to adjust in such a way that what works for you is also what should work for him, in this case. In other words, you get feedback every day. I did not see any of this to be particularly enforced or in a different way than what—

Ms ABIGAIL BOYD: Significant?

STEFFEN FAURBY: No, not at all. We would have very regular meetings between the Minister and me, and his team and mine. The matters that were discussed were business matters, if I can use that expression. I know that it has perhaps not the right connotation when we talk about an educational institution, but what I mean by this is corporate matters, priorities. For instance, where are we devoting our efforts in recovery from COVID? What is the best way to ensure that we swing this organisation around so that it can continue teaching while we are dealing with a recovery from the aftermath of COVID? Those are the kinds of priorities I am talking about. They are not behavioural; it is not, like, how we talk to one another; it is not how we exchange views to one another. It is the corporate priorities, the overall priorities of the organisation, that we discussed and which, I would say, would go to the heart of what we should be discussing and at a level which gives justice to the magnitude and importance of this organisation for the State of New South Wales.

The Hon. COURTNEY HOUSSOS: Mr Faurby, thanks for your time and for your frank comments. You talked about the 30 different priorities. Would you be able to provide a list of those or what you can recall of those, on notice?

STEFFEN FAURBY: The day I walked out of my office on 2 December, I left everything behind. My access was revoked the same day—so it should be, because I was becoming a private citizen. I am a private citizen and that is the capacity that I appear in today. So I think it is not—I do not have those files anymore; I left them behind.

The Hon. COURTNEY HOUSSOS: Okay. But your evidence is that all of those ministerial priorities were on track?

STEFFEN FAURBY: My evidence is that we had, absolutely, those priorities under control and on track. There were certain components or certain subsets of that. Every initiative would have, like, 10 or 15 milestones against it, among other things, and, of course, as is custom, as is normal, certain such initiatives and milestones require some extra intervention—some of them might be falling behind a little bit and we devote more attention into them. It is just the nature of managing an organisation of that magnitude. So of course there were initiatives that were in need of a little bit more attention than others. But overall, absolutely, yes, my evidence is that we were on track and faring really, really well on the back of the situation we found ourselves in—and not least, of course, the whole situation with COVID involved.

The Hon. COURTNEY HOUSSOS: Mr Faurby, this seems like a pretty large list of priorities and you talked about how more kept getting added to those.

STEFFEN FAURBY: Yes.

The Hon. COURTNEY HOUSSOS: In your experience as a senior public servant, have you seen this kind of list of priorities before or would it normally be much smaller?

STEFFEN FAURBY: I would say that it is not uncommon to have many priorities, and it is not uncommon that they, from time to time, conflict with one another and it becomes, you know, a resource discussion. I think what was new here was that some of the things that were adding to it, to my mind, were a distraction and caused us to actually—it challenged us in focusing on the big things. Because sometimes these matters were really, really—in my opinion, not the right time and not the right place to do them. There were sound, good suggestions; I just did not think it was the time to spend—to focus on them.

The Hon. COURTNEY HOUSSOS: Absolutely. Mr Faurby, just for the benefit of the Committee, could you outline your previous experience? We know you had a senior role in Sydney Ferries. What other roles have you had with the New South Wales Government?

STEFFEN FAURBY: I was the chief executive of the State Transit Authority. For a number of years I was the chief executive of Harbour City Ferries, the operator of the ferries organisation contracted by government to operate the ferries. I have had other similar roles in the private sector before that.

The Hon. COURTNEY HOUSSOS: Have you ever confronted a difficulty in terms of a difficult working relationship before, where you might have conflicting leadership styles?

STEFFEN FAURBY: Absolutely. It happens in any role. I do not believe I have ever held a role where there were not times where there was conflict and where we were challenging one another. I think the key in situations like this is that there is trust that we have each others' back and that, ultimately, decisions are made that we go out and execute and implement hand in hand. That part I felt was missing here.

