

PORTFOLIO COMMITTEE NO. 3 - EDUCATION

Wednesday, 5 September 2018

Examination of proposed expenditure for the portfolio area

TOURISM AND MAJOR EVENTS, ASSISTANT MINISTER FOR SKILLS

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The Committee met at 1.58 p.m.

MEMBERS

The Hon. Lou Amato (Chair)

The Hon. John Graham

The Hon. Natasha Maclaren-Jones

Reverend the Hon. Fred Nile

The Hon. Penny Sharpe

Ms Dawn Walker

The Hon. Natalie Ward

PRESENT

The Hon. Adam Marshall, *Minister for Tourism and Major Events, and Assistant Minister for Skills*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

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The CHAIR: I declare this hearing into the inquiry into the budget estimates 2017-2018 open to the public. Before I commence I would like to acknowledge the Gadigal clan of the Eora nation who are the traditional custodians of this land. I also pay respect to elders past and present of the Eora nation and extend that respect to other Aboriginal persons present. I welcome Minister Marshall and his accompanying officials to this hearing. The Committee will examine the proposed expenditure for the portfolio of the Tourism and Major Events, Assistant Minister for Skills.

Before we commence I will make some brief comments about the procedures for today's hearing. Today's hearing is open to the public and is being webcast live via the parliamentary website. In accordance with the Legislative Council's *Guidelines for the Broadcast of Proceedings*, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. I remind media representatives that in reporting the proceedings of this Committee you must take responsibility for what you publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at this hearing. I urge witnesses to be careful about any comments they may make to the media or to others after they complete their evidence, as such comments would not be protected by parliamentary privilege if another person decided to take an action for defamation. The guidelines are available from the secretariat.

There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In those circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisors or the members of staff seated in the public gallery should be delivered through the Committee secretariat. Minister, I remind you and the officers accompanying you that you are free to pass notes and to refer directly to your advisors seated directly behind you. The transcript of this hearing will be available on the parliamentary website tomorrow. To aid the audibility of this hearing, I remind Committee members and witnesses to speak into the microphones. In addition, several seats have been reserved near the loudspeakers for persons in the public gallery who have hearing difficulties.

I remind everyone to turn their mobile phones to silent. All witnesses from the department, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament. I also remind Mr Simon Draper, Secretary, Department of Industry, that he does not need to be sworn because he was sworn at an earlier budget estimates hearing.

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SANDRA CHIPCHASE, Chief Executive Office, Destination NSW, sworn and examined

JON BLACK, Managing Director, TAFE NSW, sworn and examined

SIMON DRAPER, Secretary, Department of Justice, on former oath

The CHAIR: I declare the proposed expenditure for the portfolio of Tourism and Major Events open for examination and, as there are no provisions for a Minister to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

The Hon. PENNY SHARPE: Are you familiar with the Tourism-Demand Driver Infrastructure Program?

Mr ADAM MARSHALL: Yes. It is a Commonwealth fund that has now concluded.

The Hon. PENNY SHARPE: It is administered by the New South Wales Government?

Mr ADAM MARSHALL: Yes.

The Hon. PENNY SHARPE: Through Destination NSW?

Mr ADAM MARSHALL: No, by the NSW Department of Industry.

The Hon. PENNY SHARPE: Do you recall signing off on 24 projects for that program in May last year?

Mr ADAM MARSHALL: I do not recall all the projects but I do recall signing off and then seeking approval of my then Federal counterpart Minister Ciobo because, whilst we administer at a New South Wales level, the projects ultimately have to be signed off by the Commonwealth before that money can be distributed to those successful applicants.

The Hon. PENNY SHARPE: Minister, do you recall meeting with members of the Lunoe family?

Mr ADAM MARSHALL: No, I do not.

The Hon. PENNY SHARPE: Soren or Michael?

Mr ADAM MARSHALL: No, I do not.

The Hon. PENNY SHARPE: You may be familiar with their company HydroSun or Turon Gates.

Mr ADAM MARSHALL: No, I do not recall meeting with them.

The Hon. PENNY SHARPE: Your diary shows that on 20 May you met with HydroSun at the Broken Hill National Party conference. Do you not recall that?

Mr ADAM MARSHALL: I remember attending that conference and having a number of meetings with members of the party, colleagues and what have you. If it is in the diary disclosure I obviously did but I clearly, as I have just answered, do not recall what was discussed at that meeting. It is not something that was particularly memorable or sticks in my mind, no.

The Hon. PENNY SHARPE: Your diary suggests that you met with them to discuss skills and regional tourism.

Mr ADAM MARSHALL: Okay.

The Hon. PENNY SHARPE: I also understand that that company also met with Minister Toole, Minister Blair, Minister Barilaro and Minister Mitchell, as well as a number of parliamentary secretaries, at the National Party conference. Are you aware that the National Party has subsequently disclosed a \$5,500 donation from HydroSun to the National Party conference in Broken Hill?

Mr ADAM MARSHALL: No, I was not aware of that.

The Hon. PENNY SHARPE: How do you explain that in March this year Minister Toole announced \$371,650 for Turon Gates at Capertee to fit out six luxury glamping tents, including luxury finishes, fixed and non-fixed furniture, plumbing and electricity under the Tourism-Demand Driver Infrastructure Program?

Mr ADAM MARSHALL: I am sorry—what was the question?

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The Hon. PENNY SHARPE: My question is: How do you explain Turon Gates receiving funding under this program, given that you did not sign off on it on 17 May 2017?

Mr ADAM MARSHALL: I would have to take that on notice because I am not familiar with the individual details of that application. I think from memory, as I think you stated in your opening remarks, there were in excess of 20 applications that were submitted to the Commonwealth for approval after an extensive application process.

The Hon. PENNY SHARPE: There were 24.

Mr ADAM MARSHALL: Unless the secretary can provide any information on that?

The Hon. PENNY SHARPE: Turon Gates was not on the list put forward to the Commonwealth.

Mr ADAM MARSHALL: That is right. Initially there were 24 projects—again, I will have to take the specifics on notice—but there was an underspend or money left over in the allocation that was made by the Commonwealth to New South Wales. There were two options: Do we as a State give that money back to the Commonwealth and essentially forgo potential opportunities to grow the visitor economy in New South Wales? From memory I asked the NSW Department of Industry to conduct a further application phase or to go back to those applicants that were unsuccessful in the first round to see if they wanted to resubmit, to make sure that we could spend as much of the money that was allocated to our State as possible rather than give it back to the Commonwealth. Again, I am happy to take the specifics on notice but that was the process. There was a rigorous assessment and then the department provided recommendations to me as the portfolio Minister, which then were subsequently signed off and sent to the Commonwealth for approval, which they obviously signed off on. That was the process that would have led to that funding announcement being made.

Mr DRAPER: Can I be clear: Is the question about an approval by Minister Toole or by Minister Marshall?

The Hon. PENNY SHARPE: The announcement was made by Minister Toole but it is under Minister Marshall, which is why I am asking about it.

Mr ADAM MARSHALL: I presume he made the announcement because he would be the local member. He would have made it, I presume, in conjunction with the local Federal member because the money is actually Federal money.

The Hon. PENNY SHARPE: I do not know about the Federal member but the local member—I am not interested in that. What I am interested in is that on 17 May 2017 you signed off on 24 projects and Turon Gates was not one of them. You then went to the National Party conference from 18 to 20 May where the owner and operator of Turon Gates, and also another company called HydroSun, spent the entire weekend with the National Party, meeting with most of your ministerial colleagues and you. They subsequently provided a \$5,500 donation to the National Party. Then, lo and behold, something that is not listed comes up in March the next year where they are provided with \$371,000 to build luxury glamping tents with taxpayer's money. I am interested in the process that led to that decision-making.

Mr ADAM MARSHALL: As I have said, I am happy to take the specifics on notice but at this point in time I can advise you—as I just did—that there was a first round and those projects were submitted and approved. From memory either one or two of those projects may have fallen over and that caused us to have essentially a quantum of funds left over or unallocated that the Commonwealth had allocated to New South Wales. I was not of a mind to hand money back to the Commonwealth—

The Hon. PENNY SHARPE: That is fine. What I want to understand is, if there was a second round, how was it advertised and how was it signed off by your Federal counterpart as well, given that that does not seem to be publicly available?

Mr ADAM MARSHALL: I am happy to provide that because there was a second round or a supplementary round and it went through the same process as with the first round. In relation to the connection you are attempting to make between a meeting that took place at The Nationals conference, the meeting clearly took place because it is in the diary. I can assure you, I do not even remember the meeting or the contents of it.

