

REPORT OF PROCEEDINGS BEFORE

GENERAL PURPOSE STANDING COMMITTEE NO. 6

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

CORRECTED PROOF

At Wollongong on Monday 12 October 2015

The Committee met at 3.00 p.m.

PRESENT

The Hon. P. Green (Chair)

The Hon. L. Amato (Deputy Chair)

The Hon. S. Farlow

Dr J. Kaye

The Hon. L. Voltz

CHAIR: Good afternoon and welcome. It is good to be here in Wollongong. This is the seventh hearing of the General Purpose Standing Committee No. 6 inquiry into vocational education and training in New South Wales. Before I commence I would like to acknowledge the people of the Dharawal nation, who are the traditional custodians of this land, and to pay my respects to elders past and present and any Aboriginal people that might be here with us today. I extend that respect to others that may be listening to this inquiry. Today's hearing is the seventh of eight hearings we plan to hold for this inquiry. We will hear from a wide range of stakeholders today including representatives of TAFE NSW Illawarra Institute, the NSW Nurses Association, private training providers and local TAFE teachers.

Before we commence I would like to make some brief comments about the procedures for today's hearing. In terms of broadcasting, it is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at today's hearing. I urge witnesses to be careful about any comments they make to the media or to others after completing their evidence as such comments would not be protected by parliamentary privilege if another person decided to take defamation action. There may be some questions that a witness could only answer if they had more time or specific documents to hand. In these circumstances witnesses are advised that they can take the question on notice and provide an answer within 21 days. I ask everyone to check their mobile phone is switched off or to silent.

DIANNE MURRAY, Director, TAFE NSW Illawarra Institute, affirmed and examined:

CHAIR: Good afternoon. Do you wish to make an opening statement?

Ms MURRAY: Yes, just briefly. Thank you for the opportunity to appear and to discuss the important role that TAFE Illawarra plays across south-east New South Wales. I am glad you had an opportunity to visit both Nowra and Wollongong campuses and see some of the important work that we are doing in that area. We in fact have campuses across all local government areas in the south-east part of the State and the south coast and the highlands area. We deliver over 300 qualifications. We employ around 1,500 staff across that area.

I am aware that part of the focus of this hearing is to look at some of the changes that are happening in the vocational education sector. For us they are changes in demand, they are changes in delivery and they are changes in funding. They have led us to make changes in the way in which we do our business. Fundamentally we know that our role is to provide the skills that are needed in order to build the economic prosperity of New South Wales. We are there to provide the skills base for the economic future.

I can tell you that this year we have seen a significant increase in apprenticeships and traineeships in our area—and particularly on this campus we have had a doubling of training in some of the key important areas. Our intake of stage 1 apprentices in the construction industries and plumbing has in fact doubled this year. We are focusing our attention on those areas of growth and prosperity. We have also seen predictions for growth in the construction industry in the longer term through to 2017 and also growth in the healthcare and social assistance areas. We are moving our resources to build capability in those areas.

Across the area we have about a 70 per cent market share in a lot of the trade areas—bricklaying, signwriting, carpentry, hairdressing, meat processing—which we deliver across both Illawarra and the Riverina area. In the highly competitive markets of childcare, commercial cookery and plumbing we have more than a 50 per cent share. So we are maintaining a strong presence in both new and traditional trades areas. We are building our future business on partnerships. We have partnered with Salvation Army Employment Plus to ensure that we are providing services that the people they service need. We also have an overrepresentation of Aboriginal and Torres Strait Islanders in our programs.

We are really proud of the quality of what we deliver. Twenty per cent of the international WorldSkills team that performed in Brazil were TAFE Illawarra graduates and students. So we are very proud of the quality of what we do as well. We are currently building our strategic directions for the next three-year period. I have just finished a presentation to staff here at this campus about those strategic directions which have a vision to build skills, create success and inspire a better future.

We are continuing to provide for disadvantaged students and we are very proud of the role we play in preparing people for trades, skills areas and employment areas. We have very successful prevocational or pre-employment programs where we do projects under contract with local council that enable young people to learn their skills and finish the first two years of their TAFE training in apprenticeship areas. So our partnerships with business and industry in the future are going to be the basis on which we build and sustain what we are doing. There are lots of opportunities for us to make sure that the training we are providing and the opportunities we are providing for people are linked to the outcomes they want as well as a quality learning process.

CHAIR: Thank you for that comprehensive statement. We have toured the campuses at Nowra and Wollongong and the facilities are fantastic, as was the hosting that we have just had.

Ms MURRAY: I am happy to table a summary of what I just said.

CHAIR: Yes, we will take that as tabled. It is fantastic. It is great to see the things that are going right. I want to ask you about something that has gone terribly wrong, from the evidence that we are getting—the Education Business System [EBS] and the Student Administration and Learning Management [SALM] programs. It seems that we have taken a lot of evidence that staff have been incredibly anxious about it. Have any staff informed you of the immense difficulty they have had with the system? Secondly, have you or has any director under your care been instructed by the Minister or his staff to basically turn a blind eye to the issue or to not address it or pour water on it?

Ms MURRAY: I will answer the second part first.

CHAIR: Yes, you can go either way.

Ms MURRAY: Definitely not, no, we have not had any such direction or suggestion. In relation to awareness of the difficulties, it was about this time last year when the new student learning management system was introduced. At the time a decision was made to introduce that system with the understanding that there might be some difficulties with implementation but fundamentally it was ready to provide the enrolment and support we needed. We went ahead in this institute in utilising it when we started our enrolments at the end of the year. It did raise some of the problems with the system, which we provided some feedback on. So the system was migrated. The old system collapsed, basically. The information was migrated to the new system.

CHAIR: That is the Class Management System [CLAMS] system?

Ms MURRAY: Well, it is the SCIS—Student Course Information System. What we have found is we have been able to progressively put in place work arounds. That is obviously not how you want work; you want a system that is going to work properly and effectively.

CHAIR: You have obviously overlooked this to a large degree. Has the Education Business System [EBS] and Student Administration and Learning Management [SALM] system failed in its intent?

Ms MURRAY: I would not say it has failed in its intent. I would say there are still ongoing problems with it. We have been providing training and upskilling and we are continuing to do that. We launched some more training today. So we are enrolling people, we are processing enrolments.

CHAIR: Manually?

Ms MURRAY: No, through the system but there is some manual work for some enrolments.

CHAIR: How many staff hours do you think have been lost in trying to accommodate—

Ms MURRAY: I could not estimate that, I am sorry.

CHAIR: What could you do with \$573 million in the TAFE system?

Ms MURRAY: I think that figure is related to the full program, which is schools and TAFE, not just TAFE.

CHAIR: What could you do with \$250 million?

Ms MURRAY: Well, we could obviously do a lot, couldn't we? But we still do need a learning management system that is going to give us what we need.

CHAIR: In your professional view, you have seen this system basically crash and burn to what it was hoped to be.

Ms MURRAY: Yes.

CHAIR: Would you be scrapping it at this point or staying with it?

Ms MURRAY: I would not be scrapping it; I think it can be made to work. There is an upgrade that is planned and we have had people testing that upgrade.

CHAIR: I want to ask you one more question, outside that one. Disability loading: we are receiving evidence that it has probably not been weighted right for the needs of those with disability in TAFE. Do you have a view on whether that 15 per cent loading is accurate, helpful or does it need to be further looked into?

Ms MURRAY: I would say that it needs to be reassessed. You are talking about the Independent Pricing and Regulatory Tribunal [IPART] loading, as part of the price?

CHAIR: That is right, I am wondering if their methodology is wrong with the needs.

Ms MURRAY: I think it has tried to give an average and I do not think the average necessarily works because the support that individual people with disabilities need varies from individual to individual but also from course to course. I think there needs to be greater flexibility in what that loading can deliver.

Dr JOHN KAYE: Ms Murray, do you accept that there are a number of permanent full-time teachers within the Illawarra Institute who are under program load at the moment as a result of Smart and Skilled?

Ms MURRAY: There are always situations but I am aware of under programming.

Dr JOHN KAYE: And do you accept the proposition that that number has increased dramatically since Smart and Skilled?

Ms MURRAY: I would not be able to calculate that.

Dr JOHN KAYE: But you would also hear from teachers, would you not? You would have eyeballs over teacher hours; you would have some sense if that was the case?

Ms MURRAY: We have done business reviews over the last two years, to look at—

Dr JOHN KAYE: And that would show up, that there has been an increase?

Ms MURRAY: To show what the level of excess staffing is, yes.

Dr JOHN KAYE: What are you going to do about that? How are you going to get those people to have a full load, given that many of these are experienced professional teachers?

Ms MURRAY: We have been very successful in some areas where we identified that there was under-programming of staff on Government-based programs, where those staff have been able to develop other courses, move into a commercial area, provide programs directly in conjunction with business and industry and build another revenue stream and that has been very successfully done.

Dr JOHN KAYE: What about in areas you have not been successful?

Ms MURRAY: We have excess staff and we need to manage those excess staff.

Dr JOHN KAYE: Even though you are operating in an area of extraordinarily high unemployment and many of these are staff who have great skills that would create employment and economic activity, you are saying they are excess staff because Smart and Skilled cannot give them a full program load?

Ms MURRAY: I am saying they are excess staff because we do not have the enrolments in the areas that those staff may be qualified in because the demand actually shifts.

Dr JOHN KAYE: Would you accept that that is partly because of Smart and Skilled and partly because of SALM?

Ms MURRAY: I think Smart and Skilled and the competitive environment has meant that we do have competitors who are providing programs that we previously provided.

Dr JOHN KAYE: Or alternatively, people have just left the whole training system?

Ms MURRAY: I would not be able to make that judgement.

Dr JOHN KAYE: Why not?

Ms MURRAY: I do not know what people's decisions are, the basis of their decisions or their rationale. I do know that universities, for example, have lowered their entry level scores to a large degree. That has had a huge impact on the upper end of our programs.

Dr JOHN KAYE: Would you be surprised if I told you that the normal number of Aboriginal and Torres Strait Islander students enrolled at Nowra is 280 but this year it is only 100? You said before that Aboriginal and Torres Strait Islander people were over-represented in enrolments here.

Ms MURRAY: It depends when you took the 280 number from. If you took it from three years ago that would probably be right, when we were running a lot of entry level programs. We actually move programs, and communities move programs into high-level programs to get outcomes.

Dr JOHN KAYE: And as a result of which we have lost Aboriginal and Torres Strait Islander enrolment, even though the community is actually growing?

Ms MURRAY: The numbers are the numbers.

Dr JOHN KAYE: Does that concern you?

Ms MURRAY: What I can say to you is that in fact we have increased the Aboriginal enrolments across the institute in the last 12 months.

Dr JOHN KAYE: Ulladulla, from 20 to five. Does that worry you?

Ms MURRAY: It concerns me if people are not getting the training they need to get the jobs that they want.

Dr JOHN KAYE: But with only five Aboriginal students in Ulladulla and 100 in Nowra, from an institution that, as you quite rightly point out, has a long track record of serving the local Aboriginal community, is not this a matter of grave concern?

Ms MURRAY: It is a matter of concern if people are not getting training in the areas that are actually linking to employment or to the outcomes they want. We did have an unfortunate period where what was happening in communities was that people were just being rotated through course after course at very low levels and not, in fact, advancing through to getting qualifications that were fit for employment. We did a major review of those course offerings and Aboriginal people do have access to those programs. They also have an exemption on any fees and so they are able to make decisions about the courses they study.

Dr JOHN KAYE: One other quick question. This is the institute that was plunged into the national consciousness when the National electrical Contractors Association [NECA] pulled its apprentices from here because you cut hours of delivery for electrical tradesmen from 36 to 30. Did you reinstate those and have you cut other hours and have you had similar responses from other employer groups?

Ms MURRAY: NECA is now enrolling their apprentices with us and those apprentices are studying under the current program that we offer.

Dr JOHN KAYE: Which is 30 hours?

Ms MURRAY: Which is where we have changed the face-to-face hours. I do have to remind people that hours are hours of learning, they are not hours of face-to-face delivery. So when hours are quoted on a course, it is about the number of hours that a student needs to undertake study in some way in order to successfully complete a qualification. In relation to the offering of programs that we changed last year, we packaged together and, in conjunction with discussions with employers, packaged together work that students needed to do on the job, study that students needed to do independently, as well as the face-to-face delivery. So we changed the model of delivery, we had consultation with employers throughout that, NECA made a decision at that point that three or four of their apprentices would, in fact, go to another campus. But they are enrolling their apprentices with us this year and we continue to have a good relationship with NECA.

The Hon. LYNDIA VOLTZ: Thank you, Ms Murray. A couple of questions: In your summary introduction at the beginning, you said that you had increased the number of construction students. Is there an increase in students across all of your TAFE, is that what you are saying, including the numbers that were in Dapto previously, or what is the whole figure for students?

Ms MURRAY: There has been a decline in student enrolment numbers because, in fact, the way in which enrolments are counted has changed as well. So, where people used to be enrolled in two programs or if people did a second attempt at a course, attempted an assessment task, they were re-enrolled. But we have seen a change with the more competitive environment, in terms of a reduction in numbers. What we have seen though is in areas really related directly to employment and where we have specialist facilities we have seen an increase in those.

The Hon. LYNDIA VOLTZ: Construction, as you would be aware, there is a huge upturn in the construction market, so one would expect to see a doubling, maybe from this year to last, if you compared that to say 2009.

Ms MURRAY: We have been seeing a gradual increase in those industries.

The Hon. LYNDIA VOLTZ: In construction, I am talking about.

Ms MURRAY: I could get you those figures. I have not got them in front of me.

The Hon. LYNDIA VOLTZ: If you could take that on notice?

Ms MURRAY: Yes, construction from 2009.

The Hon. LYNDIA VOLTZ: What about in other manufacturing industries, such as the program to run for welding and specifically into the steel industry?

Ms MURRAY: Last year there was a decline in the steel industry and that then becomes a decline in particularly apprentice numbers and that is consistent across the State.

The Hon. LYNDIA VOLTZ: How many students were there in, say, Dapto TAFE last year?

Ms MURRAY: I would have to get you those figures.