The Hon. COURTNEY HOUSSOS: The trust and the—

STEFFEN FAURBY: Yes.

The Hon. COURTNEY HOUSSOS: Was that ongoing through the relationship or only now that you are looking back at it?

STEFFEN FAURBY: No, it was ongoing for sure. We would go to meetings with the Minister and his office and we would present certain things that were discussed, and we would do that on the basis of sound preparation. We have people who do this for a living; they really know what they are doing at TAFE NSW. I would be the one relaying it or someone else I would bring along would do that, and we would be challenged on it. If they did not like us standing our ground, they would start ringing around to other members of the team to try and see if they could get others to offer another opinion. Those sorts of ways do not build trust, in my view. What we do is we resolve these matters face to face with people, or at least person to person, and we seek to land on

what can be agreed, and if we cannot agree, then let us agree to disagree. It is at least my preferred way of doing it.

The Hon. ANTHONY D'ADAM: That kind of behaviour, Mr Faurby, is suggestive that the Minister believed that you were preventing information from flowing through to the office. Do you think that is a fair assessment?

STEFFEN FAURBY: No, not at all. I entirely reject that, Mr D'Adam. We had a very open style of leadership in TAFE NSW. I would bring along senior executives, sometimes more junior executives and junior leaders of this organisation, to meet with the Minister and to meet with his office. We would have countless meetings that I did not even take part in that my colleagues—people from my exec team or others would go to the Minister and the Minister's office and discuss things that were of subject matter expertise. There is such an enormous amount of talent in that organisation and people really know what they do. My view was, and still is, to empower them to give them the opportunity to go and meet the Minister and his office and his employees and argue their case because they know what they are talking about. We did that all the time. By the way, the Minister and his office would not seek my permission to pick up the phone and call someone else. Do you know what? In most cases, I would find that to be entirely okay.

The Hon. ANTHONY D'ADAM: Was that the case with the question around the assets sales issue that was ventilated in the October estimates?

STEFFEN FAURBY: Asset is a big part of TAFE NSW, with an asset base of nearly \$3 billion worth of assets, and of course from time to time decisions are made. I cannot recall whether or not there were any such discussions that I did not take part in, but I would imagine there were.

The Hon. ANTHONY D'ADAM: I think it is fair to say that the Minister's performance at that estimates hearing in October was not his best performance. Were there any discussions after that estimates hearing that may have perhaps triggered a further deterioration in the relationship?

STEFFEN FAURBY: I do not know specifically what you are talking about, Mr D'Adam. I do recall at budget estimates hearings where we discussed assets. I will respond in general, and if you would like to provide further details as to what exactly you are alluding to, then I will try my best to answer that. Yes, we did discuss both before and after budget estimates. We seek to learn from our lessons; we seek to learn from the feedback that we got, and we certainly got some feedback from the sessions. We take on board what was said as a serious piece of feedback and evidence for us to give consideration to. The fundamentals, though, around the decisions that were made, I stand by. I stand by the decisions I made as Managing Director of TAFE NSW but remain entirely open to discuss ways in which we convey those decisions and ways in which we take on board the feedback that we get. But I stand by what I decided, and so did the Minister, I believe.

The CHAIR: Do you look back on 2 December and think, 19 days later Geoff Lee was moved out of TAFE to Corrections and that in hindsight he was quite presumptuous to be moving you out? Even on 2 December you thought you were going to a meeting to hear about new ministerial arrangements in the pipeline. There had been speculation Geoff Lee would run for this Federal election and be out of the State Parliament. There had been speculation that he had been dropped altogether from the ministry on his own performance. Do you look back and think, "He had a bit of hide, didn't he, to move me out when 19 days later he was not even there"?

STEFFEN FAURBY: I am trying not to mix politics with what I do. I took that role and was profoundly pleased to be given that opportunity. Yes, I was surprised. Yes, I am sad and disappointed at what happened, but I have chosen not to speculate too much and I certainly do not want to speculate in public about Mr Lee's motivations for doing what he did. That is entirely a matter for him.