The Hon. PENNY SHARPE: It is a pretty good return on investment if you can make a donation of \$5,500, then come away with a \$370,000 grant.

The Hon. NATALIE WARD: Point of order: Let the Minister answer.

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Mr ADAM MARSHALL: If you are suggesting some sort of impropriety on my behalf, good luck, because it is a dry gully to be running up.

The Hon. PENNY SHARPE: I am asking the questions about how the decisions are made for this project.

The Hon. NATALIE WARD: Let the Minister answer the question.

Mr ADAM MARSHALL: That is fine but, as I said, I will take that on notice. I can assure you, there was no impropriety. Processes were followed. We will provide that answer to the Committee; not a problem.

The Hon. PENNY SHARPE: Minister, I notice that you have released the Visitor Economy Industry Action Plan 2030.

Mr ADAM MARSHALL: Yes.

The Hon. PENNY SHARPE: I draw your attention to page 13 where you talk about the cultural and sporting infrastructure spending in the plan. As a regional member of Parliament and as someone who has said that they are keen on regional tourism, are you concerned that everything that is listed in that plan is based in Sydney and most of it is stadium related?

Mr ADAM MARSHALL: I am looking at page 13 of the document, focus No. 5, Invest in Infrastructure. Is that the page?

The Hon. PENNY SHARPE: Yes, Cultural and Sporting Infrastructure. I want you to confirm that all of it is spending based in Sydney.

Mr ADAM MARSHALL: Not at all.

The Hon. PENNY SHARPE: That is not what it says here.

Mr ADAM MARSHALL: Right at the moment, if you look through the whole document—

The Hon. PENNY SHARPE: Which I have.

Mr ADAM MARSHALL: —the Government has released another \$100 million funding round under the Regional Growth Environment and Tourism Fund, plus you have got the Regional Cultural Fund, of which there is a further \$50 million round that is out there at the moment. They are for projects that are all based in regional New South Wales and all projects that will help grow the visitor economy.

The Hon. PENNY SHARPE: Is it not embarrassing though that this is your key glossy document and under Cultural and Sporting Infrastructure all you have is projects in Sydney?

Mr ADAM MARSHALL: No, it is not because you know as well as I do that the Government has a suite of regional specific programs—Regional Sports Infrastructure Fund, Regional Cultural Fund, Regional Growth Environment Tourism Fund—worth more than a billion dollars.

The Hon. PENNY SHARPE: I understand that. I am asking you about your key document that you wish to push out. It is pretty embarrassing.

Mr ADAM MARSHALL: No, it is not, because this document acknowledges that those funds exist. We have made a number of announcements already from first rounds of those that have a direct link to the visitor economy. If you check the press releases, my name appears in a lot of them because of the direct link between those investments by government and the positive impact they have on the growth of the visitor economy. In regional New South Wales we have just come off the back of a record 12 months of international and domestic visitation.

The Hon. PENNY SHARPE: Speaking of overnight visitor expenditure, I see that you have set new targets under the plan.

Mr ADAM MARSHALL: Yes, the first time we have set regional specific targets.

The Hon. PENNY SHARPE: I notice that the target for 2020 was \$36.6 billion and the independent review indicated that it was still only 79 per cent on target. Do you confirm that we are unlikely to meet the 2020 target relating to overnight visitor expenditure?

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Mr ADAM MARSHALL: No, I do not. I will ask the Chief Executive Officer, Sandra Chipchase, to provide some information about that.

Ms CHIPCHASE: We are currently tracking at 95 per cent of target. The 2020 target was always a stretch target. Every State was given the opportunity; they could go at the lower end or the higher end. We chose to go for broke, to go for the higher end and currently we are at 95 per cent of target.

The Hon. PENNY SHARPE: Do you believe we will meet it in 2020?

Ms CHIPCHASE: Yes, I think we will. That is certainly the goal. We are doing everything possible to get there.

The Hon. PENNY SHARPE: One of the key recommendations out of the independent review into the visitor economy was keeping pace with the funding for Destination NSW. I notice that overall revenue has been cut 17 per cent in this budget. Could you talk to the Committee about how you believe you are going to meet all the targets that you need to, given that one of the key recommendations has not been met and your government has cut funding?

Mr ADAM MARSHALL: I do not accept that characterisation and I will go into that. If there is any doubt about the State Government's ability to continue to grow the visitor economy and to meet those targets, you have only to look back at what has happened since 2011 when Destination NSW was established. Since that time we have seen a 36.6 per cent—

The Hon. PENNY SHARPE: That is fine. If you want to do a Dixie about the outcome of the plan that would be fine. I am asking you specifically about cuts this year.

The Hon. NATALIE WARD: Point of order: I believe the Minister was attempting to answer the Hon. Penny Sharpe's question. I ask that you call her to order to allow him to do so.

The CHAIR: Continue, Minister.

Mr ADAM MARSHALL: There were two components to the question. I was dealing with the second part first, which was questioning the ability to achieve those targets. As I was saying, you need only look at our record since 2011. Since then the visitor economy has grown by 36.6 per cent—visitor numbers.

The Hon. PENNY SHARPE: Your own independent review says to maintain funding and your government has cut it by 17 per cent in this current budget.

Mr ADAM MARSHALL: No.

The Hon. JOHN GRAHAM: You accept there is a cut, though, do you not?

Mr ADAM MARSHALL: No.

The Hon. JOHN GRAHAM: You do not accept that there is a cut in the budget?

Mr ADAM MARSHALL: If I can answer the question—

The Hon. JOHN GRAHAM: Is that serious?

The Hon. NATALIE WARD: Let him answer the question.

Mr ADAM MARSHALL: In relation to the budget for the 2018-19 financial year, there is a differential between the budget that is allocated for expenditure this current financial year and the last one for two main reasons. First, there was about \$14 million worth of carryover from the 2016-17 financial year into the 2017-18 financial year. That is money that was not expended out of Destination NSW's budget that was carried over; therefore there is \$14 million there. There was \$6.7 million of the \$129 million four-year commitment for supplementary funding that the Government made for Destination NSW that was brought forward from the 2018-19 portion of that into 2017-18. That was brought forward for strategic reasons for the procurement of a number of events.

The Hon. PENNY SHARPE: There is no cut, Minister?

Mr ADAM MARSHALL: That is the difference. That adds up to exactly the difference between what was budgeted for last year and what is the difference this year.

The Hon. PENNY SHARPE: Can you clarify yes or no, whether or not there is a cut?

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Mr ADAM MARSHALL: No, because that is clearly the cashflow. It does not just stop and start one financial year.

The Hon. JOHN GRAHAM: Minister, just on that point, the budget last year was \$166 million. The budget for this financial year is \$133 million. You say that is not a cut.

Mr ADAM MARSHALL: No, the budget—

The Hon. JOHN GRAHAM: Thank you. I want to ask you about the expenditure in regional sports infrastructure for the past year. You have talked about that expenditure. How much was spent in regional sports infrastructure in the last financial year?

Mr ADAM MARSHALL: I do not know. I am not the Minister who holds responsibility for that.

The Hon. JOHN GRAHAM: The answer is \$15 million.

Mr ADAM MARSHALL: I do not hold responsibility for that.

The Hon. JOHN GRAHAM: You have talked about that expenditure of \$15 million. How do you feel, given the Government is spending \$2.3 billion on stadiums in the city?

The Hon. NATALIE WARD: Point of order: That does not relate to this portfolio area.

Mr ADAM MARSHALL: I am sorry, Mr Chairman; I am not the portfolio Minister responsible for regional sports infrastructure funding.

The Hon. JOHN GRAHAM: I turn to your tourism announcement about major sporting events which you made recently and you have referred to the fund. You announced in the paper on 21 August that you were in talks with major sporting codes to play outside major cities. Could you tell us what discussions you have had and who have you been talking to—which codes?

Mr ADAM MARSHALL: I will ask the Chief Executive Officer of Destination NSW to comment in a moment but, before I do, we, as a government and also as an agency, with Destination NSW, are always open to talk to sporting codes of all descriptions that are interested in taking premium content to regional New South Wales.

The Hon. JOHN GRAHAM: Very good. Who have you talked to?

Mr ADAM MARSHALL: I will ask the Chief Executive Officer—

The Hon. JOHN GRAHAM: With respect, the suggestion from you was you are in talks with major sporting codes. Which major sporting codes are you in talks with?