The Hon. LYNDIA VOLTZ: But there are no enrolments this year in TAFE in Dapto?

Ms MURRAY: There were enrolments at the beginning of the year. There were courses offered at the beginning of the year. There are none at the moment.

The Hon. LYNDIA VOLTZ: There are no courses at the moment.

Ms MURRAY: The courses were offered, but there were no student enrolments.

The Hon. LYNDIA VOLTZ: What are the courses that were offered at the beginning of the year?

Ms MURRAY: They were access programs, introduction to work skills and training. I cannot remember the exact name of them but they were programs to enable people to do the learning skills and the introductory programs that they need to then move into vocational education.

The Hon. LYNDIA VOLTZ: What happened to those students after the courses are no longer offered?

Ms MURRAY: Those students completed their program. The last group of students completed at the end of September, as I recall.

The Hon. LYNDIA VOLTZ: Have you been running those courses here as well?

Ms MURRAY: Yes, those courses are run at every location across the institute.

The Hon. LYNDIA VOLTZ: Do you know what is happening with the Dapto site?

Ms MURRAY: The Dapto site at the moment has no students. It still has some corporate services staff there and it is still open.

The Hon. LYNDA VOLTZ: It is open and has corporate services, but what exactly is it doing?

Ms MURRAY: That is what it is doing. There are no classes there at the moment.

The Hon. LYNDA VOLTZ: What is the intention for the Dapto site?

Ms MURRAY: That is a decision for Government. It is not a decision for me.

The Hon. LYNDA VOLTZ: Obviously there is no intention to provide courses there?

Ms MURRAY: We have been advertising programs there; students are not enrolling.

The Hon. LYNDA VOLTZ: What programs are you advertising for Dapto TAFE?

Ms MURRAY: I will get you a list of those. They are on our website, in fact, but I will get you a list of those for this year.

The Hon. LYNDA VOLTZ: For this year.

Ms MURRAY: Yes.

The Hon. LYNDA VOLTZ: And the dates of the last courses and where you advertised them?

Ms MURRAY: Yes.

The Hon. LYNDA VOLTZ: What is the overall decline in student numbers at Nowra?

Ms MURRAY: I would have to get you that. I do not have those figures in front of me.

CHAIR: Do you intend to sell the Dapto site?

Dr JOHN KAYE: That is a decision for Government.

Ms MURRAY: That is not a decision for me. That is a decision for Government.

The Hon. LYNDA VOLTZ: She said that is a decision for Government.

Dr JOHN KAYE: Have you received additional funds in the second half of this year beyond what you expected?

Ms MURRAY: We have received an increase in our cap, so that is about the—

Dr JOHN KAYE: More entitlements?

Ms MURRAY: The entitlements, yes.

Dr JOHN KAYE: When did you receive that?

Ms MURRAY: There were two changes, I think. One was earlier this year and I would have to go back and look at when the detail came through.

Dr JOHN KAYE: Was the second change a substantial change?

Ms MURRAY: I cannot recall, Dr Kaye.

Dr JOHN KAYE: I am fascinated you cannot recall. Can you take on notice what is the increase for both of those?

Ms MURRAY: Yes.

Dr JOHN KAYE: If I were a teacher at the beginning of this year and wanting to run a certificate III in hospitality, what would be the minimum number of students I would need to run that course?

Ms MURRAY: Well, there is not a minimum number. There is a number to make the program work, depending on how you deliver it.

Dr JOHN KAYE: Sure. What was that number?

Ms MURRAY: There is no definitive number of students required. How can a key teacher deliver a program within the resources that are available?

Dr JOHN KAYE: To be fair, talking generally, people would have said about 18. Fifteen was the number that was required. Is that correct?

Ms MURRAY: There is not a number that is required.

Dr JOHN KAYE: I understand that. You have said that already, but I am saying that the outcome of that process would be that courses of six would not have been run at the beginning of the year?

Ms MURRAY: Six might be running if it is a workplace—

Dr JOHN KAYE: No, at the beginning of the year.

Ms MURRAY: If it is a workplace delivery then there is a mechanism for actually providing joint delivery in the workplace as an employer.

Dr JOHN KAYE: Is it fair to say that you have had a bucket of cash brought in—

CHAIR: Order! Your time is up.

Dr JOHN KAYE: —and you have been running smaller courses?

Ms MURRAY: Sorry, I did not hear the question.

CHAIR: The witness will speak through the Chair, thank you.

Dr JOHN KAYE: You will receive the question on notice.

CHAIR: Government members have the call.

The Hon. SCOTT FARLOW: It is interesting that the members opposite have decided to raise the campus at Dapto. What special defining facilities does Dapto have in comparison to some other sites?

Ms MURRAY: Dapto has no specialist facilities.

Dr JOHN KAYE: Apart from being in Dapto.

Ms MURRAY: Sorry?

Dr JOHN KAYE: Apart from being in Dapto.

CHAIR: Order!

The Hon. LYNDA VOLTZ: Ignore John's statement.

CHAIR: Order!

Dr JOHN KAYE: I am sorry, Chair.

CHAIR: Interjections are disorderly at all times. The witness will be allowed to answer the Government member's questions.

Ms MURRAY: Dapto does not have any specialist facilities. We have previously run programs that also have been running in other locations, but it does not have specialist facilities, as you would have seen here.

The Hon. SCOTT FARLOW: We were quite impressed with the facilities at this campus, particularly in the welding centre and bricklaying. There is nothing like that at Dapto?

Ms MURRAY: No.

The Hon. SCOTT FARLOW: There are just classrooms in Dapto?

Ms MURRAY: Yes.

The Hon. SCOTT FARLOW: To Dr Kaye's interjection somewhat, how many campuses would be within, say, a 10-minute drive from the Dapto campus?

Ms MURRAY: Three.

The Hon. SCOTT FARLOW: What sort of facilities would you find at those campuses that you would not find at Dapto?

Ms MURRAY: The campuses that are close are Shellharbour, which has specialist facilities in early childhood studies, automotive, commercial cookery, nursing, community services. There is a range. Shellharbour is a very big campus with a full range of programs. Yallah is a specialist centre in landscaping, horticulture, environmental studies.

Dr JOHN KAYE: Also at Shellharbour?

The Hon. SCOTT FARLOW: That is within 10 minutes, yes.

Ms MURRAY: You then have train access to Wollongong west campus and to this campus.

The Hon. SCOTT FARLOW: Which have significant specialist facilities?

Ms MURRAY: Yes. This is a specialist training centre.

The Hon. SCOTT FARLOW: This is the jewel in the crown, so to speak?

Ms MURRAY: This is the largest area.

The Hon. SCOTT FARLOW: In terms of those four campuses you have just mentioned—West Wollongong, Wollongong, Shellharbour and Yallah—what would be the investment in those campuses over, say, the last four to five years?

Ms MURRAY: In this campus in particular over the last 40 years there has probably been about \$25 million of Commonwealth and State government investment in upgrading facilities. In Shellharbour, there was probably between \$5 million and \$8 million in upgrading specialist facilities in early childhood studies, aged care and nursing.

The Hon. SCOTT FARLOW: Across the TAFE Illawarra institute, you have seen significant increases in your facilities, particularly in the Wollongong, Illawarra region, not just further down on the South Coast?

Ms MURRAY: Yes. We were very fortunate to get Commonwealth Government funding to do a major refit and refurbishment of our engineering facilities and our construction facilities and, on this site, it is now a centre of excellence for training in those trades areas.

The Hon. SCOTT FARLOW: I am interested in some of the stories we have heard, in particular, how TAFE has been responsive to the changing labour market in the Illawarra, which of course is changing quite radically. We have seen, of course, a lot of media about the areas that are in decline. From your perspective, what do you see as those areas where there are future job prospects and what is TAFE doing to accommodate those?

Ms MURRAY: The big growth areas for us are across the region. Employment and growth in broader industries is in the health area, aged care, the whole childcare area, and human services generally. We have been building those specialist areas, as I have mentioned, with new programs and courses. We now have a degree that we offer in early childhood because people want to move into higher levels of qualifications. We are expanding ourselves in those areas in employment. People from the local health industry and aged care industry will talk to you about the shortage of trained people in that area. So we are boosting our training across those employment areas, but also in the construction industries, as was mentioned, the growth in domestic construction in the Illawarra but also in the coastal areas is quite significant.

The Hon. SCOTT FARLOW: No doubt there have been some areas of traditional trades in the Illawarra that may not be there anymore. What have you done to repurpose some of those facilities or to seek new areas where they could be applied? I know we looked at some sites concerning the mining industry, in particular. Is that the sort of thing you have been doing—looking for new avenues to use other things that may have been traditional trades in the Illawarra?

Ms MURRAY: What we are trying to do in some of our areas is make our learning spaces more flexible. While you see highly purposed specialised facilities here, because we are serving a big population area, when you go to somewhere like Queanbeyan, we invested there in building a multipurpose workshop. Queanbeyan originally had no specialist facilities in respect of trades training and yet there is a large trades population in Queanbeyan. A multipurpose workshop there enables us to deliver the first stages of some of the trades areas to ensure people do not have to be travelling a long way to a specialist centre until they get into those high levels of their training courses.

The Hon. LOU AMATO: What sort of support do you offer students with disabilities?

Ms MURRAY: We have disability consultants who are employed across the institute. The team of disability consultants work together to look at how students might need support to successfully engage in or complete their qualifications. They work as a team with the equity manager. If a student identifies as having a disability and then also identifies as requiring support they interview and they identify what support is needed. They look at how we are able to provide that support either directly or in conjunction with other support agencies. The staff are highly skilled, highly specialised and they are able to offer advice across the institute across all our campuses.

CHAIR: What is your view about the difficulties for students to access courses across your campuses in terms of public transport?

Ms MURRAY: It varies across location to location. We have tried to ensure that where students are in a regional campus, we have invested highly in putting video conferencing links into every campus, so all our 14 campuses are linked. We have the potential for students who are in one location to actually link into another location if we have got a course that is running there. It varies, it might be just units of study but ideally what we want is to broaden the access for people outside of what is immediately available at their campus.

CHAIR: We have run out of time. The Committee appreciates your staff who have been very professional and polite. It thanks you for the catering

Ms MURRAY: Our staff are fantastic. They are passionate about everything they do.

CHAIR: You will have 21 days to answer the questions taken on notice.

Ms MURRAY: Can I just advise that I will be overseas for a month on leave but I will arrange for someone to take those questions and provide the answers.

CHAIR: The Committee may have further questions from the evidence today.

(The witness withdrew)

NARELLE CLAY, Chief Executive Officer, Southern Youth and Family Services, and

ELEONORE JOHANSON, Southern Youth and Family Services, affirmed and examined:

CHAIR: Do you want to make an opening statement?

Ms CLAY: We want to thank you for appearing before this Committee. It is an important issue, and for young people it is particularly important so that is where our focus is. We primarily are concerned not just about this change and reform but also about all of the changes and reforms that are now impacting on young people. There are some contradictions and confusion for many of them. We think the young people at their age are often not quite ready to make decisions about what qualifications and what job they want. So we are concerned about what we see as barriers to that. I will answer questions.

CHAIR: I have noted your submission and, as you say, it is consistent with your passion for youth. The evidence in Nowra was that we must not forget that getting people to TAFE to gain a skill is very important, but getting some of them from home to TAFE, is a big step as well for them to function. We are that is part of their TAFE course in the lives of disengaged youths. Does the impact of the vocational education and training [VET] reforms impact on disengaged youth from mainstream education opportunities? Do you have any evidence of any impact?

Ms CLAY: I think the case studies we have presented show that there are some conflicts to this. We are concerned about the infrastructure and support that we have previously been able to obtain from TAFE. We have had a great relationship with TAFE, and TAFE has delivered as well as it can for young disadvantaged people. We are concerned about the possibility of some of that not being there. We are really concerned about the number of young people who we feel they are being pressured into making a course selection quickly, without understanding what they really want to do with their lives. We believe that for our clients there are a number who are failing to complete. We feel that what happens is not just the Smart and Skilled; it is the entitlement and benefit regime that is impacting so they have to make a very quick decision to continue to get their benefit.

They are deciding on what they can get to, not necessarily what might be the best course for them. I think that is a very dangerous impact. Some of these young people have poor experiences at school so it does take quite a bit of resource work to get them there. So it needs to be good for them. It needs to be something that they can complete. It is not completing things, which goes to how you feel, particularly if you have had a very disadvantaged background. We do believe that there are people being forced into courses and they are not being able to complete them, and I do not think that is okay.

CHAIR: In your submission you refer to the issues of website being difficult to manoeuvre and navigate. You say there is inaccurate information about courses; it is very hard to get information about course fees, so much so that even staff have trouble. Will you clarify your comments in that regard?

Ms CLAY: I am a teacher, I am actually teacher trained in terms of working at TAFE as well, and I run an agency. I am not silly, and I cannot do it. I find it difficult; it changes; it is complex. If a young person is feeling forced into a decision and they are using someone else's computer perhaps, it is not easy. We understand from what some of the young people say that it is hard to find the particular service provider or campus where the course is at. They might not know geographically which is the closest to them. They are looking for a course and they find that it is in Sydney, but there was actually one closer which might have been Campbelltown. But really they need it to be here because transport is complex. I think it is a complex area. So it is not really a criticism of the agencies or TAFE putting the information there, I think it is really complex. I think it changes all the time.

CHAIR: Do you think the website needs revisiting?

Ms CLAY: Totally.

Dr JOHN KAYE: I have carefully read your submission and it was very interesting. One way to read it is that the fundamental problem is the implementation of the specifics of Smart and Skilled. Do you think it is more than just the specifics of Smart and Skilled and some of the decisions that were made about course

complexity and fee complexity or whether it is something more fundamental about the idea of having TAFE, which you identify as an important public institution, in competition with non-government providers?

Ms CLAY: You are letting me open it up a bit. If you are asking what I think from a personal perspective and from the perspective of my agency, I am concerned about a whole range of things that go to the broader decisions about it as well as the implementation. I am concerned about privatisation. We really support public education. Alongside that comes a whole lot of other support arrangements and other providers but I think we must continue to support the public provider. Some of the other providers are fantastic but they are often smaller. Often they have to get a particular market share to be able to deliver what TAFE was able to deliver because it was a bigger entity. We run the risk of it being very confusing for people who do not know where to go.