The CHAIR: I admire your professionalism and the way you have handled this. Others would not be as calm and professional, so I admire that. Can I just come to one point you made about headhunting by Gladys Berejiklian? These were media reports I think based on the fact that there was an extra amount of remuneration that was offered for the new MD, which turned out to be you. In the eyes of the media, it must have given the appearance of headhunting. Why do you think that extra money was allocated for this role?

STEFFEN FAURBY: I had no part in those conversations. I did not ask for a specific salary. I did not negotiate that. I was presented with the offer to take the role following a competitive process that involved, I think, three or four if not five interviews, including with the Minister but also with the third party intervention or involvement. I really have nothing to offer to that, and I cannot for the life of me imagine that anything special was done because it was me. I think that—

The CHAIR: Right. So you always looked at those media reports with curiosity.

STEFFEN FAURBY: Yes. Curiosity is probably as far as I will go.

The CHAIR: "How did this end up in the paper with all the other fake news?"

STEFFEN FAURBY: Yes, and there are the speculations around, and I can go back and see other media references to my person about things that suggest that I have a role to play in the policymaking around things such as privatisation. It has been discussed with TAFE. It was discussed with the buses. It was discussed with the ferries. I have had nothing to do with those political decisions. I have been asked to lead an organisation and implement what was the government policy at the time, and I am very happy to leave these policy matters to politicians and to Parliament and get on with the job of doing a good job.

The Hon. COURTNEY HOUSSOS: Mr Faurby, there was a significant pay increase for the position when you came into the role, and we understand you do have extensive experience in the government sector, but that was not an issue that was negotiated with you. That was an offer from the Minister directly.

STEFFEN FAURBY: It was an offer from the organisation, whoever made the paperwork, so to speak. Yes, that is correct.

The Hon. COURTNEY HOUSSOS: To be clear, the Minister who fired you on the spot had been the Minister who recruited you into the role.

STEFFEN FAURBY: Correct.

The Hon. COURTNEY HOUSSOS: Right, and gave you this very generous increase of a salary.

STEFFEN FAURBY: He signed the letter, yes.

The Hon. COURTNEY HOUSSOS: Exactly. That is helpful. Mr Faurby, you said you were summoned to this meeting with the Secretary of the Department of Education on 2 December. Did the invitation come on 2 December? Do you remember?

STEFFEN FAURBY: No, I believe from memory that we had that in my diary for about a week I would say, give or take.

The Hon. COURTNEY HOUSSOS: Okay, so for a week or so you have this kind of meeting pencilled in with the secretary and you are trying to get a bit more information so you can turn up and be prepared. Is that the idea?

STEFFEN FAURBY: Always. I would always turn up to be prepared for meetings, of course. But, of course, certainly when you know what is for debate and discussion, you would prepare yourself and do your homework. Maybe I should say, Ms Houssos, that whilst I was puzzled or uncertain about this, Ms Harrison and I would from time to time have a conversation about things that were not that formal but simply just between two peers in senior executive roles. It would not have been entirely unrealistic for her to have something she wanted to share with me that was not formal in that way. I am not really sure I was that surprised. But, yes, we did try and find out what it was about and we did not manage to, and I formed the view, as I mentioned before, that maybe this is a conversation about ministerial reshuffles and just to get ready and be prepared for that. My job is not to speculate about this; my job is to make sure that the organisation is set up to brief the incoming Minister. And if I were given the heads-up that something might happen, I would go back and activate the work to do the briefings for the incoming Minister ASAP. That was the expectation that I went to that meeting with.

The Hon. COURTNEY HOUSSOS: Had you had previously scheduled meetings like this with the secretary before?

STEFFEN FAURBY: Yes, with an agenda. I do not know that we have ever had a scheduled meeting before without an agenda; I think this was the first.