Mr ADAM MARSHALL: Yes, and I am—

The Hon. JOHN GRAHAM: It is not a question about the agency; it is a question about which codes you are in contact with?

Mr ADAM MARSHALL: I am in the same discussions as the agency is in.

Ms CHIPCHASE: Correct.

The Hon. JOHN GRAHAM: Ms Chipchase?

Ms CHIPCHASE: Obviously we have had discussions with rugby league, the NRL, and you would have seen a recent announcement about the game in Wagga Wagga. It has been announced that we are bidding. There are 10 world cups in 10 years and one of those is the women's rugby union. We have bid for that to be held at Newcastle. That is another activity. We have also been talking with Football Federation Australia [FFA] about the opportunity. One of the issues always is getting into the broadcast.

The Hon. JOHN GRAHAM: What about the Roosters? Have there been any discussions directly with the Roosters, out of interest?

Ms CHIPCHASE: With the Roosters, no, not me personally. But there is a—

The Hon. JOHN GRAHAM: Thank you. What about with—

Ms CHIPCHASE: We are still in discussions and negotiations for some additional NRL games. The ink is not quite dry. When it is we will be delighted to make some announcements about that.

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The Hon. JOHN GRAHAM: Minister, does this not directly contradict the stadium strategy of the Government, which is all about moving these games into the key stadiums in the stadium network? That is the announced stadium policy of the Government and you are now talking about moving these games out of that stadium strategy?

Mr ADAM MARSHALL: First of all, we do not, and certainly I do not, make that decision to move any content anywhere. That is ultimately up to the sporting codes or the procurement.

The Hon. JOHN GRAHAM: But you are in talks. We have just heard about that.

Mr ADAM MARSHALL: Yes, and that is always open. If sporting codes want to take content out to regional New South Wales where a lot of their elite level players come from—and there is a good reason why they would want to—then of course we are open to having those discussions.

The Hon. JOHN GRAHAM: The whole stadium strategy, the whole business case for investing \$2.3 billion worth of public funds into stadiums relies on moving these games into those big stadia. That is the stated policy of the Government. Have you talked to your colleagues about this strategy that you have now announced?

Mr ADAM MARSHALL: I talk to my colleagues all the time.

The Hon. JOHN GRAHAM: Have you talked to Minister Ayres about this strategy?

Mr ADAM MARSHALL: I talk to my colleagues all the time. I am not going to reveal private conversations between my colleagues in this forum.

The Hon. JOHN GRAHAM: What does he think about the fact you are undermining the Government's sporting strategy?

The Hon. NATALIE WARD: Ask him.

The Hon. JOHN GRAHAM: Have you talked to him?

Mr ADAM MARSHALL: I am not going to reveal private conversations I have with my colleagues. I never have and I never will.

The Hon. JOHN GRAHAM: Have you been involved in any of those discussions with the codes?

Mr ADAM MARSHALL: Me personally?

The Hon. JOHN GRAHAM: You personally.

Mr ADAM MARSHALL: Yes.

The Hon. JOHN GRAHAM: We have heard from the agency.

Mr ADAM MARSHALL: Yes, absolutely, from time to time.

The Hon. JOHN GRAHAM: So you have spoken to Todd Greenberg, for example, from the NRL?

Mr ADAM MARSHALL: Yes, I have met with Todd Greenberg before. We have talked about a whole variety of matters.

The Hon. PENNY SHARPE: Minister, I want to come to a crossover between your two portfolios which is between TAFE and Skills and the review of the visitor plan and if you spoke to anyone around New South Wales in relation to the skill shortages in the hospitality and tourism area, which is a big concern. Minister, you may have to take this question on notice but are you able to provide a list of the hospitality and tourism courses that were previously provided in regional TAFEs that are no longer provided?

Mr ADAM MARSHALL: Unless the managing director has that information at his fingertips, I would probably have to take that on notice. That does fluctuate from year to year depending on demand. Courses may be offered for a number of years and then demand drops off so it stops and then it starts somewhere else.

The Hon. PENNY SHARPE: Minister, my understanding is that hospitality and tourism courses have been cut. I am thinking particularly of the South Coast where pretty much from Bega to Wollongong there is no longer any tourism and very few hospitality courses that are available to students. I want to understand how you can justify those cuts to those courses, given the crying need in the other part of your portfolio which is tourism and hospitality.

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Mr ADAM MARSHALL: Managing Director?

Mr BLACK: Minister, through the Chair, I would have to take that question on notice as to specifics. Can I clarify, is it the type of course or the number of courses or a combination of both?

The Hon. PENNY SHARPE: I would be very happy with as much as you want to provide, Mr Black. It has been difficult to get this information but what I understand from students, parents and teachers in TAFE is that these courses have been cut all across New South Wales.

Ms DAWN WALKER: Minister, I would like to follow up and ask you some questions on TAFE. Looking at your website, you have seven Connected Learning Centres [CLC] up and running, is that correct?

Mr ADAM MARSHALL: I think we have officially opened six. Corowa is operational, which would take it to seven, but it has not been officially opened as yet. So seven are operational and six have been technically opened.

Ms DAWN WALKER: Have they all replaced a working TAFE college?

Mr ADAM MARSHALL: None of them has replaced a TAFE college. Quirindi is a new Connected Learning Centre that has been built off the existing campus site. I will ask the managing director but I think the others have all been built on site. I can certainly say that the ones I have visited—Tenterfield, Glen Innes, Narrandera, Deniliquin and Corowa—have all been built on the existing campus at those particular sites.

Ms DAWN WALKER: So Quirindi—

Mr ADAM MARSHALL: Yes, Quirindi.

Ms DAWN WALKER: What has happened to the TAFE college there?

Mr ADAM MARSHALL: Nothing, it is there.

Ms DAWN WALKER: Is it derelict?

Mr ADAM MARSHALL: It is still there.

Ms DAWN WALKER: Is it offering courses?

Mr ADAM MARSHALL: Managing Director?

Mr BLACK: No, it is not offering courses. We are maintaining it. Obviously it is part of our asset portfolio. Because the course demand is met through the Connected Learning Centre—which is very accessible, being located in the township—I think that is providing certainly far easier access for students. So I am pleased with the outcome there.

Ms DAWN WALKER: Is the TAFE college now a derelict building at Quirindi?

Mr BLACK: It still has all the fittings and the furniture.

Ms DAWN WALKER: But it is locked up?

Mr BLACK: Yes, it is.

Ms DAWN WALKER: There are no students?

The Hon. PENNY SHARPE: A perfect TAFE: no students.

Mr ADAM MARSHALL: With all due respect, we do have a TAFE in Quirindi. It is at a location—

Ms DAWN WALKER: No, you have a Connected Learning Centre.

Mr ADAM MARSHALL: —which is a TAFE offering because you are able—

Ms DAWN WALKER: I think that is a long bow to draw.

Mr ADAM MARSHALL: As we went over last year, it delivers more than double the number—

Ms DAWN WALKER: Can I get back to—

Mr ADAM MARSHALL: —of courses the old campus could.

Ms DAWN WALKER: —because honestly to characterise—

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The Hon. NATASHA MACLAREN-JONES: Point of order: I am finding it very difficult to hear who is speaking. Members should ask questions and allow the Minister to answer rather than having a debate.

Ms DAWN WALKER: I would much prefer to be asking questions than having a debate. To characterise Quirindi as a TAFE is a long bow to draw. So the Quirindi TAFE is empty, locked up and has no students and no teachers. You have a shopfront in Quirindi. Can you explain how Quirindi provides the practical training that the students would be looking to get from the TAFE college?

Mr ADAM MARSHALL: Sure. So the offering at the TAFE at Quirindi through the Connected Learning Centre now offers roughly double the number of courses that the former campus could in its old form. That is important to state from the start. As a result of that, together with the other three CLCs that were in the first tranche, student enrolments have increased by 55 per cent across those four CLCs because we have been able to double the number of courses that are able to be offered at those particular sites. The practical component—

Ms DAWN WALKER: What I am interested in, Minister—can I interrupt, sorry?

Mr ADAM MARSHALL: You want to get to the practical?

Ms DAWN WALKER: Yes, I do, thank you.

Mr ADAM MARSHALL: So the beauty of the CLC is that it is a blended learning form. Students have the ability to sit in a classroom setting in front of teachers face to face. They get to connect in with students at other classrooms at other campuses, the 131 campuses across the State, and practical components are delivered via mobile training units, whether they be construction, cookery. Managing Director, are there others?