Dr JOHN KAYE: I guess my question was more about the competitive process and the impacts that competition for funds will inevitably have on organisations, rather than on the specific organisations. Do you agree with the proposition that competition for funds will inevitably drive outcomes which will not work for your industry, but specifically for your clients?

Ms CLAY: I do not think competitive environments necessarily deliver what we want for our clients or for the agencies. I think there is a great difficulty with competitive tendering as it is, and agencies being able to make ends meet. We see all around the State, and probably across Australia, smaller providers not managing that whole competitive arrangement. So I do not necessarily believe that competitive arrangements will deliver the best outcomes. They might, but I do not have any evidence of that. I do not think that the people who are making these decisions do, either.

Dr JOHN KAYE: Another way of reading your submission is that TAFE has been very flexible in meeting the needs of your organisation, your clients and the sector you work in, in general. Is that flexibility something that has come about since 1 January 2015, or was TAFE always a flexible organisation working hard to meet your needs?

Ms CLAY: I think TAFE has always been flexible. Sometimes we have had to encourage that. I think it has got more difficult as there has been more pressure to ensure that they are competing for funding in the market. As there has been pressure on TAFE to raise other funds, in some cases we have had to lobby a bit harder. But TAFE has always delivered some level of flexibility for us.

Dr JOHN KAYE: Obviously the question I am asking you is whether Smart and Skilled has made TAFE a more flexible organisation.

Ms CLAY: No.

Dr JOHN KAYE: In fact, I could adduce from your previous answer that Smart and Skilled has made TAFE a less flexible organisation because of the pressures on funds. Would that be a fair statement?

Ms CLAY: It is interesting that they have been offering some extra community money. Ms Johanson might have the name of it. TAFE and other providers will be able to offer some shorter courses and will probably be able to offer greater flexibility. But those courses do not necessarily meet the requirements of Centrelink, for example. So I think wherever possible providers will try and be flexible but it has got harder for us. For young people who choose a course and then do not get through it—and then are up to pay—it will not be possible. Because of the costs of some of the courses, even our workers cannot afford them. They might want to be flexible but they will not be able to, because our clients will not be going there in the first place.

The Hon. LYNDIA VOLTZ: I would like to ask a few questions. Do you deal with the whole Illawarra region or are you restricted to Wollongong—

Ms CLAY: Our service goes to Illawarra, Shoalhaven, Goulburn, Queanbeyan and south-west Sydney.

The Hon. LYNDIA VOLTZ: Do you think it is a fair statement to say that in this region there are three campuses within 10 minutes of each other?

Ms CLAY: In the Illawarra region?

The Hon. LYNDIA VOLTZ: Would there be three other campuses within 10 minutes travel time of Dapto campus?

Ms CLAY: There is Wollongong. I guess that is 10 or 15 minutes to Dapto.

The Hon. LYNDIA VOLTZ: Is that by car?

Ms CLAY: That would be by car. I suggest that public transport going north would be a little easier than going south. If you live in the Shellharbour and southern area public transport is much harder. Again, you have to pay for it, so for people who do not have much income sometimes the cost of transport inhibits them.

The Hon. LYNDIA VOLTZ: What time would it take to travel from Dapto to the other campuses if you do not own a car?

Ms CLAY: I do not catch the bus, but I could hazard a guess. If you could get one on time I imagine that it would take at least half an hour.

Ms JOHANSON: I think it is more, because in some areas, Shellharbour and further down, you might have to take two buses to get to the campus. It is not as simple as—

Dr JOHN KAYE: Can you put an estimate on travel times?

Ms JOHANSON: It would probably take 45 minutes.

The Hon. LYNDIA VOLTZ: Do any of the students, the people you are helping, own cars?

Ms CLAY: Hardly any. Hardly any have a licence.

The Hon. LYNDIA VOLTZ: Have you tried to get any students into Dapto TAFE recently?

Ms CLAY: Not specifically into Dapto. We live in the local area and we know that not much is happening there at the moment.

The Hon. LYNDIA VOLTZ: Do you know of any students who have tried to find courses at Dapto TAFE lately?

Ms CLAY: I would imagine I have, but I have no evidence of that. We have lots of young people who live in the Dapto area.

The Hon. LYNDIA VOLTZ: With regards to the website, when you are looking for a course, explain how complex it is to go through and find a course. If you wanted to go to a course at Dapto, could you just type in "Dapto TAFE courses" and get a list of the courses that are there and how much they cost? What would happen if you went into the search engines to try to find courses?

Ms JOHANSON: The staff and the clients have raised concerns. At first I thought it was just the young people who had concerns until I realised that the staff could not work out how to do it either. Even for our Goulburn and Queanbeyan sites people would type in key words like "TAFE", "Queanbeyan" et cetera and a list of available courses would come up. But until you looked at it in finer detail you would not realise that it was not at the campus in Goulburn, you would have to travel. That is part of the problem.

The Hon. LYNDIA VOLTZ: Is this starting to create a barrier for people to access TAFE? I assume you could physically attend a TAFE and ask the question or you would need internet access. Is that correct?

Ms JOHANSON: And you need particular programs. You have to be a bit up to speed in terms of what programs will access the website.

The Hon. LYNDIA VOLTZ: You would need to know exactly what you are looking for. You could not just think, "I would like to work with dogs," and put "dogs" into the search engine?

Ms JOHANSON: No.

The Hon. LYNDIA VOLTZ: You would need to know specifically what you are doing. Are you getting more students enrolling in TAFE or fewer students? Are you placing them somewhere else?

Ms CLAY: I think a number of them are going to other places as well as TAFE. We would still absolutely encourage and support TAFE as a public institution but there are a number of other providers and colleges where young people are going.

The Hon. LYNDIA VOLTZ: Why are they going to those other places? Do you have a view on why they are going to the other places rather than TAFE?

Ms CLAY: It is interesting. I think some of them have to make quick decisions and find a place where they are able to do something there and then. It is not necessarily a course they really want to do; it is a course they can get into and one that starts straight away. If they have a stay on their income and they have to be studying or in training then some of them just pick any course that they can get into, wherever it is.

Ms JOHANSON: What they would like to do may not be available. We had a young girl who ended up in a project management construction course. She did not particularly want to be in it. It was one of four options that she could get into. Of course, it did not work out. After three months she dropped out because it was not her thing.

The Hon. LYNDIA VOLTZ: That really does not help anyone.

Ms JOHANSON: The problem is that that is a subsidised placement. She has already accessed one so she cannot go and access another.

Dr JOHN KAYE: Many of your clients—I do not like the word "client"—would have a disability.

Ms CLAY: Some, yes.

Dr JOHN KAYE: Some of your clients would have a disability. They would go to TAFE and they would experience very high quality education at TAFE. Can you contrast what is happening to those students at TAFE now with what happened three years ago? Has Smart and Skilled and the community service obligation funding had an impact on the quantity of adjustment and the quantity of support available for students with disability?

Ms CLAY: I do not know if I can comment on the comparison with three years ago. They have always received some support. To be honest, I think it is more complicated now for us to deal with young people with a disability, because they are often young people who are not necessarily on the far end of disability. They may have mild learning disabilities. Often it is hard to get them identified, that is the first thing, and to gain the support. That is not just at TAFE; that is every provider. I have to say that with TAFE, as an example, we have just had a young woman who has a disability and has been doing the community services course. We were able to get very good support for her following advocacy. It is kind of like there has almost got to be this other arm to it to ensure it happens, but the sort of support she got was excellent

Dr JOHN KAYE: But the reduction in the number of teacher consultants for disability would have had an impact, would it not?

Ms CLAY: It feels like it does because at the moment we feel like we are dealing with a whole lot of issues around people with disability in education and in them being taken off their Centrelink benefit. We have been fighting appeals for a number of them as well. I would suggest that it is getting harder for us to provide the support needed.

Dr JOHN KAYE: The decimation of outreach would have had an impact on your client base.

Ms CLAY: Massive.

Dr JOHN KAYE: Can you talk briefly about what happened to outreach and what the implications have been?

Ms CLAY: That has happened for a while and it is about agencies having to make decisions about where their resources go. In the past we would have—

Dr JOHN KAYE: Oh, stop being so reasonable.

Ms CLAY: I find it a bit complex because I work for TAFE as well. But we did get good support from outreach and we have been disappointed at the reduction of it. We run a Foyer service, which is an employment education and training service with accommodation attached. In other States and Territories we know that there was probably a lot more input into the Foyer than we were able to get but we have been able to get some. With this new community money we will be able to get some as well. The concern for me is that it still does not meet their other requirements. People are doing all this stuff but it actually may not in fact deliver them with an income to be able to live on, which means they are going to drop out of whatever they are doing anyway. It is kind of a very serious catch 22. One arm makes one decision while the other arm is deciding something else, and it is not working for the young people.

Dr JOHN KAYE: Can you provide on notice more details about the new funding?

Ms CLAY: Yes.

Dr JOHN KAYE: It sounds complex. We would like to know what it is and where it is coming from.

Ms JOHANSON: Can I add to the outreach support question, because that gave us much more access to the taster courses for young people. That was really always a good in. When you are 15, 16 or 17 you often do not know what you want to do, but now under Smart and Skilled the taster courses of course do not meet the eligibility criteria for Centrelink so they get knocked off the benefit. So the kids who are most disadvantaged and most vulnerable are actually the ones who cannot access the taster courses to hopefully work out where they can go to from there. That really needs to be addressed.

The Hon. LOU AMATO: In regards to students' careers, is there a better way that we can advise the students perhaps even in the school? Perhaps they are not being advised today like they might have been once upon a time.

Ms CLAY: I think if we were all honest I do not know any of us who are really doing the job that we thought we might do when we were 15 and 16. I am certainly not. If I had to study now and they told me this is what I would be doing I would have laughed at them. I think we have got to be real about what stage young people are at. Yes, I think we could probably improve the sorts of advice we give about all the sorts of possible education that leads to employment and what is there.

But at the end of the day young people will change their mind. They grow up, things happen and they change their mind. We have to have a system that is actually realistic enough to address that. This one does not. This one says you do one course, that is where you get your fee waiver and after that you pay. It is very expensive. Some of my staff are not going and doing courses because the cost is very high, in my view, compared to the income. We are not a well-funded, well-paid sector. For some people to have to be paying \$6,000, \$7,000 and \$10,000 for courses is not possible. But young people should be able to do some courses so they find out what they want. We have to have a system that says that, and this one does not.

The Hon. LOU AMATO: You talked earlier about some students being pressured or coerced into going into certain types of careers. Were you referring to private providers?

Ms CLAY: It is primarily through the income benefit system. You have to be doing something to get your pension or your benefit, to get the allowance. If you are homeless you have to have an allowance to live on and they are being pressured to hurry up and make a decision and get into something or they get cut off benefit or they do not get benefit. They are actually getting nothing.

The Hon. LOU AMATO: A lot of people are just doing a course for the sake of doing a course?

Ms JOHANSON: Correct.

Ms CLAY: Because they need the money, and they do not get very much money to start with and they are poor. You think about being outside of your family home without parental support, you are living in a

homelessness agency and you have no money and someone is saying to get it you have to do a course. There is a lot of pressure on young people. There are stories about people doorknocking to get them to sign a contract to do a certain course or encouraging them by offering them incentives to do the course. Then they find out it is not the course they wanted and then they are in strife.

The Hon. LOU AMATO: Do you know of any private providers that have done that?

Ms JOHANSON: A few.

Ms CLAY: We have had some earlier cases. Not recently. We have tried to do some work with the young people to make sure they know that they need to ask questions. But it is quite complex and quite hard.

The Hon. SCOTT FARLOW: I am interested in your comments about the eligibility issues for the taster courses. I have no idea about this, so these are very general questions. How does that work in terms of Centrelink and how did it work before Smart and Skilled?

Ms JOHANSON: I do not know how to fix it. We have had a few young people wanting to go into the taster courses so that they can at least have a bit of a go at a few different things and see where they best fit, but it does not meet Centrelink's eligibility criteria for the allowance. It is a Centrelink thing. They cannot access their benefits so they choose not to do it. Whereas we might have young people who maybe are at risk of homelessness but still living with the family and have some support who probably would veer towards doing that and we would support that if they were not on an income. But the kids who are homeless, the priority has to be the income. They opt not to pick the taster course and they are picking things that perhaps they will drop out of. If you want to reduce the drop-out rate you really have to increase the opportunities for the young people to at least have a go at doing a taster course.

The Hon. SCOTT FARLOW: How long has that been the situation?

Ms CLAY: I am not sure.

The Hon. SCOTT FARLOW: Was there a time when the taster courses were provided—

Ms JOHANSON: I think the taster course was when we had the outreach support and they would set up particular things for our young people, it worked under there. We could do a whole lot of different things and the kids could pick particular things they might like to do like hospitality or construction. But it was sort of a designed program that sat in outreach. We do not have that any more.

Ms CLAY: It is not recent but it is in the last few years and it is under the Earn and Learn requirements of the Commonwealth. I think you have got to be doing a certificate III to get the subsidy level.

The Hon. SCOTT FARLOW: Correct me if I am wrong, but your organisation also provides training. Is that in partnership with TAFE or independently?

Ms CLAY: We provide some basic training through computers and numeracy and literacy for which we might get tutors in. We have had a fabulous partnership with TAFE around the Foyer. A number of our clients have gone to TAFE and sometimes the TAFE teacher has been able to come to our site, but not so recently. We provide some ourselves but we have to pay for it. The interesting thing around all the pressure about fees and paying is that a community organisation is often required to pay for some of the particular courses that we might need to help skill our young people up to get them ready to go to TAFE or to a training provider. I think that is fundamentally ridiculous.

The Hon. SCOTT FARLOW: Whereabouts do you get your funding from? Is it through community fundraising or the government?

Ms CLAY: Probably about 90 per cent is from State and Commonwealth government. We have 50 services across the region funded through something like seven or eight different government departments. It is a pretty messy funding arrangement. Then we do some fundraising and some donations come, but that is pretty small.