The Hon. COURTNEY HOUSSOS: But obviously you are aware of the political environment that you are operating within and you could make a reasonably educated assumption?

STEFFEN FAURBY: Yes. But, if I can make the point again, Ms Houssos, the Secretary of the Department of Education is not my boss. Therefore, it is not my expectation that I would go to her and have a meeting that would involve my performance. I would expect that if that ever were to happen, I would have that with a person who is my boss, and that person was the Minister. We just did not have that conversation.

The CHAIR: She was like the post lady giving you the letter with no jurisdiction to terminate you.

STEFFEN FAURBY: Yes.

The CHAIR: She was doing the Minister's dirty work for him. She should have told the Minister to do that himself, that is obvious.

STEFFEN FAURBY: Yes.

The Hon. COURTNEY HOUSSOS: Obviously you received the letter from Ms Harrison and then you left her building at George Street. What then happened, Mr Faurby? Did you go back to TAFE?

STEFFEN FAURBY: I asked her, "Does that mean I'm done?" I said, "Is this my last day?" and she said, "Yes." I said, "Can I at least go back tomorrow and say goodbye to my team?" And she said, "Absolutely." She was very supportive, Ms Harrison was—I am not suggesting otherwise—but it was with immediate effect. I agreed with her that I would go back the following morning, call my team together and tell them what had happened, and that was the end of me as far as TAFE NSW was concerned. I left everything behind, my badges for Parliament House and the Minister's office—everything—and my laptop and out I walked. Since then, from that perspective, I have just been a private citizen with no involvement whatsoever with TAFE NSW.

The Hon. COURTNEY HOUSSOS: I understand. I have a couple more questions and then I will pass to my colleague Ms Boyd. You said that you had a robust discussion with the Minister over Teams in August 2021 after the initial heads-up from the secretary that there might be an issue. Can you tell us a little bit more about that conversation, or that meeting?

STEFFEN FAURBY: The meeting was robust, I think, first of all, because the Minister presented me with some views as to—he thought that the actions that we took as TAFE NSW and the way in which we dealt with his office and him was causing a divide between his office and us. He also made other comments, such as he was eager to see things happen. He was focused on outcomes and he just wanted to see things happen. I took the opportunity to talk him through the situation that the organisation was in. What I mean by that is this was in the midst of the COVID recovery.

Whilst the dust has settled a little bit on the hype around COVID in that sense, TAFE NSW, like any other organisation, had a tail of issues to resolve because of courses that had been deferred, students who were waiting to do their assessments and assignments, teachers who were working offline, technology that needed to be rolled out, and people and students with disabilities that we needed to make sure we were looking after—some of them with no access to technology and others with other matters that needed attention. We had campuses that we had kept open all the way through but of course, on a very limited, almost skeleton crew, because people were working from home. My conversation in that meeting was to do a reality check, frankly, on what could or should be expected by a Minister under those circumstances, given where we found ourselves. That was one point.

We also talked about the many things that we had achieved as an organisation. We talked about the direction that I wanted to take this and I checked in with the Minister, and he agreed to those things. We talked about some of the things which resolved really well. We had secured new funding for TAFE NSW for the next four years under the Expenditure Review Committee and, for the first time in a long time, TAFE had visibility to its funding for the next four years. I was explaining to him where we were going with that. He then said, "Okay, let's get on with it and let's make it happen." Part of the robustness was to align expectations on how quickly these things can be done.

The Hon. ANTHONY D'ADAM: Did you make a file note following that meeting?

STEFFEN FAURBY: I made my own personal notes about it, yes. But, as I said, all the notes were left behind when I left the organisation. Most of what I had I had on my electronic media.

The Hon. ANTHONY D'ADAM: So it was not created as a note on a specific file held by TAFE?

STEFFEN FAURBY: No.

The Hon. ANTHONY D'ADAM: In what format was it made?

STEFFEN FAURBY: The meeting?

The Hon. ANTHONY D'ADAM: No, the notation which you took of the meeting.