Mr BLACK: Early childhood education. We do the whole suite of social support courses and, as you said, the practical courses across the major trades.

Ms DAWN WALKER: Can you just walk us through this mobile training unit? As we understand TAFE colleges, you go to a proper functioning TAFE college and you will see, for example, in plumbing a long bench with welders, and stoves and all the equipment there for students to work on. How is a mobile training unit able to provide the same quality practical skills training that TAFE has done for decades?

Mr BLACK: I think Quirindi is a good example. Obviously if there is a demand—and bricklaying and plumbing, as you said, certainly come to mind—we are able to design courses so that the configured unit that arrives can provide certificate level training in a competent fashion to the required standard of the training package. The other thing we do is we design that training in block release periods. If there is a requirement, particularly with high level certification, we have to design the course so the students go to one of our centres, as you describe, that may have the greater investment in capital to deliver those units of competence.

Ms DAWN WALKER: So those students then have to travel to a proper TAFE college to do their practical training?

Mr BLACK: If in some cases we get to that higher level of qualification. That has always been the plan because—

Ms DAWN WALKER: Is that at their expense?

Mr BLACK: No, no.

Ms DAWN WALKER: So you bus them to a real TAFE college?

Mr BLACK: We would provide the transportation and also because we are fortunate to have a number of sites that have accommodation—for instance, at Quirindi you would travel to Kurri where we have student accommodation for around 100 students. Similarly, we have accommodation—

Ms DAWN WALKER: So they have to stay overnight as well?

Mr BLACK: Possibly for up to a week because of the design of the training. You are talking about someone going from—

Ms DAWN WALKER: So they can use a welder or a drop saw or all the things that—

Mr BLACK: No, no, that level of training would be done on site through the mobile training centre.

Ms DAWN WALKER: —would come out of the trailer. How many drop saws do you have in a mobile trailer that rocks up to the shopfront?

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Mr BLACK: I was in Brewarrina witnessing some delivery to a group of certificate II students and in that class there would have been 12 students and they were all operating handheld equipment under the supervision of the teacher in that scenario. I think it is demonstrating in an extraordinarily successful way the delivery of courses to the level of expertise to what local industries are demanding in those centres. I am very pleased with the strategy at the moment. Remember the Connected Learning Centre is part of an integrated training network strategy that has three very distinct components.

We have the Connected Learning Centres; at a lower level we have what we call an access point; and at the higher level we have the centres that I have described where from time to time—you take automotive where we require multimillion dollars of investment in equipment and capital investment. We cannot afford capital investment at that level in every site in New South Wales. So it is important that we design the level of training to meet the local demand immediately. But from time to time if a student wants to progress to certificate IV and diploma level, there may be a requirement that we have to design them so they can participate in a course in one of the centres.

Ms DAWN WALKER: Can we just go back to demand and take a specific example at Nowra TAFE? My understanding is that in Nowra they had enrolments for two pre-apprenticeship courses, one in construction, one in automotive, and those students were told even after they had enrolled that that course was no longer going to be done in Nowra and that they would have to go to Wollongong to do that pre-apprenticeship course. Is that correct? Are you aware of that?

Mr ADAM MARSHALL: Which course was that, sorry?

Ms DAWN WALKER: It is a pre-apprenticeship course in construction and a pre-apprenticeship course in automotive at Nowra TAFE, where the numbers were there, the demand was there in Nowra and yet those students were then expected to travel to Wollongong. Consequently, many of them dropped out and many of them were then having to travel 80 kilometres, which is 2½ hours on public transport, to get to the pre-apprenticeship course. Are you aware of this situation?

Mr ADAM MARSHALL: What was the question?

Ms DAWN WALKER: Are you aware of whether that has occurred?

Mr ADAM MARSHALL: I would have to take that on notice, unless the managing director has got any specifics about that.

Mr BLACK: The information I have, particularly around Nowra, is we have three pre-apprenticeship activities: Outdoor Power Equipment Technology, Automotive and Certificate II in Resources and Infrastructure Work Preparation. It says here—this is signed off by the head of skills team responsible for that area—that subsequently these programs do not run at the moment because of lack of student application and interest in them. I would need to get that checked and take it on notice if there is a particular cohort of students you have been aware of that I have not been aware of that has not had that opportunity.

Ms DAWN WALKER: I appreciate that; thank you. I have had a look at the floor plan, coincidentally, back at Quirindi at the TAFE there. I notice there is no library at the Quirindi Connected Learning Centre [CLC]. Is that correct?

Mr ADAM MARSHALL: That is correct. There was also no library at the existing campus at Quirindi.

Ms DAWN WALKER: Two wrongs do not make a right.

Mr ADAM MARSHALL: I did not say it did.

Ms DAWN WALKER: The closest library is Tamworth, which is more than an hour away. Coonabarabran, does that CLC have a library?

Mr ADAM MARSHALL: I am not sure. I will have to take that on notice, or if the managing director can answer that? The CLC probably would not. Can I just say more generally, with the connected learning centres the benefit of them is to harness that technology so that students can access resources which, as we know, more and more of our students access resources online rather than face to face. They can also use that technology to borrow those books.

Ms DAWN WALKER: I take it from your answer that there is no library. Is that correct?

The CHAIR: The time has expired. Reverend the Hon. Fred Nile?

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Reverend the Hon. FRED NILE: Minister, there has been some controversy about providing accommodation for cruise ships in Sydney Harbour and whether we need new terminals. What action are you taking to provide that additional accommodation to bring tourists to Australia?

Mr ADAM MARSHALL: The cruise ship industry is worth around \$1.6 billion a year to the New South Wales economy. It is a significant part of the visitor economy in this State. There is a challenge in that if nothing is done Sydney will literally, infrastructure-wise, reach its capacity; it will not be able to take any new berths, any new calls from cruise ships in the next few years. We are already seeing some cruise lines make long-term decisions to take calls away from Sydney and push them to centres like Brisbane or to other international destinations. It is an issue that we need to be addressing.

Earlier in July, my ministerial colleague the Minister for Roads, Maritime and Freight and I released a Cruise Development Plan, which identifies two potential sites for a new cruise terminal in Sydney at Port Botany—Yarra Bay and Molineaux Point. That plan is also about trying to increase the calls that cruise ships make to some of our regional ports as well to spread the benefits—so Newcastle, Port Kembla and Port Eden as well. That work was based on the work done by the cruise industry reference group, and its recommendations were contained within the report which was released, which we accepted. Now NSW Treasury, together with the Port Authority of New South Wales, are working through a strategic business case process, looking at those two options that were identified by the cruise working group and endorsed by government, to go through to check whether it is feasible, the technical requirements, and all the other issues associated with that. Whilst the Government has not made any decision to construct anything or where to construct, we have identified some potential options and that is now being thoroughly investigated.

Reverend the Hon. FRED NILE: Obviously we all know that Captain Cook played a major role in the discovery of Australia and I understand that there are plans underway for various ways to commemorate that. One was a plan for a large statue. Could you outline the plans for that, what it would cost and where it would be erected?

Mr ADAM MARSHALL: I am aware of an announcement that was recently made by the Federal Government by the then Treasurer, now Prime Minister, because he is the local member at the point where Cook first landed. I am not aware of any expenditure from Destination NSW or any requests that have been made yet for that. But we stand ready, if we have an approach, to potentially help in that regard. But the nature of the help or what it might look like I cannot say.

Reverend the Hon. FRED NILE: Are you aware of some reports that the funding was to be shared between the Federal Government and the State Government—50 per cent each?

Mr ADAM MARSHALL: I am not aware of that. Ms Chipchase?

Ms CHIPCHASE: I have had no correspondence on that.

Reverend the Hon. FRED NILE: There has also been an announcement about the development of a new maritime historical precinct along Darling Harbour connected with the Captain Cook commemorations. Are you involved with any of those plans?

Mr ADAM MARSHALL: No.

Reverend the Hon. FRED NILE: You are not aware of them?

Mr ADAM MARSHALL: I am aware of the media reporting, as you have seen it, but I am not aware of the full detail.

Reverend the Hon. FRED NILE: But obviously you would be supporting that project, that new maritime historical precinct in Darling Harbour?

Mr ADAM MARSHALL: We have a strong interest in matters we have canvassed in earlier questions and I guess the flipside of the portfolio is there are a lot of other aspects of government and decisions that are made and expenditure that is made that impact directly on the visitor economy, most of which are not within my portfolio responsibility. But we keep an eye on those things and help out where and if we can and when requested.