The Hon. SCOTT FARLOW: How many clients across the region would you have on your books?

Ms CLAY: I think about 2,500 according to the submission and about 1,400 families, so a fairly large number of young people and mostly very disadvantaged young people.

Ms JOHANSON: That is in the last financial year.

The Hon. SCOTT FARLOW: How many people in that client base would be using vocational education and training [VET] services? Do you have any figures on that?

Ms CLAY: Good question. We could get the data but it would probably be that about a third of that number probably should be in the vocational training area. Whether they are or not is the question.

The Hon. SCOTT FARLOW: You may like to take this question on notice. Have you seen any changes in the number of your clients who have been in VET over the past five years or so? Is there an increase or a decrease, particularly in terms of the Centrelink eligibility requirements and the Earn and Learn that you have outlined?

Ms CLAY: We could actually check but we imagine that there are more, but there are more dropouts as well. There are more incompletes.

The Hon. SCOTT FARLOW: There are more in but there are fewer who actually complete?

Ms JOHANSON: Yes.

CHAIR: That concludes questions for you both, but thank you very much for presenting.

Ms CLAY: Can I just say that the other issue is really the debt that they inherit. That is a really big issue. We have young people inheriting debt in all sorts of areas now. This is just another one. They will never, ever get on top of it. They will never be able to pay their rent if we keep on imposing debt regimes on disadvantaged young people. They already earn very little. To start off with, with all sorts of debt—there are even suggestions that they pay back brokerage money that they have been given from a community agency that might have helped them to get housing—they cannot pay all the debt back on a pittance.

We have to work out how to make sure that they can start afresh. They will earn a low income anyway. They cannot keep paying debt back and be able to pay for housing as well. Homeless young people are completely disadvantaged. Every time a government appears to reform something these days, these young people appear to wear some cost of that. We are going to have them poorer for longer. We really need to do something.

CHAIR: Thank you for that comment. They are very important comments because we know that you deal with the most vulnerable of youth. Sometimes, in order to treat people equitably, we need to treat them differently.

Ms CLAY: That is right.

CHAIR: We will take your evidence on board. I thank you for your evidence. You have taken some questions on notice. You have 21 days to deliver those back to the secretariat, who will be more than happy to give you a hand. If we write further questions the secretariat will send them to you. Once again, I thank you for taking the time and making the effort to yet again fight for youth.

The Hon. SCOTT FARLOW: Thank you so much.

(The witnesses withdrew)

TANIA TSIAMIS, General Manager, IRT College, and

MARK SEWELL, Chief Executive Officer, Warrigal Centre, and

AMANDA CALWELL-SMITH, Chief Executive Officer, Essentra Personnel and Training and Essentra Training and Employment, sworn and examined:

CHAIR: For the information of the public gallery, I have included Mr Mark Sewell by bringing him forward by 30 minutes because I figure all the witnesses have the same occupation. We will press ahead for 45 minutes and have a break at the end.

Ms CALWELL-SMITH: Essential Personnel incorporates the registered training organisation [RTO], which is Essentra Learning. It is part of our whole organisation.

CHAIR: Would anyone like to make an opening statement?

Ms TSIAMIS: I would. Thank you for inviting me to appear as a witness to this important inquiry. There is no question that government and industry need to work together to address barriers to effective vocational education and training [VET] and deliver better outcomes to students, employers and the broader community. IRT College has been providing training and assessment services for the aged care and home and community care sectors since 1997. In our experience, the New South Wales Government's Smart and Skilled reforms have not improved employment outcomes through training and development as intended. I would like to touch on four key issues that currently are facing the VET sector in New South Wales and offer some solutions.

Firstly, in our experience, the Smart and Skilled model makes the accessibility of subsidised training places unclear and difficult to navigate for students and employers alike. In fact, it is our view that Smart and Skilled reforms have operated in a way that is counter to the Government's policy of user choice. For example, a large employer may choose a preferred training provider, which may even be its own enterprise-based training organisation. However, due to the regional structure of Smart and Skilled, this employer is being forced to engage multiple training providers in order to access New South Wales Government subsidies for workforce development. This is inefficient and counterproductive.

We believe this issue could be addressed through allocating subsidised places on a statewide basis rather than on a regional basis and by increasing dialogue between employers and government about training needs and industry demand. Secondly, we believe that Federal and State government funding objectives, in practice, are operating at cross purposes. For example, the New South Wales Government is encouraging part qualifications through the Smart and Skilled targeted priorities program. However, the Federal Government currently is directing Job Service Australia agencies to achieve stronger employment outcomes through the completion of full qualifications, and not part qualifications.

To resolve that issue, we believe that the New South Wales Government should make Smart and Skilled funding available to approved RTOs across all their funded programs. This would enable flexibility. The third key issue is the recent downturn in traineeship places offered by employers, which we believe is due to the deterrent of additional red tape of the system. For example, aged care traineeships at IRT Group have declined. We believe this issue could be resolved by making Smart and Skilled funding available to approved RTOs across all funding programs. Our final key issue is that the funded price of training does not make allowance for employers to host and manage student placements as well as to manage requests for placements, which are currently peaking. This is a hidden cost of the true cost of training.

For example, 120 hours of work placement per student, as required by the new aged care qualifications, involves a resource cost for employers that is not currently factored into the funding model. We believe this issue could be readily addressed by paying a loading to the employer to act as a student work placement host for qualifications that include this requirement as a mandatory learning activity. As you can hear, the New South Wales vocational education and training sector is facing some challenges. But the good news is that there are solutions. RTOs and employers alike stand ready to work with government to identify and deliver solutions so that we can have a VET sector of which we can all be proud.

Mr SEWELL: I thank the inquiry for giving me your valuable time and enabling me to speak to you today. I have three roles that may be relevant here. In all of them, I am acting in an employer role. Firstly, I am a director of Aged and Community Services for the State of New South Wales, which is a member association of non-profit employers—aged care employers—across New South Wales and the Australian Capital Territory [ACT]. I was also the inaugural Chair of the Aged Care Illawarra Workforce Action Group [ACIWAG], which is a collaboration of training providers, aged care employers and government planners. It was set up to collaborate on aged care workforce issues, including training.

Lastly, I am the chief executive officer of Warrigal, which is a non-profit aged care provider with 19 services in 12 locations across the Illawarra and Southern Highlands. We have approximately 770 staff. Our workforce needs are, obviously, significant. We rely heavily on certificate III training providers, particularly, for our main workforce in aged care, hospitality, horticulture, cleaning, and so on. I have some anecdotes to tell today of students navigating the reformed vocational education system that might be useful.

The first thing to say is that the sector is very big and growing fast. As you probably know, health and social assistance is Australia's largest job sector and has been since 2011. It is the fastest-growing sector in Australia, with strong projections for the next eight to 10 years. Health and aged care is very large in the Illawarra as well and is second only to education, which is because the University of Wollongong is here. Population growth in people aged over 65 years is expected to be 32 per cent and 52 per cent for people aged over 85 years by 2021. Job numbers follow this growth, obviously, as this is a very labour intensive sector. Recent reports across the Illawarra indicate a turnover in the aged care sector of about 300 people per year. New positions require about 100 people per year. So that is a large number of entry-level positions required. These need courses and training providers to meet training needs.

We do believe in quality, choice and innovation in Australian education and training. We do believe that commercial and non-profit providers have a place in the sector. We support the idea of national training packages and national regulations to enable people to use their skills across Australia. We support the recommendations of the New South Wales Auditor General that Smart and Skilled become more capable to monitor and regulate training providers, protect students from exploitation and ensure value for money. But the vocational education and training [VET] sector reform is affecting how our staff and potential staff are getting the essential training they and we need to deliver essential aged care services.

I applaud the New South Wales Government's decision to review Smart and Skilled and look forward to contributing to the advice being given in this inquiry. I respectfully recommend three things be considered to improve the system and help it achieve its outcomes: firstly, better transparency in the selection process for training providers and the addition of two other criteria, viability and links with industry, as essential criteria; secondly, much simpler online and hardcopy information to use, with a one-stop shop info and enrolment line that has people at the end of the phone to guide and assist people; and, thirdly, and this goes to some issues that Ms Narelle Clay mentioned in the last session, investment in additional subsidies and guided enrolment advocacy, even case management, for disadvantaged people seeking to navigate the system. I am pleased to offer any other information that may be of assistance to the inquiry as it considers this important issue.

Ms CALWELL-SMITH: I did not prepare a formal speech but I do have a couple of points to make. First of all, I represent Essentra Learning, a small private registered training organisation [RTO]. Our experience of the selection process and the transparency around becoming eligible for the Smart and Skilled new way of doing things was very poor. It actually meant that we did not run any courses at all. This really was not helpful for people with disabilities, because our core business is finding jobs for people with disabilities. We obviously have a VET pathway into those sorts of areas.

We were offered two places for traineeships, and they were school-based traineeships. We did not hear back until October, and we had to have people enrolled and organised for that before December. School-based traineeships cannot happen unless you have a three-party conversation, and the school is the third party, relating to school curriculum, timetabling and talking to students about what they actually want to do. So that was impossible to do. We then faced the prospect that there would be punitive action in terms of not taking up that offer, because people were required to commence using that funding before December.

We found out later on just by chance—through one of our RTO staff looking online—that that had changed and we had been given traineeships as such not just school-based traineeships. I should add that school-based traineeships are something we have delivered in the past for people with disabilities to work in the disability industry, which is a very important point moving into the world of the National Disability Insurance

Scheme [NDIS] and an opportunity for them. There was no transparency in finding that out; we found out just by chance. Of course the clock has been ticking as we head towards December. I do know that the timeframes have now changed but then we did not even know.

Secondly, I want to say very briefly is that I sit on the national disability services workforce committee, both State and national. I am also on the national open employment committee, which is about people with disabilities moving into integrated employment. I sit on that committee as a representative of New South Wales and Smart and Skilled has been a major issue for us. There have been some major concerns raised around how we are going to have a workforce, which we are lacking already just like in aged care. We are lacking a workforce already and RTOs have been constrained in this regime.

Thirdly, I would like to say that the new world is the National Disability Insurance Scheme [NDIS] for disability services such as ourselves looking for work. The underlying theme, if not the highlighted theme, is that the Government wants economic participation. There is a very strong message—sometimes it is open and sometimes it is more covert—that it wants the money back, basically. It wants people to participate in employment. We understand this message, but if we do not have VET pathways for people with disabilities, and Smart and Skilled has constrained those, then how do we get people in those pathways and across into employment? At the moment in the NDIS there are only 11 per cent of people with plans with an employment outcome. We have to look back and research that to find out why that is the case. VET is always a part of people having sustainable employment.

CHAIR: Thank you. I note that recently at the budget estimates hearing for General Purpose Standing Committee No. 2 I did ask that question of the disability chief executive officer, so I invite you to go online and have a look at the outcome around that question in budget estimates. I did ask about VET, the impact of the NDIS and how that is going to integrate with the client-centred direction.

Ms CALWELL-SMITH: Thank you.

CHAIR: I am a bit concerned. We have had evidence that the transparency and the communication from the department, as per the issues you brought up, have just been all over the place. We have had evidence that people who are highly qualified—who have written books and curriculums—have still missed out. Do you know exactly where the crack was that allowed you to be virtually totally overlooked?

Ms CALWELL-SMITH: I think there was a complete lack of consultation. I am not in the State training authority or in that world so I am not sure but it would seem to be a decision that was made very quickly without consultation. I have to say that, from our point of view and going on what we were told—and we sent staff along to forums where the State Government spoke about the system and the RTOs complained about how there was no transparency—the criteria for the decision seemed to be based on some statistical evidence.

In our case, and I will not go on because other people need time to speak, we actually wrote a certificate I in employability skills some 20 years ago. So when we put in our submission we said that: firstly, we work with people with disabilities; secondly, we are an employer—we find employment for people with disabilities; and, thirdly, we are an RTO and we have actually written courses. And they gave us two school-based traineeships. We are not being smarty-pants but are saying, "Well, what else do we have to do to say that we can do this work?"

CHAIR: And then somewhere along the line you suddenly found that you had qualified for more opportunities?

Ms CALWELL-SMITH: Yes, just by chance.

CHAIR: We have heard that in other evidence as well—I think \$30,000 turned up in the account of one provider.

Ms CALWELL-SMITH: There was just a lack of communication.

Ms TSIAMIS: It was the same situation we faced too. That is exactly the same situation which we experienced.

Dr JOHN KAYE: So, Ms Tsiamis, you also found that suddenly you were given more money?

Ms TSIAMIS: Yes.

Dr JOHN KAYE: When did you get this money?

Ms TSIAMIS: It was in July.

Dr JOHN KAYE: Is that true for you also, Ms Calwell-Smith?

Ms CALWELL-SMITH: Yes.

Dr JOHN KAYE: What about you, Mr Sewell, did you suddenly get more money at some stage?

Mr SEWELL: No, we are not a training provider; we are an employer

Dr JOHN KAYE: Sorry, you are quite right. Were you told that you had got the money, Ms Tsiamis?

Ms TSIAMIS: Yes.

Dr JOHN KAYE: How were you informed of that?

Ms TSIAMIS: Through an email from State Training Services New South Wales. We had to accept the offer and we then had to go onto the website and check what activity limit had been awarded by region. And then you are in a race to try to get people signed up again which goes to the point Ms Calwell-Smith made. It is a very similar situation with school-based traineeships. It is not a quick turnaround. It is not just flicking a switch.

Dr JOHN KAYE: So suddenly your cap was raised?

Ms TSIAMIS: Yes.

Dr JOHN KAYE: And you did not apply for that to happen; it just happened?

Ms TSIAMIS: No, we put in detailed appeals.

Dr JOHN KAYE: Were you given any explanation? Did they at any stage say to you, "Oh, we've got all this spare money we need to get rid of"?

Ms TSIAMIS: No.

Dr JOHN KAYE: So there was never any explanation provided?

Ms TSIAMIS: No.

CHAIR: So suddenly you just became more attractive and were offered more?

Ms TSIAMIS: There are always rumours that swirl around in any industry, but I do not think that is appropriate to give as evidence.