STEFFEN FAURBY: It was general notes, some of them in a notebook and others in—

The Hon. ANTHONY D'ADAM: And that was left with TAFE, was it?

STEFFEN FAURBY: Yes. I do not have any electronic notes from it. I have absolutely nothing from what notes I might have taken. We use certain applications to do that, and if there are any such notes on file they will be with TAFE NSW.

Ms ABIGAIL BOYD: One of the areas of difficulty between you and Minister Lee, did that involve the earmarking of certain campuses for sale? Was there a disagreement on that or was there a policy alignment between you?

STEFFEN FAURBY: First of all, the buying and selling of assets is a political decision; it is not my decision. It is my job to implement it when it happens. I was of the view—and I shared this view with Minister Lee—that we would much rather grow and expand TAFE than we would retract and reduce it. So there was no disagreement between him and I as to the policy, if I can put it—I did not disagree with his policy in that area. Mr Lee certainly, as far as I am concerned, had a commitment to grow and expand TAFE. Rather than just taking my word for that, look at the capital expenditure budget and compare that against the income from asset divestment and you will find that, for every dollar made on divestments, \$20 was put back into it in investment.

Ms ABIGAIL BOYD: But in terms of the physical assets of TAFE, was that a direction from the Minister, to move more courses online and to reduce the number of campuses?

STEFFEN FAURBY: No, certainly not to my knowledge. The Minister had what I believe was a good understanding of the landscape that we were operating in and the need for further online teaching and education, where that makes sense and how that makes sense. But it was never my impression that his view was to seek to erode, diminish or reduce the footprint of the physical assets at the campuses—absolutely not.

Ms ABIGAIL BOYD: My final question for you is when we talk about the way in which you were terminated—I have spoken with other senior executives who have been terminated in similar circumstances under section 41 who have expressed the view that that is quite normal, to just be let go without reason. Obviously it provides for it, because there is that massive payout. So when you are getting \$420,000 as part of that termination, perhaps it is seen as being of less import to do it in the way that you might have expected or wanted it in a different context. Do you think that is fair to say or do you think there is a case here for changing the way that these contracts are drawn up in the first place, so that instead of having such a generous payout there are more obligations to manage your appointees in a better way?

STEFFEN FAURBY: I will leave the part of the conversation about money to one side because, as far as I am concerned, we all have our views and opinions as to what is reasonable in terms of money and compensation and those sorts of things. But I would say that, in my view, it is common decency to be given a reason for your termination. It is common decency to be getting that from the person who makes the decision so that you can move on. Because, for any one of us—and, as you allude to, Ms Boyd, there are others who have been in the same situation—I think the most important thing is to find your way forward and let go of what happened. Take your time to understand what happened but then move on. That is what my focus is on. I can certainly say that would be the way, and has always been the way, that I have dealt with situations like this. When you are in senior executive roles, you do find yourself on both sides of the line, if I can use that expression. I have been there myself, having to present an employee with the sad and bad news that we had to part ways. You take the time to discuss and explain this.

I will leave the legislation and the formalities and all that to people like yourselves to discuss what you think is reasonable. My last point would be that those of us who accept these roles walk into them with our eyes wide open, and I am not one to sit here and complain about the way in which legislation works in that context, because if I were unhappy with that I should not have accepted the role in the first place. Can I say how incredibly privileged I really am for having been able to serve New South Wales and the students and the staff? It is important for me to make that point here because I really liked that organisation.

The CHAIR: Do Government members have any questions? Mr Farlow? Catherine Cusack? No. I think we are probably now at the end of the questions, unless you had any other statement to make, Mr Faurby.

STEFFEN FAURBY: No, thank you. Thanks for the opportunity.

The CHAIR: We thank you very much for your time and for the professionalism with which you have handled the situation. We wish you all the best for the future.

STEFFEN FAURBY: Thanks very much.

(The witness withdrew.)

The Committee adjourned at 11:01.