Reverend the Hon. FRED NILE: As you know, the Crown resort being built at Barangaroo has almost been completed where, as you know, Mr Packer himself has invested billions of dollars. But there is some concern now that because it was meant to attract tourists as they would have a view of the harbour, Lend Lease has purchased the land next to it and its plan to build a skyscraper would block the views from the Crown resort and

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probably restrict the number of tourists who would come and stay there, particularly from Asia and so on. I know you are not a developer and cannot interfere with developments, but are you aware of that? Is there any way this dilemma can be resolved?

Mr ADAM MARSHALL: I have seen the media reports of that. I might leave commentary and questions to some of my other ministerial colleagues, most appropriately the Minister for Planning, because ultimately any decisions around that area will have to be resolved from a planning perspective and I would not want to prejudice his comments or deliberations by entering his space, so to speak.

Reverend the Hon. FRED NILE: Could you give us the figures for tourism growth in New South Wales?

Mr ADAM MARSHALL: Certainly. Would you like those figures since March 2011 or from the last 12 months, or both?

Reverend the Hon. FRED NILE: Both.

Mr ADAM MARSHALL: I can do that for you. Since 2011 we have seen a huge increase in the size of the visitor economy in New South Wales. We have seen a 36.6 per cent increase in overnight visitor numbers, a 34.7 per cent increase in visitor nights, and a 53.7 per cent increase in overnight visitor expenditure. That is from March 2011 through to March 2018. They are not our figures; they are figures that are presented publicly by the national visitor survey [NVS] for domestic tourists and the international visitor survey [IVS] for international tourists. At the year end March 2018, which was the last public release of that data by NVS and IVS, New South Wales welcomed 36.6 million domestic and international overnight visitors in that 12 months—March 2017 to March 2018. They stayed collectively 195 million nights and spent \$29.7 billion, almost \$30 billion, in New South Wales in that 12-month period.

Most pleasingly—with your indulgence, Reverend Nile—that boom that we have seen over the last few years of huge growth in the visitor economy is not just concentrated around Sydney, the North Coast or the South Coast, which are our big tourist attraction centres, or the Hunter, but regional New South Wales had its biggest 12 months ever of visitation. In fact regional New South Wales attracts more visitors than, I think, regional Queensland, regional Victoria, regional South Australia and regional WA combined. In terms of those figures, in the year March 2017 to March 2018 regional New South Wales welcomed 24 million international and domestic overnight visitors. They stayed 90 million nights in regional New South Wales and spent nearly \$13 billion while staying there.

As I always say, and I think you will probably agree, in regional areas the value of the tourism sector is even more pronounced because every extra tourist we can get into a country town, particularly given the crippling drought we are experiencing, helps keep businesses open, keeps people employed and gets a bit of money flowing around the local economy. As identified in the Visitor Economy Industry Action Plan, the Government, I as Minister and Ms Chipchase as the CEO will be doing everything we can to continue to grow those numbers well into the future to achieve our ambitious targets.

Reverend the Hon. FRED NILE: I know the Federal Government does have promotional campaigns to boost tourism. What does New South Wales do?

Mr ADAM MARSHALL: I am not out to bash the Federal Government, but we spend more on the visitor economy and tourism in New South Wales than the Federal Government spends for tourism across the whole country. That, for one, highlights the importance that the Government places on that sector and its value to the economy. In terms of our marketing, last financial year we spent as an agency \$28.6 million on marketing and advertising promotional campaigns and that was matched with \$19.1 million from industry. That could be local councils, other government agencies, private enterprises or industry associations like the Hunter Valley Wine Tourism Association, for example, that we work with. The good thing is there is some co-funding from them as well for those promotional campaigns.

The Hon. JOHN GRAHAM: Minister, I want to ask about reports of the price tag attached to the five-year contract awarded to Red Rock Consulting for the new enterprise resource planning software being deployed at TAFE NSW. The public reports peg that at \$83.2 million. I want to confirm that is still the upper price on the contract: Is it still pegged at that amount? Perhaps you or Mr Black could—

Mr ADAM MARSHALL: I ask the managing director to confirm that.

Mr BLACK: Yes, that is correct: The project is remaining within budget.

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The Hon. JOHN GRAHAM: That is the contract which replaced the previous contract supplied by United Kingdom-based Tribal as part of the learning management and business reform process that, it is fair to say, ran off the rails. This is the contract that replaces that—I want to confirm that that is correct.

Mr BLACK: Yes, I can confirm that is correct.

The Hon. JOHN GRAHAM: The public reports say the issues were, and I quote:

... non-integration with the third party fee calculator, staff training compliance, data migration scope and the quality of legacy data.

I would describe that as pointing the finger at a whole lot of issues with the previous system. Minister, can you guarantee that those sorts of issues—it is a pretty extensive list—will not be a problem when this new system is implemented?

Mr ADAM MARSHALL: What I can say to the Committee—and I will ask the managing director to provide some remarks as well—is that every step is being taken by TAFE NSW to ensure that our new student management system delivers on everything that we need for our staff and also our students to have a very simple, seamless system to provide a great experience and is easy for people to access throughout the whole organisation. Mr Black?

Mr BLACK: Yes. As the member has identified, it is a critical part to address the weaknesses of the previous system. It is being delivered in three quite distinct releases. We have completed two of the three—

The Hon. JOHN GRAHAM: Mr Black, I want to ask about other contracts. I might skip to those as well because I think you will be able to help. It was reported that TAFE NSW contracted Deloitte Touche Tohmatsu—a \$9.14 million contract—for the provision of data centre services. Can you confirm that contract?

Mr BLACK: I would need more specifics about which contract you are referring to under the Learning Management and Business Reform [LMBR] program.

The Hon. JOHN GRAHAM: Could you take that on notice? Can you confirm the contract for \$25 million to Insight Enterprises for the provision of an ongoing Microsoft enterprise agreement?

Mr BLACK: That figure sounds correct, but if I may take it on notice to verify it—that is not related to the student management system.

The Hon. JOHN GRAHAM: Correct. The thing that is driving that decision is the New South Wales Government's decision to move and separate TAFE NSW from the Department of Education. That is correct, is it not?

Mr BLACK: We have to separate, that is correct, and we have undertaken that. The good news in terms of the commercial arrangements we have set is we are receiving the same, in fact slightly better, prices than we were paying before, Education.

The Hon. JOHN GRAHAM: There is another contract running to 28 February 2020 to Outcomex, which is \$5.9 million for a 12-month contract for hardware and software for a new hosting environment. That is also related to the costs of becoming a standalone agency, is it not?

Mr BLACK: That is correct. We have established what we call the TAFE private cloud. We have insourced services for the provision. If you can imagine lifting and shifting the systems—there were over 300 systems hosted by the Department of Education. We have successfully moved all—we have one more to move this month, but we have got it separated within the operating environment of the Department of Education. All the other ones have been set up, so we have established that. The great thing about it is that we now have a sizeable sandpit for students to access and use.

The Hon. JOHN GRAHAM: You have confirmed what we need there. Thank you.

The Hon. PENNY SHARPE: Can you provide to the Committee a list of all of those projects required as a result of the separation and the cost of those?

Mr BLACK: We can do that for you.

The Hon. PENNY SHARPE: Can I confirm that the entire cost of the failed IT system was around \$531 million?

Mr BLACK: Is that question directed to me or the Minister?

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The Hon. PENNY SHARPE: To you, because I think you can probably confirm it.

Mr BLACK: It is probably not appropriate for me to comment on the Department of Education's program. TAFE was only a small part of that program.

The Hon. PENNY SHARPE: Are you able to confirm that it cost around \$531 million for that failed project, Minister?

Mr ADAM MARSHALL: No, I am not in a position to confirm that. We can take it on notice.

The Hon. PENNY SHARPE: Can you confirm—I am happy to argue the toss about how many hundreds of millions of dollars it was—that after all of that, Tribal, the organisation responsible for the failed system, is still being paid \$5.8 million in its current contract. Is that correct?

Mr BLACK: That figure does sound correct, and obviously it is important I respect commercial arrangements here. We need to maintain the current system until the new one replaces it and we did negotiate an agreement separate from the Department of Education to maintain that capability.

The Hon. JOHN GRAHAM: This is all adding up. What do you estimate is the total cost of setting up TAFE as a standalone agency? We have run through millions of dollars. What is the estimate of how much this has cost?