CHAIR: No, it is not appropriate evidence. But it seems that money just turned up in accounts and people who had been disqualified suddenly qualified. As you say, they did not have the lead in to actually get the positions and to take advantage of it.

Ms TSIAMIS: To take full advantage of it is now very pressing. The other concern is what will have all the 2016 contracts. I do not know if Ms Calwell-Smith has heard anything but the direct communication I have had via three emails and by phone—because we are so sensitive after last year's experience—is that we will just be notified in October. We are marching towards the end of October now and that will be via an email communication as to what will happen with the 2016 contract.

The Hon. LYNDIA VOLTZ: You had not actually planned because you have been given the impression that you were not going to be given the additional money, or you did not know the money was coming so there was no way you could prepare.

Ms TSIAMIS: We did not know the money was coming.

Dr JOHN KAYE: The criticism here is of the specifics of Smart and Skilled. Both Ms Calwell-Smith and Ms Tsiamis said there were specific ways in which Smart and Skilled could be improved. But all of those go to maintaining a competitive market where, in effect, your money, TAFE's money and the money for other private providers and for-profit private providers—you are both not-for-profit—comes out of one barrel and you have to get in there and get your share against TAFE. Do you think that is a sensible arrangement?

Ms TSIAMIS: With well-founded and stringent criteria, yes, I think there is a place for a competitive market. There is certainly a place, for example, in our situation at IRT. We employ more than 2,000 employees and we train our own people and we use our own RTO as our mechanism for workforce development. But I also believe that there is a place for the public provider.

Dr JOHN KAYE: If you are doing a separate task to TAFE—you are doing tomatoes and they are doing apples—why are you competing for the same bucket of money?

Ms TSIAMIS: I am not quite sure what you mean.

Dr JOHN KAYE: You say that your interest is in training your own staff in a specific way. Do you use TAFE for some of those tasks?

Ms TSIAMIS: For some of our qualifications, yes. For example, in commercial cookery we utilise TAFE.

Dr JOHN KAYE: Ms Calwell-Smith, do you see my point about putting yourselves in competition with TAFE and with the for-profit providers?

Ms CALWELL-SMITH: I am slightly hearing impaired in that ear.

Dr JOHN KAYE: The point I was trying to make is this. Is it sensible to have TAFE, not-for-profit providers such as yourself and for-profit providers all competing for the same bucket of money? Do you see that as a sensible structure, leaving aside the peculiarities of Smart and Skilled?

Ms CALWELL-SMITH: First of all I should declare that I was a TAFE consultant for disabilities and headed up the disability unit for some years in the 1980s so I know it well and I support TAFE. But we set up an RTO ourselves, in probably the same way as IRT did. We wanted to be able to train our own staff. There are reasons; there are horses for courses. There are reasons why private RTOs exist, not particularly to go against TAFE or it might be because you want to contexturise your training to your own workforce or workplace, something like that.

The question you are asking is sort of a given now. There is competition and it does not look like it is going to go away. We definitely support TAFE and with our students going to TAFE, but internally we would like to use our own RTO for training our own staff. It is also very expensive to go to TAFE and send our staff through TAFE. We can cover that through our own PD funds internally. I do not know if that answers your question. There are reasons why we think there is room for both.

Dr JOHN KAYE: Has TAFE become more expensive for you since the advent of Smart and Skilled with the skills list and the qualification fees?

Ms CALWELL-SMITH: I have costings. Obviously we look at costings because we sometimes deliver our certificate III externally. But we are a not-for-profit.

Dr JOHN KAYE: Ms Tsiamis, has TAFE become more expensive for you?

Ms TSIAMIS: It has. Pre Smart and Skilled the fee for students to do certificate III under a traineeship was \$568 and it is now \$1,490.

Dr JOHN KAYE: Do you cover that cost?

Ms TSIAMIS: We do. We do for our internal staff. We also have external students and they come in for a fee.

Dr JOHN KAYE: Has the threefold increase in TAFE fees caused you to do more training in-house and sending fewer students to TAFE?

Ms TSIAMIS: The qualification of the pricing I was referring to is the aged care qualification. We do not send our students to TAFE for that. We do that internally.

Dr JOHN KAYE: What impact has that had on you sending students to TAFE?

Ms TSIAMIS: With regard to the more specialist courses like the commercial cookery? I would have to take that on notice and check with our catering arm.

Dr JOHN KAYE: Ms Calwell-Smith, can you do the same in terms of the impact of TAFE fees on where you send students?

Ms CALWELL-SMITH: Yes. We are aware that the courses are more expensive but because the certificate III is the only course that we offer, which we would be sending our staff to, we know that we can do that cheaper internally. In fact, we are subsidising our staff to do it from our own organisation. They are paying 50 per cent and we are paying 50 per cent, because we cannot afford just to run it for them but we cannot afford TAFE either.

The Hon. LYNDIA VOLTZ: Mr Sewell, you said in your introduction that you had a couple of examples of difficulties that you had had with the new system. Can you briefly run through what they were?

Mr SEWELL: Yes, sure. We have had constant feedback that the My School website is hard to navigate. I had a look today at the issues that came up. I had a look at aged care, Shellharbour region, 25 kilometres radius. There were 24 courses, with prices ranging from \$1,800 to \$2,400. That is the first information you see so most of our staff or most people seeking to become staff would end up being part-time staff. I might have under education or under employment histories that are unlikely to go further than that, and they see those kinds of prices up first. Thirteen of those courses were listed as superseded.

I think most people would wonder how they could be listed if they are superseded and what that would do for anyone making an inquiry. The others that were not superseded had no prices or duration range mentioned against each course. When I selected certificate III I did the select fields and selected certificate III only, online capability. I excluded all the superseded courses, because they are no longer relevant, and I included VET and fee help and subsidy enabled courses and there were none left.

The Hon. LYNDIA VOLTZ: Nothing.

Mr SEWELL: Nothing. Obviously as an employer I need another 100 staff a year to go through that training. I am constantly promoting this sector. Anyone seeking to retrain or to get first round training would come across that same sort of information today.

The Hon. LYNDIA VOLTZ: Ms Tsiamis previously said that it is difficult to navigate and there is a downturn in traineeships. Also, there has been a huge increase in red tape. Are you finding throughout your sector that it is just becoming too byzantine in terms of the hoops you have to jump through?

Mr SEWELL: Some students who wanted to become staff or have become staff and navigating the education journey are saying they are getting great assistance. They have found the right provider—it is usually TAFE or a trusted non-profit provider like one of these two, or a preferred provider that we often steer new staff towards and they get good experiences. Usually they have been reliable. Those providers have been around for a long time; they are not coming and going. They are not new names or new brands appearing and disappearing, and they will get that kind of guided assistance. And to be frank, it is probably much more than it is funded to provide that guided assistance during the enrolment process.

But there are others that have tried, and tried repeatedly, and rung numbers and visited websites and are finding it very difficult and have stories of three or four times with three or four different providers and gave up. Or they enrolled in something that we did not think they were best suited to. They were convinced or led to believe that this is better for them. Maybe an administrative qualification or a business and administration qualification, rather than a direct aged care or community services qualification, and they would be concerned after they had maybe been a volunteer for us or a student placement during high school years with us and we would see promise and recommend they do that training. So it has some hurdles unless you stumbled into or have referrals to the right provider.

The Hon. LYNDIA VOLTZ: To the right place.

Mr SEWELL: Yes.

CHAIR: I am interested in your recommendations. You have just addressed one about the online system. The third one is about investment. Could you elaborate on that?

Mr SEWELL: Most aged care and community service employment is entry grade or entry level. People are getting certificate II or certificate III. If they have already had a certificate III in something else a while ago—maybe it was misguided advice, a second career, a second chance or maybe returning to the workforce as a mature aged student—then they are going to have to pay those fees and have a perception that a part-time role as a direct care worker—most of our workforce are part-time due to rostering and funding issues—to pay those fees is unlikely to work for them. People who were undereducated or underemployed in their past need lots of assistance. We do not always provide that case management. We can sometimes for our volunteers, for example, someone who might have volunteered for us for a year or two in whom we see promise, we recommend they become trained to be ready for employment.

Many people do not have that kind of guided assistance. They come up against the website or call advice and need advocacy. I call it enrolment advocacy. Some providers are doing it out of the goodness of their community obligation—non-profit providers only I would think. The system needs that investment now to assist people to make the transition at least for the first three years of the set-up of the arrangements. Older brothers and sisters or kids of older mature students or people who have been through it once will be able to assist others but at the moment it is all new. It is new to professionals, it is new to training providers, it is new to employers and there needs to be an investment in that enrolment advocacy for a lot of people.

CHAIR: Do you enrol trained nurses?

Ms TSAMIS: No.

CHAIR: Mr Sewell, your first recommendation was about transparency for RTOs. Can you elaborate on how you arrived at that recommendation?

Mr SEWELL: Viability and industry partnerships. The training providers we spend most of our time with have been all non-profit or public, TAFE and at least two other non-profit providers. We have only had the effort and resources to work with non-profit providers because of their reliability in the sector. They have had long-term commitments and they are here to stay. They are not reshaping their brand or appearing new in the market or coming and going. They are very keen to have a community obligation. They will often make courses work or make the enrolment process work for people who are disadvantaged and who cannot navigate—as I said earlier, straight commercial providers do not always invest in that way—and have really good consultation.

As the chair of Aged Care Illawarra Workforce Action Group [ACIWAG], there has been very good collaboration about certificate III and IV courses, the curriculum, the mode of delivery, the resources to do in-house or in-provider training and scenario planning. It has been great for TAFE particularly. Not all small private commercial providers have those kinds of facilities in place—facilities are really important—and really good ongoing consultation with employers recognised across the industry. Workforce planning means that we are unlikely to get only local English speaking students, we are likely to have many more people with disabilities, from non-English speaking backgrounds and other sectors of the workforce. It is public and non-profit providers that seem committed to engaging with those groups of people and making their enrolments work. Lastly, we provide services across the Southern Highlands, all the way down to Queanbeyan, Goulburn, Wingecarribee Shire, the far South Coast and so on. There are very few commercial options and large non-profit or public services that have the commitment to those areas to keep the training alive.

Dr JOHN KAYE: Mr Sewell, I think I am correct in saying that earlier you said that caps on entitlements should be allocated across the State, not region by region?

Mr SEWELL: No, I did not say that.

Ms TSIAMIS: That was me.

Dr JOHN KAYE: I am sorry. Ms Tsiamis, are you aware why the Government implemented a region by region cap?

Ms TSIAMIS: No. The information sessions I went to leading up to the tender for Smart and Skilled really did not justify that approach.

Dr JOHN KAYE: The Minister at the time was concerned that if you did not have caps on a region by region basis then Sydney would take the lion's share of the caps—where there is a more active private provider market, non-government provider and particularly for-profit provider market—and leave the regional parts of New South Wales without.

Ms TSIAMIS: I suppose it was more how those funds were allocated across those regions. The application process was one I do not think any of us had experienced before; it was completely algorithm based. There was no inclusion of any qualitative information to be able to show any track record history. What we find now, for example, in Mark's situation and in IRT's situation, we have a geographic footprint down to the far South Coast, Sydney and out to the Australian Capital Territory. We would actually have to engage with multiple providers to deliver on our workforce development needs rather than one provider because everyone has been given different caps in different regions or none at all.

Dr JOHN KAYE: I think it talks of the impossibility of doing this through a competitive market.

The Hon. SCOTT FARLOW: Are there any areas where either of you have been subcontracted to provide training by another provider that has received allocations? The Committee has heard of a couple of instances of that, particularly in the Hunter.

Ms TSIAMIS: No.

The Hon. SCOTT FARLOW: I am interested in your findings as to your students being able to navigate their way through the Smart and Skilled program through a private provider. What sort of feedback are you getting on that?

Ms TSIAMIS: In terms of our external students it is pretty non-existent.

The Hon. SCOTT FARLOW: What is the breakdown between internal and external students?

Ms TSIAMIS: Eighty per cent internal and 20 per cent external. It is pretty non-existent unless that student is coming forth maybe under the auspice of a Jobs Services Australia agency. It is my experience that Joe Blogs on the street does not really understand any of this. With regards to our internal market—the IRT workforce—as the college we drive it, and that is from our knowledge base of the funding that is available and our advocacy with our learning and development team and human resources team.

The Hon. SCOTT FARLOW: To Mr Sewell's point about navigating through the website, they are not saying "I found you on the website."?

Ms TSIAMIS: No, nobody does. They come through our college website or through the IRT website really. Obviously a number of our external students will be approaching us for training because they see there is a pathway to employment.

The Hon. SCOTT FARLOW: What are your findings as to TAFE and RTOs providing training and services to meet the needs of the industry? Mr Sewell, you may want to comment on this as well in view of the growth in the aged care area that you have spoken about.

Mr SEWELL: I will go first, if you like.

Ms TSIAMIS: Yes.

Mr SEWELL: This interruption to the smooth flow of enrolments and placements occurring now is a real concern for us. There are significant growth opportunities across the Illawarra. Significant services are being licenced or expanded for service provision but workforce needs are not being met by training places being taken up. We hear stories of providers with training places not being able to use them and others who are ready to train but cannot train. Even though they have inquiries, teachers and facilities they cannot use them to deliver the needs. I am a bit concerned about what will happen.

The Hon. SCOTT FARLOW: What are the barriers to using them? Are students not enrolling or is it too hard to navigate the system?

Mr SEWELL: They have not been given approval to offer the courses. They have, through the confusion, lost some of their trainers or teachers. They are trying to point their website or other information back to the Smart and Skilled so they are losing referrals. Those are the kinds of reasons.

The Hon. SCOTT FARLOW: Ms Tsiamis and Ms Calwell-Smith, how were your organisations funded by Government through Smart and Skilled? Did you receive government funding?

Ms TSIAMIS: Yes.

The Hon. SCOTT FARLOW: Was that in block funding? How was that funding of your organisation determined?

Ms TSIAMIS: Under the New South Wales approved provider list, there was funding under the apprenticeship and traineeship program. Those are staged payments; there were three payments across the lifetime of the trainee. Then there was also another funded program known as the strategic skills program [SSP]. It has gone through a number of iterations and different titles; that is the most recent. That was more around upskilling to high-level qualifications and part qualifications.

The Hon. SCOTT FARLOW: In terms of high qualifications, a point was made about the difference between the Federal and State. You spoke about the difficulties in getting full qualifications in the aged-care industry and said that with part qualifications there were fairly good job prospects. Have you experienced this as well?

Ms TSIAMIS: That there are good job prospects with part qualifications?

The Hon. SCOTT FARLOW: Yes, and employers found it was hard to retain people with full qualifications for that reason.

Ms TSIAMIS: I suppose when we have delivered part qualifications we have had good employment outcomes, but remembering our parent organisation is a large aged-care provider, so it is probably more of a seamless process. In the conversation I had with a local job service agency two weeks ago, I was told they are not interested in part qualifications because they have not had strong employment outcomes. Without that strong connection with an employer, part qualifications can be a case of people being on a "training for training's sake" cycle.

Ms CALWELL-SMITH: You asked about funding. Similar to Ms Tsiamis' organisation we had what was SSP funding in the past. We had a lot more of it than Smart and Skilled but it was also erratic. Sometimes it would appear at the end of a financial year and you would have to use money within July and December.

The Hon. SCOTT FARLOW: So there was a bucket of money that needed to be spent?

Ms CALWELL-SMITH: Yes. That was not always good in terms of students and their needs, and the timing as an employer.

The Hon. SCOTT FARLOW: Ms Calwell-Smith, you made a comment about the motivations to set up a private RTO and effectively train your own people. From your experience, how do you think TAFE could do that better by working with employers to create the required education and training? Is it possible?

Ms CALWELL-SMITH: Yes, I think it is possible. I suppose TAFE is an ocean liner and we are a bit of, well, not a tug boat but something like that.

Mr SEWELL: A speedboat. You are small and nimble.

Ms CALWELL-SMITH: That's it; small and nimble. That contextualisation is very important. If you look at the disability industry you have accommodation services, employment services, day programs, children services and a myriad others. For example, you probably know that Cerebral Palsy Alliance missed out on Smart and Skilled. They are a national disability service and a huge organisation that did their own specialised training. It is not easy to contextualise and one of the reasons they were so upset about losing funding is that we all used them because they contextualised for high-support clients, percutaneous endoscopic gastrostomy [PEG] feeding and those sorts of things that are very specialised. They may not have been nationally accredited but they are linked to the packages.

The Hon. SCOTT FARLOW: You both said that Smart and Skilled had made TAFE courses at times cost prohibitive and it is cheaper for you to conduct courses yourselves. Is that correct?

Ms CALWELL-SMITH: Because our time will run out I would like to talk on that point from the perspective of a student with disabilities. The cost is prohibitive and yes, we do our own training internally for people with disabilities at our own cost. We love TAFE and like to use them; where we can, we do use them. But they have moved away from what is called vocational to what is more like certificate I foundation skills, learning how to be employable, and that is not under Smart and Skilled. It is very difficult but we respect and like the courses TAFE offers. But these courses can be expensive and the 15 per cent loading being put forward now to assist students in their support needs through a course is on an annual basis. Courses go longer than a year and this has been raised in submissions. Everybody has an individual disability and that is another conflict, whereas we as a community organisation often give support off our own bat. We would like TAFE to do that but they often cannot afford it.

CHAIR: We are coming to the end of our session. Thank you for appearing before this Committee. Your testimony has been very helpful especially in ironing out some of the transparency and communications issues. We note that you came with an idea for recommendations, and that is always helpful. You have 21 days to respond to questions taken on notice and the secretariat will help you if required. We may put more questions to you following your evidence.

(The witnesses withdrew)

(Short adjournment)

LORRAINE WATSON, Teacher Consultant, TAFE NSW Illawarra Institute, and Representative, New South Wales Teachers Federation, and

ARTHUR RORRIS, Secretary, South Coast Labour Council, affirmed and examined:

TERRY KOFOD, Head Teacher, TAFE NSW Illawarra Institute, sworn and examined:

CHAIR: Would anyone like to make an opening statement?

Ms WATSON: Yes. When I started at TAFE the State Government of the day, the Greiner Liberal Government, understood the importance of education in society and the role that it plays in assisting disadvantaged people to make the transition from welfare dependence to employment and a reasonable standard of living. With my colleagues from across New South Wales and representatives of peak organisations, I regularly attended meetings to discuss strategies on the best ways to accommodate the needs of students with disabilities. The disadvantaged had a voice and this was reflected in the development of inclusive government policies and services.

Because of such policies I have been fortunate to witness so many students realise their potential and gain employment. There was the young man who became paraplegic who completed his Higher School Certificate, went on to university and now runs his own information technology company. There was the young lady with a medical condition who completed the Tertiary Preparation Certificate and later achieved a Doctor of Philosophy in Engineering. There was the man who had not worked for 14 years who gained employment in the welfare industry. The list goes on.

But vocational education in New South Wales is now operating on a business model where success is measured by profit margins not student achievements. The terms "course" and "student" have been replaced with "product" and "customer". I am not joking. Business lingo, company branding and empty slogans are of no use to students, employers or governments when qualifications have been rendered worthless.

Undoubtedly, TAFE and VET have to keep moving with the times and be responsive to changing student needs and developments in technology. But Smart and Skilled, which has encouraged the growth in unscrupulous training providers, the replacement of courses with tick-and-flick work-based assessments and online programs, where students are expected to develop practical skills watching videos, is not the answer. VET and TAFE have been damaged by Smart and Skilled, but if action is taken immediately to address the issues raised in the submissions furnished to this inquiry, there is hope for the many disadvantaged in our community, who need face-to-face courses and qualified teachers to help them gain the skills to get a job. Thank you.

Mr KOFOD: I have been a head teacher of information technology [IT] for more than 20 years and have worked in IT for more than 30 years. I would like to say a few things about the implementation of the Educational Business System [EBS]. It has been a disaster. I say that from an IT recovery point of view. It has been a massive problems for students and all staff—teaching and non-teaching. Everybody has worked really hard to try to get students through. Obtaining the simplest things, such as student results, is incredibly complex now. It is an ongoing problem. I cannot see it being fixed quickly or easily. If you gave me the \$250 million, I would not fix it; I would run. The reality is that everybody is trying to fix it. The workload for both teaching and non-teaching staff is phenomenally high now. It is affecting everybody.

Mr RORRIS: I thank the Committee for agreeing to hear evidence from me without a formal submission in this instance. As members are probably aware, I have made many other submissions on this topic through the years. I have been Secretary of the South Coast Labour Council, which is the peak trade union body, for 16 years. Throughout that time, the situation for jobs and education has been challenging. Prior to that, I spent five years with the then Department of Employment, Education and Training as a specialist officer. Before that, I was the project officer with the Migrant Employment Taskforce. Throughout that period I have seen some very sharp changes in Government policy and, importantly, the emphasis and objectives of that policy.

The key questions when reforming a system are: Who learns, what do they learn, where do they learn and how well do they learn it? An additional question that has crept in is: How much are they asked to pay to learn? I say those things because I do not think those questions could possibly have been asked of the people

designing Smart and Skilled. Normally, when you reform a system you reform it to fix a problem. You reform it to improve its performance, its job. You reform it to address a particular issue or imperative facing Government or the community.

In a way, it is fortuitous that Committee members are here in the Illawarra at the moment because you see unfolding before you—as you have no doubt seen in the papers—a crisis in the steel industry by any stretch of the imagination. I could speak at length on a range of aspects of the vocational education and training system because I am a specialist officer for Unions NSW in that regard. But I want to spend a short time addressing the steel crisis and what vocation education and training means.

This is not the first time that we have been through such a crisis. It happened before in 1981-82, when they decided to shut the steelworks. The steelworks was saved, but we lost 10,000 to 15,000 jobs over a decade. At that time, the mad rush was not to privatise TAFE or to introduce fees and other barriers or to cut costs and funds. The priority was: How can we possibly get as many people as possible through the gates at TAFE to retrain, reskill and reorientate them and to address a problem not of their own making? Since then, many of the problems that this region faces, as I am sure many other witnesses would have explained, have had to do with the intergenerational issues arising from that single event.

We have grandparents, parents and children in some families who unfortunately have never known a worker. Like many of you, no doubt, I do not want to see that happen again. The emphasis at the time was how to remove any possible barriers. It amazes me today that we are actually addressing the performance or otherwise of Smart and Skilled. Let me be very clear, my chief criticism is not about the way that the TAFE managers have gone to computer systems. They are all-important, but they are broadly symptomatic of a bigger problem. That bigger problem is that no-one has asked about the purpose of the reform.

If you were to look at this region—it is not unlike others, although perhaps different in scale—you would ask what are the imperatives, who are we trying to educate to increase their life opportunities, and which businesses and industries are we trying to help? If those questions were asked at the start, I am certain that the solution would not be to establish an education market where the answers to those questions is having marketeers, private providers and others, many of whom have a chief interest in making a profit. I am not criticising them either, they are entitled to make a profit. The question I am asking, and what I am asking the Committee to consider, is the situation here in the Illawarra, where we are unfortunately facing a similar crisis, whichever way this goes. There could be hundreds—hopefully not thousands—of people who may need to be retrained, upskilled or otherwise reorientated in the workforce.

How is it that the system in which they are asked to do it has dollar signs attached to it rather than the encouragement of a public provider with the resources and campuses that do not have one, two, three or four courses to offer but rather than, ten, 30 or 40 as they once did? They are the questions I have. I know the Committee is here to take my evidence, but I thought that might be a good way to give it. That is the question this region is asking of our Government and our providers. Where is the opportunity in 2015 that our region had in 1981?

CHAIR: Given the situation in the steel industry, is there any evidence of what retraining should be offered to these people?

Mr RORRIS: As many people will tell you, rather than trying to get a neurosurgeon to retrain as a childcare worker it often works better to try to do something within their skills sets and their orientation. That is without getting into other policies in terms of labour flows, fly-in fly-out, 457 visas and so on. Let us simply say that at times we are told we have shortages of welders and construction workers and so on and many locals find that amazing. Businesses say, "We've applicants, but they are just not right; they are missing this ticket or that ticket or something else." From our experience, the best way to get people reengaged is to do it quickly. Here is the rub: You train in one field, you lose your job and you need to go up, down, around or to the side, and you go back to TAFE. This may have changed very recently, but as far as I understand it, if you change your vocation and go for another certificate level, you have to pay. That is an obvious issue that needs to be addressed, even within the system.

Let us put aside those workers for a moment and focus on their kids, who are now coming into the system. This is the really hard bit. When I worked in that field we would look seriously at ways to entice people. In fact, under a previous Federal Government program it was mandatory for kids to go through the TAFE gates. It was a case of earn or learn; they really wanted them in there. That is why we find it gobsmacking that we have

introduced a system that is putting emphasis on a market dynamic rather than getting the kids into study. That is what most people thought TAFE was about.

CHAIR: It is not really within the purview of this inquiry, but I will ask this question anyway. Do you think it would be helpful if the Committee reflected the steel situation and recommended such an initiative, even though it may not be applicable across the board in New South Wales? Should the Committee recommend an urgent package to address retraining of steelworkers?

Mr RORRIS: I do not want to be presumptuous, but whatever way this issue goes urgent attention must be given to the steel industry and its specific needs. There might be a considerable volume to do deal with in the future.

CHAIR: Ms Watson, thank you for your submission. It is very good. We have heard a lot of evidence about Student Administration and Learning Management [SALM] and the Educational Business System [EBS]. You have provided some survey results, and you talk about how crook people have been and the level stress that has been caused. Can you comment on that? I am worried about a couple of comments. For example, you say that teachers spent more than 15 hours addressing that instead of doing their normal jobs. They are working far more hours than they are paid for because of the SALM system. There is a plethora of evidence. Do you want to comment?

Ms WATSON: Terry Kofod can probably speak to the issues with the EBS. As the federation representative, I was constantly being asked by teaching staff what was happening to resolve the problems. We first became aware of problems in October and November last year—as soon as the system was put in place. That was presented to a meeting with Dianne Murray, the director of the institute. At the start of the year there were other problems where students were not being enrolled because of issues with the system. Again, teachers started to get really worried. I heard about a couple of teachers, and one in particular who had had a heart attack. I thought that something needed to be done. I sent out a survey with only a few days to respond. I received a large number of responses and I spent my weekend putting them together.

The feedback I received from even more staff after I sent out the report was really interesting. People said they felt really embarrassed because they did not contribute. They thought that if they did they would get bullied. They said they did not want to look like an idiot because they had always been on top of their job and now they were not. They felt relieved that other people had also been suffering. They said that as a consequence of seeing the report they knew that they were not the only ones in that position. I think that defused a lot of the trouble people were experiencing.

CHAIR: Who should take responsibility for the failure of the EBS?

Ms WATSON: I think the State Government must ultimately take responsibility.

CHAIR: The Minister?

Ms WATSON: I do not know that it should be the Minister's sole responsibility; more than one person would make such a decision. It has been an unmitigated disaster and it has caused untold health problems. Teachers are still taking time off. They are taking their leave to try to manage this horrendous situation. I hate to say it, but come the end of this year when all the results are supposed to be issued many students will not get them because there are still not enrolled.

Dr JOHN KAYE: Mr Kofod, how many teachers did you have in your section three years ago?

Mr KOFOD: Thirty. I was one of two head teachers across Dapto, Wollongong and Wollongong West. There are no longer IT courses at Dapto or Wollongong. All the courses have been moved to the Wollongong West campus. We have 15 full-time and part-time teachers.

Dr JOHN KAYE: So you have halved the number of teachers?

Mr KOFOD: Yes.

Dr JOHN KAYE: What about the number of students?

Mr KOFOD: We went from 300 students to 80 bums on seats.

Dr JOHN KAYE: So there has been a dramatic decline in provision?

Mr KOFOD: Yes, it is dramatic.

Dr JOHN KAYE: Would you say that IT skills are critical to the future of the Illawarra?

Mr KOFOD: Of course. I have employers saying every day that they need a student.

Dr JOHN KAYE: So there is demand?