Mr BLACK: I would prefer to take it on notice. I have an estimate that I work to in my own head.

The Hon. JOHN GRAHAM: What is your ballpark?

Mr BLACK: Forty million dollars.

The Hon. JOHN GRAHAM: If you could take the specifics on notice, that would be appreciated. What is the total cost of this failed system now being replaced? What is your ballpark figure for that?

Mr BLACK: If I take it on notice I can advise you of the written down value of the system through our accounts. I think it is \$35 million over the three years that we wrote it off, but I would like to take that on notice.

The Hon. JOHN GRAHAM: I am happy to receive the details on notice.

The Hon. PENNY SHARPE: To be clear, that is not how much you spent on it.

Mr BLACK: No, it is approximately what we spent. I stress again, the figures you are alluding to, which I do not know the detail of, is a Department of Education project. TAFE NSW was a small component of the LMBR project.

The Hon. JOHN GRAHAM: I stress that there are real life consequences as a result of these changes. One report has been that 400,000 marks were not entered into the failing student management system. Mr Black, feel free to correct me, but this is what are you quoted as saying in an internal email, "With over 400,000 marks not entered across our 10 instances, we are simply not going to be paid for training delivered, which means we will have to reduce costs." Those are your words, are they not?

Mr BLACK: It sounds like it is an internal communication, yes.

The Hon. JOHN GRAHAM: It is an internal communication, but they sound like your words, do they not?

The Hon. NATASHA MACLAREN-JONES: Point of order: To facilitate the witness, it might be useful to outline where that—

The Hon. JOHN GRAHAM: That is useful. This was reported in the *Sydney Morning Herald*.

The Hon. NATALIE WARD: Do not believe everything you read.

The Hon. PENNY SHARPE: It is a direct quote.

The Hon. NATASHA MACLAREN-JONES: Maybe you could provide a copy of it.

The Hon. JOHN GRAHAM: Do you agree with that direct quote, which is alleged by the *Sydney Morning Herald* to be your own words?

Mr BLACK: It does reflect very much what I said at an end of term situation we find ourselves in. We have a commercial arrangement to get paid for training. It is incumbent on TAFE to prove to the funding provider

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that the students are both enrolled and have completed the training. A very important part of the process is that teaching staff and administrative support staff enter the marks in the system so that I can reconcile and get paid.

The Hon. JOHN GRAHAM: There are real life consequences for students and for teachers doing the work for the system?

Mr BLACK: Yes. I have sat with teachers. The current system, the one we are replacing—to come into a blank screen and 52 key strokes later I can enter one mark—is terrible. That is what we need to address.

The Hon. JOHN GRAHAM: Minister Barilaro said, "The new student enrolment system is expected to be in place for 2018 and will form part of the forward budget estimates." Minister, that system is not in place in 2018. When is it due?

Mr ADAM MARSHALL: The managing director has assured me that the new system will be in place ready for semester two in 2019.

The Hon. JOHN GRAHAM: Semester two?

Mr ADAM MARSHALL: In 2019.

The Hon. PENNY SHARPE: He previously stated it would be ready by the end of 2018. Minister, are you saying it will be another year before this will be right?

Mr ADAM MARSHALL: What I am saying is, as you have a taste of that already from the managing director, it is incredibly complex and difficult to take around 300 systems and bring it about in a new student management system that works specifically for TAFE. It is part of a much broader reform, which is big.

The Hon. JOHN GRAHAM: There are marks going missing and teachers are buried in paperwork.

Mr ADAM MARSHALL: No.

Mr BLACK: There are no marks missing.

The Hon. JOHN GRAHAM: Marks have gone missing and teachers are buried in paperwork.

Mr ADAM MARSHALL: If I can answer that—

The Hon. JOHN GRAHAM: This was not due at the end of 2018; it was due at the start. You are now telling us that—

The Hon. NATALIE WARD: Point of order: What is the question? There were three questions.

The Hon. JOHN GRAHAM: I am coming to the question. What is your message to those students and teachers?

Mr ADAM MARSHALL: First, there are three releases to the system, as the managing director has said. The first two have been released, and released successfully. There are no missing marks. The marks have not been entered into the system. This has been the case within TAFE NSW—I am reliably advised—for at least two decades. The issue is that there are marks—

The Hon. JOHN GRAHAM: Minister Barilaro said this was due. You are telling us today that it is not due until the end of next year. What is your message to the students and teachers who share your frustration with where this is up to?

Mr ADAM MARSHALL: That we are going to replace the system with something that works, and works well, and it is not only best practice but it is going to be easy for both staff and students to use. It will help with the issue that you have raised. If you were to look at TAFE systems at any point in time there will be marks that are not entered. The reason is—there are a lot of reasons but one of the chief reasons is that teachers enter those marks when a course has concluded.

The Hon. JOHN GRAHAM: I understand, Minister.

Mr ADAM MARSHALL: A course might begin in semester one but the modules do not finish until semester two.

The Hon. JOHN GRAHAM: I am looking at budget estimates for—

Mr ADAM MARSHALL: Then the teachers enter those—

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The Hon. JOHN GRAHAM: Sorry, we are moving on, Minister.

Mr ADAM MARSHALL: I am still answering the question, Mr Chairman.

The Hon. JOHN GRAHAM: I am looking at figures in the budget paper for 2017-18. There are quite good figures about TAFE. It sets out the apprenticeship and trainee contracts, the completion rates, the number of enrolments in TAFE. I direct you to your copy of Budget Paper No. 2 at page 5-6, if you have it there. Can you direct me in the current budget to where that information is? For example, where is the number of TAFE course enrolments in this year's budget papers?

Mr ADAM MARSHALL: It does not appear in Budget Paper No. 2.

The Hon. JOHN GRAHAM: So where is it? I am looking at it in the previous budget. Where are the TAFE NSW course enrolments in this year's budget papers?

Mr ADAM MARSHALL: As you can see, Mr Graham, they are not there.

The Hon. JOHN GRAHAM: Where have they gone?

Mr ADAM MARSHALL: TAFE NSW fully complied with all the requirements by NSW Treasury and all the requests for information by NSW Treasury in the preparation of Budget Paper No. 2.

The Hon. JOHN GRAHAM: Minister, last year at estimates we talked about these figures for enrolments. We presented leaked TAFE documents to you that showed, in fact, TAFE enrolments were collapsing. This year, the figures have disappeared out of the budget altogether; they are just not there. Is that not a problem for the public discussion that citizens of New South Wales want to conduct about TAFE?

Mr ADAM MARSHALL: In respect of enrolments—

The Hon. JOHN GRAHAM: Why the secrecy?

Mr ADAM MARSHALL: There is no secrecy. The National Centre for Vocational Education Research [NCVER] publishes its data every 12 months, not just on TAFE enrolments but every registered training organisation across the country.

The Hon. JOHN GRAHAM: Previously enrolments of students with a disability and employees were printed. They have all gone out of the budget papers this year. I do not understand what the secrecy is.

Mr ADAM MARSHALL: Again, all I can say to this Committee, Mr Chairman, is that TAFE NSW fully complied with all the requirements for information and all the requests for information by NSW Treasury in the preparation of Budget Paper No. 2.

The Hon. JOHN GRAHAM: What are the enrolments that would have been reported? You must have those figures. What would have been included, had you reported it as last year?

The Hon. PENNY SHARPE: Who decided to dump TAFE enrolments out of the budget papers?

The Hon. NATASHA MACLAREN-JONES: How many questions are being—

The Hon. NATALIE WARD: Who is asking the question?

Mr ADAM MARSHALL: Which question do you want me to answer?

The CHAIR: Order! It is hard for the Minister to answer questions when so many questions are being thrown at him.

Mr ADAM MARSHALL: What was Mr Graham's question first? Then I will answer Ms Sharpe's question.

The Hon. JOHN GRAHAM: What are the enrolments? What should you have reported in the budget papers?

Mr ADAM MARSHALL: There are two bits of information. First, we rely on benchmark and talk about the published NCVER data, which was last released in July this year. It goes on a calendar year basis. For the 2017 calendar year, according to the published enrolment figures for TAFE NSW, that was 479,300. Those are the figures that were published and are publicly available—

The Hon. JOHN GRAHAM: That is a dramatic drop, is it not, from the previous year?

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Mr ADAM MARSHALL: It is a drop—

The Hon. JOHN GRAHAM: What is the drop?