Mr KOFOD: There is a massive demand.

Dr JOHN KAYE: And there are students?

Mr KOFOD: Yes.

Dr JOHN KAYE: And there are people in the Illawarra who could teach IT?

Mr KOFOD: Yes.

Dr JOHN KAYE: But it is not happening?

Mr KOFOD: No.

Dr JOHN KAYE: Ms Watson, what has happened to special-needs students attending TAFE? I know your experience goes beyond the Illawarra. Can you describe very briefly to the Committee what has happened—not necessarily in this institute—with teacher consultants in disability, and what impact has it had?

Ms WATSON: This institute so far has not had any reduction in the number of teacher consultants; North Sydney, South Western Sydney and some of the others have. Instead of having specialist teacher consultants with expertise in different disability areas, the positions are being made generic. So they have not really got the level of knowledge in different areas that is required.

Dr JOHN KAYE: So you would have to deal across all of the disability categories. You are currently a physical—

Ms WATSON: I am currently a teacher consultant for students with a physical medical condition but I could end up with—if I still have a position—trying to communicate with someone who is deaf, and I cannot communicate in Auslan.

Dr JOHN KAYE: You say, "If I have a position". Is your position at risk?

Ms WATSON: Our positions have been reviewed since March 2014. We were told in March 2014 that the review would be completed by June 2014, and we are still here. It is like having an axe hanging over your head constantly because we have seen what has happened to teacher consultants in other institutes where their positions have already been deleted.

Dr JOHN KAYE: Mr Rorris, and the others might want to comment on this as well, leaving aside, as you did in your presentation, the issues of the EBS—the EBS is another issue—and the specific market implementation, given that at least 300 or 400 steelworkers will be out of work, and possibly a lot more in a worst case scenario, can you explain to us what you think the capacities of a competitive training market would be to provide the specific skills needed for the Illawarra to recover?

Mr RORRIS: Very limited. In fact, one of the great strengths of the TAFE system has been, in this region, the ability to have what we call now the corporate memory, the corporate knowledge that follows generations of TAFE teachers but follows the industries and the regions that they are in. As we all know, the steel industry, as is most of the manufacturing sector, is very complicated, very intricate. Relationships between skill sets and changes within those industries have been followed, along with the evolution of that industry, by

the TAFE sector. If you were to introduce, as has been done now, a market dynamic to that, what certainty will you have that someone will be around next year, let alone in 10 years time or 15?

When they build a steelworks, or when they modify it, when they make these changes they do not do it for a year or two or three; they do it for the next five, 10, 15 and 20. One of the reasons why our steelworks is probably one of the most efficient in many ways, and the quality of the steel is internationally regarded—we know about the price issues; we will not get into those at the moment—and is beyond reproach, one of the key reasons for that is the skilled labour force behind them, and there is no doubt that that comes from TAFE; that is where they got it. That is why we say that you would have to have rocks in your head to compromise this.

We know it works; it is evidenced in the steelworks down the road. You can see it. That is where it is; that is who made the steelworks; that is who delivered the skills to that workforce. And every time there has been a change—and sometimes not so good change where we have lost workers—it has been TAFE that has been left behind to mop up afterwards and to ensure that people are given a chance. Because not only have they had the capacity to do it but they also knew the skill base from which these people came. So it is the combination, I guess, of that corporate memory—for want of a better word—as well as having the capacity and the certainty to know that in two or three or five or 10 years time they could plan ahead five years, 10 years or beyond. I cannot say that you could make the same statement now because clearly it is up in the air. It is not only the steelworks down here that are up in the air, it is TAFE itself.

The Hon. LYNDIA VOLTZ: Can I ask a question of Ms Watson? Earlier today we had evidence that in regard to Dapto TAFE they are still running courses but students do not want to enrol there. Could you give a view on that statement?

Ms WATSON: I am aware of one teacher who put three courses onto the web and took several days to try and do that. For some reason there was some problem and they never actually appeared on the web. So people, therefore, would not know that the courses were actually on offer. This is a problem, I think, that came out earlier on where people have difficulty accessing information about what courses are on offer.

The Hon. LYNDIA VOLTZ: So you think the problem at Dapto TAFE would be that there is no accessible information in regard to courses?

Ms WATSON: I think that there are a lot of people who would access courses at Dapto TAFE if they were more aware of what was on offer and if courses like IT that used to be offered there were offered again. With people with disabilities, transport is a major issue. We heard before about how people on benefits have difficulty with the cost of travel. For someone who uses a wheelchair and has to get a taxi from Dapto to West Wollongong, that is a major problem and a real expense. The other issue is the 60,000 new homes that are going to go into that area. Why get rid of a resource when there is a plan to develop 60,000 houses? That is not people; that is houses. Within that population there has been a large number of people of disadvantage.

CHAIR: We will move now to the Government.

The Hon. LOU AMATO: Mr Kofod, I understand that in metropolitan Sydney there are a lot fewer students wanting to enter the trades. Do you find that experience down here in the Illawarra?

Mr KOFOD: No. We have a very healthy enrolment for IT. This year was not so good because of the enrolment problems, poor advertising, a whole number of reasons. But we find a good balance of trades in IT; it is very successful.

The Hon. LOU AMATO: In all of them they are all good?

Mr KOFOD: Yes.

The Hon. LOU AMATO: That is good to hear. Ms Watson, you mentioned Smart and Skilled and dodgy operators. Do you know of any at all or how many there are that you have heard about?

Ms WATSON: Too many.

The Hon. LOU AMATO: Without mentioning names.

Ms WATSON: I think a number of students are taking class actions against one in particular that has been brought to the attention of the ACCC.

The Hon. LOU AMATO: We do not want names.

Ms WATSON: There are several.

The Hon. LOU AMATO: How many are you aware of?

Ms WATSON: About five—not in this area; it is New South Wales.

Mr KOFOD: Can I just say that there is a private provider within my campus area and they do send students with special needs to our IT courses because they know we have the support for those students, like Lorraine. Lorraine supports a lot of our students. The private providers, the RTOs, within our local area do send them. They say, "We can't support you as well as TAFE does", and they send them to us, quite regularly actually.

Dr JOHN KAYE: So you end up with the higher-cost students?

Mr KOFOD: Oh God, yes.

Dr JOHN KAYE: Even though you are paid only 15 per cent more for them?

Mr KOFOD: Yes.

The Hon. LOU AMATO: Do you know of any providers that are charging Indigenous students full fees by the VET FEE-HELP?

Ms WATSON: Do I know of any private providers that do that?

The Hon. LOU AMATO: Yes.

Ms WATSON: Oh yes. I know of one student, who left a very basic computing course that I ran, who had an intellectual disability. She was a single parent and her son had been taken away from her. She got involved with one of these providers and she was told that she would get a free iPad and she would get a Diploma in Business. She thought that might be something useful; she could use that and explain to DOCS why she should have access to her child again. So it is not just money; there is an emotional cost to all of this as well.

The Hon. LOU AMATO: Mr Rorris, you talk about retraining people in the workforce. In your opinion, do you find that the private providers can provide the same level of training as TAFE?

Mr RORRIS: I have to qualify my answer by saying that I have not examined the competencies reached by students in particular providers versus TAFE; I have not drilled down to that level. Yes, I have seen the reports in the various capacities and committees I have served on that raise some great doubts about whether the quality of the teaching and the thoroughness of both the assessment of tasks and the tasks themselves are at the same level. I would have to say that I am not in a position to say that I have examined a number of or any of the private providers; I do not get down to that level of detail.

But I can say that I have been made aware of a number of providers who have advertised themselves as providing comprehensive courses for students to find out that they are online versions and things like that that may not appear drastic here—obviously learning face-to-face and doing an almost totally online component of your course and coming in to enrol one day and do your exam or last tasks in-house, they are big differences, I guess, between them. But I am not in a position to make that direct comparison.

The Hon. LOU AMATO: Thank you.

The Hon. SCOTT FARLOW: Mr Rorris, I am not trying to pre-suppose any changes in the industry here, but what would you see as growth areas in terms of the economy down here in the Illawarra where TAFE or private providers could be used in retraining and retooling people?

Mr RORRIS: You have heard evidence already no doubt about the health and services sector, both the young and the old. That is what they say: People are always going to be born and they are always going to get old and it is a cert that you are going to have a need in both of those areas. I think the interesting thing to note is that, particularly with the aged care fields where you have a tendency for what we call the "parking effect", particularly as unemployment rises and coastal areas become more attractive, you are going to get a larger market for that particular area. So you will get aged care, health services and related—particularly health and related, as health and aged care often go hand in hand with particular spikes in areas. So that is one area.

The others, though, I would say that the trades are still a big area and a growth area. One of the options facing our manufacturing sector at the moment is in that higher-tech end. We say this because the steel industry does provide a platform. What we have not done successfully, or successfully enough, in this region is use that steel industry as as much of a springboard as we should for those higher-tech ends. So I very much say that the trades are still in that zone of potentially a growth area here.

If there is that, I guess some of it is inevitable in terms of the transformation, we would hope that the direction of that transformation continues in the manufacturing sphere, albeit in a higher-tech—whether it be the clean tech and other things that need to be done. So I still say the trades are important. Education is obviously another key area. But what concerns us is what we see as a process of deskilling. It is the deskilling that is critical, I think, to this region at the moment. Because what we have—and it goes hand in hand again with the market mechanism—is when you have got the payment system and demand and supply, inevitably you will get a squeezing and a cutting of corners and you will get a tendency of more and more employers dumbing down what they would otherwise be requiring or expecting of their new recruits into their operations. That is a big concern not just for those employers but also for the development of those industries in the future. You can only do that for one, two or perhaps three generations of workers. Eventually that then spirals down, and that is a concern.

I add one more thing while you are at it. The bigger dynamic here, if we are talking about a market system, is the fact that we are looking at a regional labour market that does not have the same economy of scale or market of scale as Sydney and other areas. You may have had evidence about this already. The biggest concern is that even if you were to accept that a market system may work to some degree in Sydney, Melbourne or Brisbane—the capital cities—when you get into the regional areas where you get a smaller and smaller base, you get a critical mass of students required to front classes, to run those classes, and that is where you get the biggest valley of all or the biggest problem with the market system. And that is what we are seeing already here. I would ask you, when you look at Dapto and others, why it was that they used to have a campus and now they do not effectively. It is because of that scenario.

CHAIR: Thank you for that. It is of great concern to us—it is the reason we called the inquiry. The last thing we want to do is lose every opportunity in regional and rural areas to raise people up and in this case, as you say, reskill some fine workers out there. These are very challenging times for us in the Wollongong area. If you have taken any questions on notice—I do not think anyone has, but you may be given some after this—you will have 21 days to answer them. The secretariat can help you with that. Thank you again for your evidence this afternoon and thank you, Miss Watson, for your comprehensive submission.

(The witnesses withdrew)

KATE ADAMS, Manager Professional Services, NSW Nurses and Midwives' Association,

JANET RODEN, Professional Officer, NSW Nurses and Midwives' Association, and

PHILLIPE MILLARD, Professional Officer, NSW Nurses and Midwives' Association, sworn and examined:

CHAIR: Would anyone like to make an opening statement?

Ms ADAMS: Yes, I would, thank you. My name is Kate Adams, manager of the professional services team. My colleagues Dr Janet Roden and Phillippe Millard are professional officers. Janet comes from a background of nurse academia and Phillippe is an enrolled nurse. I am a registered nurse and registered midwife. The NSW Nurses and Midwives' Association [NSWNA] is the registered union for all nurses and midwives in New South Wales. Membership of the NSWNA comprises all those who perform nursing and midwifery work. This includes assistants in nursing who are unregulated, enrolled nurses, registered nurses and midwives at all levels including management and education. We have approximately 61,000 members. Our role is to protect and advance the interests of nurses and midwives and the nursing and midwifery professions. We are also committed to improving standards of patient care and quality of health services in health and aged care services.

Our main interest in this inquiry is the interests of the enrolled nurse. Enrolled nurses, as you know, are educationally prepared at TAFE. We have a number of concerns in relation to the direction that TAFE is taking in general and more specifically in relation to the enrolled nurse. Historically enrolled nurses were educated at TAFEs free of charge and were given on-the-job training at public hospitals. TAFE NSW has been the mainstay of educational quality of the vocational education and training sector for many years. It has produced some excellent enrolled nurses who were given a good quality education and sound clinical practice experience.

But gradually, from 1990 through to 2015, successive New South Wales governments increased fees, as they argued that the Government could no longer afford the costs associated with running TAFE NSW. Enrolled nurses were recognised with a higher academic qualification which could be articulated into the Bachelor of Nursing. This paved the way for the development of a national Enrolled Nurse Training package which could be used by private providers as well as TAFE NSW.

Enrolled nurses are licenced health care workers. They are vital for the achievement of appropriate complex care, which is important now and in the future. The changing need for health care and new technology increasing patient acuity, nursing shortages and the need to reduce costs has meant that skill mix is a critical part of our workforce and workforce planning. Skill mix is a very important part of nursing because, if the right mix of nurses is available, then the quality of patient care will be safe and appropriate.

Enrolled nurses are a highly qualified and valuable asset to any nursing team, which consists of registered nurses, enrolled nurses and assistants in nursing. The latter being unlicensed health workers. Enrolled nurses, in their capacity as registered and licenced nurses, are advocates for Registered Nurses. Although they must work under the direction, direct or indirect, from the Registered Nurse, they are responsible for and autonomous in their own scope of practice.

Another concern we have is the differing costs in each TAFE and there appears to be to us a much higher cost to rural students than there are to urban students. Originally TAFE was a pathway for skilled employment for those of low socio-economic background who were disadvantaged. Since the 2000s there have been gradual increases in TAFE fees generally which have steadily increased the costs of enrolled nurses now undertaking the Diploma of Nursing. A large percentage of those enrolled nurses wishing to study are disadvantaged and TAFE NSW no longer meets their needs. The costs are prohibitive. Our third concern is that we are not meeting the workforce needs by educating enough enrolled nurses to meet workforce needs. Quality is another issue to consider, because the literature tells us that generally for-profit RTO standards are poor.