Mr ADAM MARSHALL: It is a drop of 13.1 per cent or 72,105 students, to be exact, on the 2016 NCVER data.

The Hon. PENNY SHARPE: I can see why you are hiding it.

The Hon. JOHN GRAHAM: I can see why you did not want to publish it.

Mr ADAM MARSHALL: No, they are published.

The Hon. NATALIE WARD: Is that a question or a comment?

Mr ADAM MARSHALL: They are published. They are in the public domain. They are on the website. They are also in the annual report of TAFE NSW.

The Hon. JOHN GRAHAM: Of the 100,000 apprenticeships that the Government has talked up and made a big deal of, how many of those do you expect will be in the TAFE system?

Mr ADAM MARSHALL: I will ask Mr Black to provide clarification on this, but I am informed that already 2,600-odd students have taken up fee-free apprenticeships.

The Hon. PENNY SHARPE: That is great. We want to know the split, Minister.

Mr ADAM MARSHALL: Yes, that is what I am hoping Mr Black—

The Hon. JOHN GRAHAM: What is the projection of those 100,000?

Mr BLACK: The prediction would be that normally TAFE would pick up 80 per cent. As you know, this is an issue for employers. TAFE is leaning forward with this opportunity to enrol as many as we can through that process. As the Minister pointed out, the signs are good, not just in the metropolitan area. We have also had an increase in regional centres.

The Hon. JOHN GRAHAM: Thank you.

The Hon. PENNY SHARPE: Minister, can you confirm that there is currently a review into disability support services within TAFE?

Mr ADAM MARSHALL: Yes, I can. It is being led by former Premier Morris Iemma, who is also a member of the TAFE Commission Board.

The Hon. PENNY SHARPE: Yes, I am aware of that. As a result of this review, can you rule out cuts to the number of staff who will be providing services to students with disabilities?

Mr ADAM MARSHALL: No, I am not aware of cuts in that area.

The Hon. PENNY SHARPE: No, can you rule out cuts as a result of this review?

Mr ADAM MARSHALL: The review is ongoing. Mr Black, has that review been completed?

Mr BLACK: Yes. The board is considering the draft report tomorrow. I do not think it is appropriate for me to make comments on the—

The Hon. PENNY SHARPE: So you cannot rule that out. Mr Black, are you able to guarantee that staff who currently have jobs will be able to keep their jobs, or will they be forced to reapply for their positions as a result of the review?

The Hon. NATALIE WARD: It is not finished yet.

Mr BLACK: Of the disability support review? I cannot presuppose the outcome of the review but the intention of the review is to ensure that TAFE is providing the best services available to ensure every student at TAFE is successful in learning.

The Hon. PENNY SHARPE: So you do not anticipate a cut in numbers of support staff?

Mr BLACK: I am not in a position where I can even suggest that there would be a cut in staff numbers at this point, no. I do not think it is appropriate for me to do that.

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The Hon. JOHN GRAHAM: Have you read the report?

Mr BLACK: I have read the report.

The Hon. PENNY SHARPE: Minister, whose idea was it to drop TAFE enrolment numbers from the budget papers? You are saying that Treasury did not ask for it for the first time ever.

Mr ADAM MARSHALL: Yes.

The Hon. PENNY SHARPE: Who made the decision not to include it in the budget papers?

Mr ADAM MARSHALL: I cannot answer that question.

The Hon. PENNY SHARPE: Will you take it on notice and find out for us?

Mr ADAM MARSHALL: Perhaps Mr Draper can, or perhaps it is a question for NSW Treasury. It is responsible for producing the budget papers.

Mr ADAM MARSHALL: You do not feel any responsibility to provide transparent information to people who want to know where the money is being spent in TAFE and the number of students who are enrolled in that service?

Mr ADAM MARSHALL: As I just said in answer to a previous question from the Hon. John Graham, the enrolment data, not just for TAFE NSW but for every registered training organisation, is published on an annual basis made public by the NCVER. That is the data that is benchmarked by everyone.

The Hon. PENNY SHARPE: Yes, we have 13 per cent fewer.

Mr ADAM MARSHALL: TAFE also presents that annually in its annual report.

Ms DAWN WALKER: Is there currently a recruitment freeze on all TAFE NSW positions?

Mr ADAM MARSHALL: No, there is not.

Ms DAWN WALKER: If a TAFE teacher leaves is he or she replaced?

Mr ADAM MARSHALL: I can say that at the moment we are out there recruiting for 253 new full-time teachers, the largest single recruitment campaign for teachers in the history of the organisation.

Ms DAWN WALKER: People have come to me with complaints that when specialist staff leave they are not being replaced. Is that incorrect?

Mr ADAM MARSHALL: I cannot respond to an anonymous suggestion like that. I will ask the managing director to comment. Given that we operate in a dynamic and competitive environment in responding to learning needs and demand across the State, TAFE will always be changing the way it delivers and the way campuses are staffed, depending on requirements for courses to be delivered. Mr Black, do you want to add anything?

Mr BLACK: That is certainly correct. The situation is that we have increasing demand, particularly in Certificate III apprenticeship level training—some quite significant double-digit increases there. We are seeking more teachers in those particular areas. As also indicated, we have declining enrolments in areas of skilling where there is no demand any more. So it is very dynamic. Needless to say, we are responding to the market. I am pleased with the positioning. The approach we are taking is seeking more of what we call a business-to-business market which is worth about \$9.2 billion in Australia annually. TAFE NSW has outstanding teachers. We have the best products. So you may have seen that we have launched our TAFE Enterprise approach, which is taking a direct approach to further increasing the demand for courses. Early signs are good. That is what we have to be proud of in an organisation. We will continue to always have a flexible workforce. We will be moving teachers if there is no demand and we will be increasing teachers where we have demand.

Ms DAWN WALKER: I refer to your tourism responsibilities. Is it correct that you are looking to expand and invest in nature-based tourism?

Mr ADAM MARSHALL: That is certainly the case. A number of projects that have been funded under the Regional Growth Environment Tourism Fund already in the first round have been nature based. I recall huge expenditure. I think one project was worth around \$27 million in a national park in the south of the State to create a four-day trekking walking trail with cabins. The trends in research that Destination NSW does shows that in our key international markets in particular more and more people are interested in nature-based tourism. That is one

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of the big factors why we can, with confidence, set an ambitious regional New South Wales visitor target as a lot of that nature-based tourism content is in regional New South Wales.

Ms DAWN WALKER: Are you aware of the proposed Great Koala National Park?

Mr ADAM MARSHALL: I am not aware of the details of that, no. I have seen some media reporting but it is not within my portfolio. I am not across all of the details of that, no.

Ms CHIPCHASE: No. I am aware that there is a proposal but I have not received it yet. Again, if it was for an allocation of national parks land that would not come to us; that would go to the relevant agency.

Ms DAWN WALKER: When you get a proposal like this would you make some sort of comment as to its potential for tourism for the State?

Ms CHIPCHASE: Normally we get a lot of proposals and we are sometimes asked for comment. If we were to receive a proposal like that and be asked for comment as part of a government review then, yes, we would provide comment.

Ms DAWN WALKER: Does Destination NSW invest in any campaigns that specifically promote marine parks in New South Wales?

Mr ADAM MARSHALL: I am not aware of any specifically.

Ms CHIPCHASE: Not a specific marine park. We promote diving, swimming, boating and cruising. Do you have a specific instance?

Mr ADAM MARSHALL: Fishing.

Ms DAWN WALKER: I am just interested in nature-based tourism. We have the Great Koala National Park, which is a fantastic opportunity for New South Wales, and obviously the tourism potential of marine parks.

Mr DRAPER: If I could just explain, I think the role of the Department of Industry and Destination NSW is to comment on assets that have been created or made available. Of those you are referring to, one case is not a policy of the Government so we would not be asked to comment on that. In the second case, as you know, policies have been released for consultation on marine estates. Public consultation is going on. That is the course by which that would be evaluated.

Ms DAWN WALKER: Would you work with, say, local government to promote marine parks in a local area?

Ms CHIPCHASE: Yes, we would through our Destination networks and directly. For example, with nature-based tourism, Wellington and the caves that are there are phenomenal. There are all sorts of fossils there. The Tasmanian devil, for example, actually came from New South Wales and there are fossils there to prove that. So there are tremendous opportunities not just in beautiful vistas. Because New South Wales is like a mini-Australia we have reef, rainforests, outback and tremendous geographical diversity. There are all sorts of opportunities for nature-based tourism.