My colleague, Dr Roden, will be able to expand on this, if necessary. It is our view that the Government needs to provide sufficient resources to ensure that TAFE and the Ministry of Health collaborate to meet the major increased numbers in enrolled nurse workforce projections. Enrolled nursing students who live in rural and remote or regional areas deserve an equitable approach to the cost of education and training. Additional funding and support for their higher traveling and accommodation expenses is required. In line with the Ministry of Health modelling and increasing future aged care needs, more funded places are required for all

enrolled nurses. We strongly recommend that TAFE NSW provide education for all enrolled nursing students at a reasonable cost. Thank you.

CHAIR: Thank you. I want to ask one question before we go to Dr Kaye. In your submission, having come to nursing through work experience as an assistant in nursing [AIN] and then as an enrolled nurse, which I was for quite a while and then eventually did the diploma and then, when it became a Bachelor degree I did that, so I understand the system and I am mindful of the ageing population. But I do remember one of the arguments was about the sort of care that you would get from a person in the private system as opposed to a public nurse system. I do not know about anyone else, but I did not think my nursing abilities would change in either system; I would do my very best to give quality care. In your submission, on page 15 under the heading, "Provide High Quality Training", you note that quality is another issue to consider, because the literature tells us that generally for-profit registered training organisation [RTO] standards are poor. Can you elaborate on what your evidence is saying there?

Ms ADAMS: I will hand that over to Dr Roden.

Dr RODEN: I would have to say that I have reviewed the literature, Yu and Oliver, 2015. They emphasise that RTOs do provide poor standards. The quality is poor according to them, due to old frameworks, they are out-dated and complex and have a lack of clarity.

CHAIR: Is this an Australian study or an American study?

Dr RODEN: This is related to what has happened in the Victorian experience. So they were really concerned about the minimum standards of assessors and the RTOs' lack of information in terms of training with regard to student enrolled nurses [ENs]. I would have to say that, in our experience, we had a person ring who was from a for-profit RTO, who contacted us very upset actually. She saw that we were making a submission to the Senate on enrolled nurses and she really was concerned.

There were lots of foreign students in that particular for-profit RTO. These students were being bullied and, of course, their education was suspect and their command of English. She was also concerned because the lecturers were meant to be bullying them all. The other thing was, she knew something about objectives and assessment in her previous employment and job and she could not really work out what the objectives were of the course at all. The other thing was in regard to their clinical experience. These people would be rung up at the last moment, like the night before, and told, "Get ready, you are having a clinical experience".

CHAIR: So they were tipped off that they were going to have an exam?

Dr RODEN: It was a really bad situation.

CHAIR: I wish it had worked that way for us; that would have been good. We will move on to Dr Kaye.

Dr JOHN KAYE: Thank you for your submission. To be clear, the NSW Skills List price for a Diploma of Nursing is \$6,430. You suggest that there are TAFE colleges in New South Wales that are charging \$18,000, is that correct?

Ms ADAMS: Yes.

Dr RODEN: Yes.

Dr JOHN KAYE: They are charging over the NSW Skills List price?

Dr RODEN: Yes.

Dr JOHN KAYE: And there are private providers who are charging even more than that?

Dr RODEN: \$21,000.

Dr JOHN KAYE: \$21,000?

Dr RODEN: In terms of the person that I addressed previously.

Dr JOHN KAYE: Have you seen any that are higher than that?

Ms ADAMS: We know one rural TAFE is eighteen and a half.

Mr MILLARD: Yes \$18,750 for one rural TAFE.

Dr JOHN KAYE: And these, of course, are all on VET FEE-HELP so they all become student loans.

Ms ADAMS: They are.

Dr JOHN KAYE: Which are paid back when the student achieves the income of over \$53,000 a year, which is the second year of an enrolled nurse's career?

Ms ADAMS: the second or third, yes.

Dr RODEN: I think that is right.

Ms ADAMS: It is a fair time before they start being able to pay it back.

Dr JOHN KAYE: In the enrolled nurses who are members of your organisation, Ms Adams, because this has gone up substantially, are people now beginning to comment on this and talk about the impacts it has on their lives?

Ms ADAMS: Yes, we have had quite a number of our enrolled nurses come to us about it and they are finding that it is inequitable and they are very concerned. They are saying it is much cheaper for them to have done a Bachelor of Nursing and many are saying they are sorry they did not go down that route in the first place.

Dr JOHN KAYE: There is a competitive market, so there are private providers and there are private for-profit providers.

Ms ADAMS: Yes and there are good ones of those.

Dr JOHN KAYE: And there is TAFE. So in the theory of competitive markets, that should bring the price down.

Ms ADAMS: It should.

Dr RODEN: Competition should be good.

Dr JOHN KAYE: But competition has not done so in this case?

Dr RODEN: No.

Dr JOHN KAYE: Even though when I go on the web and google "Diploma in Nursing", I get a number of providers, one who actually provides the entire qualification online, which I find interesting. I am not sure I want an enrolled nurse dealing with me who has only ever sat down at a computer.

Ms ADAMS: No.

Dr JOHN KAYE: Leaving that aside, the information is out there but students are not exercising their Adam Smith-given power to push the invisible hand towards lower prices. Do you know why that is?

Ms ADAMS: I do not.

Dr RODEN: I think that it is hard for students. I do not know whether you have been a student in the past.

Dr JOHN KAYE: They tell me I have but I have forgotten all about it now.

Dr RODEN: I think that students do accept prices and some students are really desperate to get a job, as you know, especially in the rural areas and they will probably just jump to a price.

Dr JOHN KAYE: So the fact that students jump at prices suggests that competitive market theory just does not work if students are not shopping around or there is no magic invisible hand in the market?

Dr RODEN: I think so, yes. That is right.

The Hon. LYNDA VOLTZ: Of course, Dr Kaye has not read enough of Adam Smith, because Adam Smith was critical of fees being paid by university students because he saw it as a way of students controlling the outcomes of courses and that maybe what we are seeing here is exactly what Adam Smith was talking about. There is a problem in respect of competitive markets in that providers will charge what they can charge and it is about a knowledge market, knowing where to go. Quite often in these situations you are not necessarily dealing with the people with the skills to do that. One of our previous witnesses has talked about the idea of vocational counsellors or trainers to get people through courses. They are not being included in the system. Do you see some benefit in those ideas?

Dr RODEN: Yes, I can see that as beneficial.

Ms ADAMS: The quality of the teaching in TAFEs has diminished incredibly. Before 2005, all nurses were teaching, now they have very few.

Dr RODEN: The more recent experience we have had—I do not know whether you have read the TAFE stories in the submissions, but particularly in the regional city areas, students are saying that class sizes are big, much larger, and also casual staff are coming in, quite a lot of them. Sometimes they go off and more come in. A particular example is that two teachers taught a particular enrolled nursing course. One of them was dismissed and the other one had to work so hard that she was terribly stressed.

The Hon. LYNDA VOLTZ: I note with that story as well that a lot of the students on the course were travelling not only to Orange but also to places such as Brewarrina and other places. Brewarrina is not that close to Orange.

Dr RODEN: No, it is not.

Ms ADAMS: And they have to pay their accommodation.

Dr JOHN KAYE: You could ask Di Murray. She thinks places are much closer than they are.

Dr RODEN: It is right out there.

The Hon. LYNDA VOLTZ: It is not 10 minutes away.

Dr RODEN: Certainly not.

Mr MILLARD: We are seeing a lot of that. We are seeing students travelling long distances, especially in the country areas because, obviously, they have to travel for placement. It is quite costly and it is difficult for them.

The Hon. LYNDA VOLTZ: That is a problem when you are closing down TAFEs in regional towns. Something can be closed in Sydney and there is a public transport system so you can get around, but in regional towns that is obviously very difficult.

The Hon. SCOTT FARLOW: I want to talk about your evidence about enrolled nurses. Do you have any figures of the number of people in courses who become enrolled nurses? Are there any changes that have occurred recently?

Dr RODEN: It is really hard for us to get those figures across New South Wales, but—

Ms ADAMS: We know how many are registered.

Dr RODEN: We know the registered numbers. Off the top of my head 13,188 are currently registered with the Australian Health Practitioners Registration Authority, which is the health professional registering body. This has really dropped from about 14,000. I think there were an additional 1,000 enrolled nurses in 2011-12. So now we are seeing quite a gradual drop. We now have only 13,188. These are people who are registered. We do not know whether they are working part-time or full-time.

Ms ADAMS: We do not have—

Dr RODEN: We do have some figures, but not—

The Hon. SCOTT FARLOW: You talked about some people having misgivings that they did not do a bachelor of nursing. Are you seeing a spike in those figures? Is that where people are going, or are they going out of the profession?

Dr RODEN: I have some information from Armidale university that over the past two years the numbers of enrolled nurses who are now going through to a bachelor of nursing have increased.

The Hon. SCOTT FARLOW: People who were formerly studying to become enrolled nurses have changed?

Dr RODEN: They have changed and decided to go on that path.

CHAIR: Are they mostly mature aged?

Dr RODEN: Do you mean students?

CHAIR: Yes, mature aged students such as a mum who has gone from running the family and then suddenly gets the confidence and says, "I can do this", and goes to the next level, which is fantastic.

Dr RODEN: Yes, 50 per cent of them.

Ms ADAMS: Also, we do not want to diminish our enrolled nursing workforce.

CHAIR: No, I understand that. I am talking about pathways.

Ms ADAMS: Sure, it would be a good pathway.

The Hon. SCOTT FARLOW: Talking about the demand in the industry, is it the case at the moment that there are a lot of placements for enrolled nurses that are not being filled?

Ms ADAMS: Yes, that is the issue, is it not?

Mr MILLARD: Clinical placements is a big issue. It is one thing for TAFE to offer a position, but there needs to be the clinical placements for them to do their clinical training, so it can be problematic.

The Hon. SCOTT FARLOW: What is the issue arising with those clinical placements? What is the barrier in respect of securing the clinical placements?

Dr RODEN: The rural and remote areas are problematic. Regional areas are more expensive because, I suppose, the numbers of teachers would not be so great, and also the distances. The fact that they have accommodation fees and they have got travel and they need money to do that is a real problem.

The Hon. SCOTT FARLOW: In respect of the \$18,754 you outlined in your submission, did that include accommodation and travel?

Dr RODEN: No, it does not.

The Hon. SCOTT FARLOW: I note you said that they were the clinical placement fees, so that was on top of the clinical placement fees?

Dr RODEN: Yes, that is right.

The Hon. SCOTT FARLOW: In respect of the market, we have heard quite a lot of evidence that the aged care sector, in particular, is one of the growing areas for the Illawarra. Is that your understanding as well? Are you finding more of your members—

Ms ADAMS: It is not a growing area for enrolled nurses.

The Hon. SCOTT FARLOW: Sorry?

Ms ADAMS: Aged care is not a growing area for enrolled nurses. They are taking assistants in nursing above enrolled nurses.

Dr RODEN: We are really concerned about our future planning with regard to elderly people who are over 65 that we will not have adequate enrolled nurses and they are very important for the skill mix, which is the right mixture of nurses to perform quality patient care. There is a lot of international literature about skill mix. The concern for us is that we will not have enough enrolled nurses in the future. We know from a New South Wales Government Health briefing note that the Deputy Director General put out in August 2012 that the modelling for the Health Professional Workforce Plan for enrolled nurses identifies that 1,400 to 1,600 enrolled nurses places are needed each year from 2012 to 2026. That will achieve a balance of supply and demand by 2026.

The Hon. SCOTT FARLOW: And from your figures there is 1,300-odd at the moment?

Dr RODEN: I think we used TAFE figures. At this point they really need another 400 to 500 enrolled nursing students every year, based on TAFE figures for 2012.

Dr JOHN KAYE: The course costs identified by the Independent Pricing and Regulatory Tribunal, which we know is imperfect, was \$6,430 a year, and I will double it and say \$12,000. TAFE obviously is taking additional money and putting it into running other courses but those private providers, on my casual viewing, do not run other courses. They just take that as straight profit.

Dr RODEN: Yes, that is our belief.

Dr JOHN KAYE: About one-third of the total cost of what the students pay is just straight profit?

Dr RODEN: That is right, I would think.

Dr JOHN KAYE: Is that a nice little earner if you could get it?

Dr RODEN: You can understand that it could be.

Dr JOHN KAYE: Is there a strong argument to re-regulate the provision of nursing education?

Dr RODEN: Yes, absolutely.

Ms ADAMS: Yes.

Dr JOHN KAYE: And to regulate it in a way that the student did not pay and it was once again subsidised?

Dr RODEN: Absolutely, that would be great.

Ms ADAMS: Yes.

Dr JOHN KAYE: And to have it done in a way where there was not a competitive market that determines outcomes?

Dr RODEN: We would like the enrolled nurse course protected so that 30 per cent of funding would go to TAFE for those courses like enrolled nursing, so that those students, yes, have free education.

Dr JOHN KAYE: Will you take this question on notice because of a specific legal reason? You have made a number of statements about quality with private providers. Will you provide the Committee with details on notice about those private providers and what you know about them? The Committee will treat the details of that in confidence—

Dr RODEN: In confidence?

Dr JOHN KAYE: Yes, if you ask the Committee to do so. Will you provide the Committee with that information to consider? The Committee will not report it in its final report but it will be part of its consideration.

Dr RODEN: A student was going to get in touch with the Australian Skills Quality Authority [ASQA] and approach it in terms of identifying the issues there because they have a site that indicates that they will assist students who are having real trouble.

Dr JOHN KAYE: ASQA of course is overburdened.

Dr RODEN: Yes, I realise that. We will certainly do that.

CHAIR: I have taken note of your recommendations. It makes it simpler to understand what people think can improve the system and I thank you. You will have 21 days to supply answers to the questions taken on notice. The Committee may have further questions that it will send to you. Informally I want to thank Di Murray, Bernadette Ioannou from the Illawarra Institute for their help. I also want to thank Rosemary Morgan and Paul Goodwin from Nowra TAFE and Marty Burgess, Julie Schouten, Jason Smith and John Adams from Wollongong TAFE. I also thank Megan Fitzgerald on sound.

(The witnesses withdrew)

(The Committee adjourned at 6.02 p.m.)