Mr ADAM MARSHALL: In a lot of those situations there would often be a co-contribution from either the local council or local industry groups that have an interest in making sure that that marketing campaign is successful.

Ms DAWN WALKER: I refer specifically to Port Stephens Great Lakes Marine Park? Is that one that you are aware of?

Ms CHIPCHASE: We do a lot of work with Port Stephens. You would be aware that they have the moniker "The dolphin capital of Australia." They do a lot in the cruise area. They work in collaboration with Newcastle, Stockton, Hunter Valley and that whole area. Where there is an opportunity to promote a particular activity or attraction we use all our social media assets and our websites. We work with partners, as the Minister has mentioned, to make sure that people are aware of it and we try to amplify that.

Ms DAWN WALKER: Is Destination NSW looking at providing direct funding to promote that marine park?

Ms CHIPCHASE: We have a raft of grant programs available. In fact, the most money in the State's history is available for cooperative marketing. We have a Regional Tourism Fund that is available for tourism promotions. It is also available for product development. We have pilot programs for regional conferencing. We

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have event funds, incubator funds, flagship funds and event development funds. So there are a number of ways in which operators in New South Wales can access grant funding.

Ms DAWN WALKER: Specifically are you working with Port Stephens–Great Lakes Marine Park?

Ms CHIPCHASE: Not on a specific program but we certainly promote the attraction and we would be more than willing. If they have got some ideas we would love to meet with them.

Ms DAWN WALKER: I am going to have to finish where I began, which is Dapto. Last time we were together here I asked you about the services at Dapto. There was no toilet for the students and we agreed that was unacceptable.

Mr ADAM MARSHALL: I remember you asking me that, yes.

Ms DAWN WALKER: I have had another look at the website. You are still suggesting that if people need to use the amenities they go to Dapto Mall or to the community centre.

Mr ADAM MARSHALL: No, that is not—

Ms DAWN WALKER: Is there a toilet at Dapto?

Mr ADAM MARSHALL: Yes, there is. I am advised by—

The CHAIR: Ms Walker's time for questions has expired.

Reverend the Hon. FRED NILE: Following up on questions about the Sydney Marine Park, have you made any investigation as to how many tourists come to Australia and in particular New South Wales to fish while they are on holidays? Would the proposed Sydney Marine Park have some impact on tourism attraction?

Mr ADAM MARSHALL: I do not have any data at my fingertips about the proportion of domestic or international tourists that come here specifically to fish. Some may well fish while they are here visiting, but I do not think we have any specific data that fishing is what brings people here versus that they might throw a line in while they are here because they came here for some other purpose.

Ms CHIPCHASE: I think it is combined with a number of other activities but we will certainly take that question on notice and come back to you on it.

Reverend the Hon. FRED NILE: Often when you go overseas they give you a card with boxes to tick as to why you are going there, which could include fishing.

Mr ADAM MARSHALL: The data is collected through the survey mechanism that all the States in the Commonwealth use. Mind you, it is pretty archaic. It is the same way they have been doing it for 20-odd years and the tourism industry has changed dramatically, but that is a conversation for another estimates hearing. We are hoping to change that in New South Wales. We will try to provide what information we can, given what is collected at the moment.

Reverend the Hon. FRED NILE: Are you also collecting information as to where tourists come from—that is, the proportion of overseas tourists as against Australians who are travelling from Melbourne to Queensland and so on?

Mr ADAM MARSHALL: That is right. There are two main sources of visitor information in Australia. One is the International Visitor Survey. Obviously, the name gives it away; it is just measuring international tourists and where they come from and what they do. Then there is the National Visitor Survey, which does the same thing but for domestic or interstate tourists. Those figures are used by all jurisdictions in Australia. If I can throw it in, we are at the top of the pile and are continuing to grow that lead.

Reverend the Hon. FRED NILE: What information do you have about increased traffic of locals and tourists to beaches in the Shoalhaven region of New South Wales?

Mr ADAM MARSHALL: The Shoalhaven is a beautiful area. I have been there a number of times as Minister and not as Minister. The Shoalhaven is part of the South Coast region of this State. I can advise the Committee that from March 2017 to March 2018 the South Coast experienced a 14 per cent increase in international visitation and a 7.5 per cent increase in domestic or interstate visitation. What that means in terms of numbers of tourists and the spend they made while they were there I would have to take on notice. That is just the information I have in front of me at the moment. I think you will agree that those statistics are very

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encouraging. The Snowy Mountains region had the biggest increase of 46.8 per cent over that 12-month period for international tourists. It was huge.

Reverend the Hon. FRED NILE: My colleague in the upper House Mr Green is from Nowra. He has advised me that the local beach has only one road, 10 car parking spaces, two amenities and nothing in addition for tourists. What will be done to increase those facilities to encourage tourism?

Mr ADAM MARSHALL: I am aware of this issue. Last time I visited the South Coast the member for Kiama hosted me. I had a discussion with Mayor of Shoalhaven City Council Amanda Findley, who raised this issue with me. They do not want to stop tourists coming. In fact, they want more of them because it is very big business. As you can see, I think they will keep coming anyway. As to the issues with road access and car parking I will say what I said to the mayor at the time—that is, that they should perhaps look at lodging an application under a grant program such as the Stronger Country Communities Fund or some of the other regional-specific funds for a project to address car parking and road access. It is a symptom of being a very popular tourism destination. A number of locations across the State have similar or even more exacerbated issues than Shoalhaven city, but the State Government certainly provides a number of regional-specific grant programs so they could access funds to ameliorate some of those impacts and address those issues. That is notwithstanding whatever Federal government programs may or may not be available for that same purpose.

Reverend the Hon. FRED NILE: Do you have a publicity campaign through which you can send information to local councils and other community groups saying that they can apply for these funds?

Mr ADAM MARSHALL: Yes. In fact, I did advise the council and I am very certain I have also had a discussion along those lines with the deputy mayor of Shoalhaven City Council to make them aware of what options they have. I am sure their local member will make them very aware of what options are available.

Reverend the Hon. FRED NILE: Do you see any problems or obstacles in relation to enhancing the capacity of locals to better themselves through skills and education?

Mr ADAM MARSHALL: Any barriers?

Reverend the Hon. FRED NILE: With locals in New South Wales?

Mr ADAM MARSHALL: There are some barriers and it depends in what part of the State you are. I was at Bourke recently where TAFE NSW is building a new \$5 million connected learning centre. That TAFE campus is located on the site of the former public school that was built in 1870-something—I am thinking 1878 but I could be wrong. The condition of those facilities is certainly inhibiting the sorts of courses that can be delivered there. That is why we are making a strategic investment to make sure that people in that community, for example, like a lot of regional communities, are not disadvantaged but have access to the same training opportunities as people in other places like Inverell, Corowa, Albury or what have you. There are other issues that I will invite the managing director to touch on briefly with some changes around the Commonwealth VET Student Loans scheme that I think is providing some unnecessary barriers for people who want to study higher qualifications or courses that are not currently on the New South Wales Skills List—that is, they do not attract a State Government subsidy for the course.

Mr BLACK: Certainly there is a great concern that I have raised publicly around the new loan scheme that replaced the VET FEE-HELP scheme, which we know was unfortunately exploited by those of disrepute. Regrettably, the new scheme is indicating an impact on students in its first year of operation—that is, we have declines of close to 80 per cent in enrolments in key diploma level courses, as the Minister described, that do not attract necessarily a vast amount of State Government funding because they were funded by the Commonwealth process. These are skills that are in great demand. I am talking about building certifiers, construction supervisors, early childhood education supervisors and the like. We are strongly advocating for the Federal Government to ease progress so that we can make these loans more accessible and user-friendly and on the same level playing field as the public universities enjoy. It is obviously having an impact across the organisation and we are doing everything we can to address it, but it is a barrier, as Reverend Nile called out.

Reverend the Hon. FRED NILE: I assume that you will be having discussions with the relevant Ministers in the Commonwealth.

Mr ADAM MARSHALL: That is an interesting point. New South Wales is the only jurisdiction where we have a separation between purchaser and provider, where we have a Minister for Skills and an Assistant Minister for Skills or someone separate who is just responsible for the public provider. The Minister for Skills,

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and Deputy Premier, leads discussions on behalf of the New South Wales Government with his Federal counterpart because I do not have a Federal counterpart and there is no counterpart in any other jurisdiction either. Minister Barilaro leads those discussions as the skills Minister.

(The witnesses withdrew)

The Committee proceeded to deliberate.