

# PORTFOLIO COMMITTEE NO. 3 – EDUCATION

Thursday 25 August 2022

Examination of proposed expenditure for the portfolio areas

## SKILLS AND TRAINING, SCIENCE, INNOVATION AND TECHNOLOGY

The Committee met at 9:30.

**UNCORRECTED**

### MEMBERS

The Hon. Mark Latham (Chair)

The Hon. Anthony D'Adam

The Hon. Scott Farlow

The Hon. Courtney Houssos (Acting Deputy Chair)

The Hon. Aileen MacDonald

### PRESENT

**The Hon. Alister Henskens**, *Minister for Enterprise, Investment and Trade, Minister for Sport, Minister for Skills and Training, and Minister for Science, Innovation and Technology*

\* Please note:

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

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

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

## **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**



**The CHAIR:** Welcome to this budget estimates hearing for the portfolios of Skills and Training, Science, Innovation and Technology. I welcome Minister Henskens and the witnesses who are appearing today. Before I commence, it's the custom of the Parliament to acknowledge the traditional inhabitants of this land, the Gadigal people of the Eora nation. I do that with all due respect, as well as acknowledging other important contributors to the history of this site: those who constructed the Parliament House building, very often working in a dangerous industry, and the parliamentary staff over many decades who have supported MPs and made our work and representative role possible. We acknowledge and thank them all.

I welcome Minister Alister Henskens and his officials to this hearing. Today the Committee will examine the proposed budget expenditure for the portfolios of Skills and Training, Science, Innovation and Technology. Of course, we should be in the Jubilee Room surrounded by books and learned materials, but here we are in the Macquarie Room doing the best we can.

**Mr ALISTER HENSKENS:** It's a former surgeon's library, Mr Latham.

**The CHAIR:** Well, any library will do. Instead, Local Government is over there. It should be surrounded by whiskey bottles, name tags and sister city airline tickets. But we've been bumped by Local Government.

**Mr ALISTER HENSKENS:** Do you say that in your capacity as an emeritus mayor, Mr Chair?

**The CHAIR:** Exactly. I thought I'd throw that in for you.

**The Hon. SCOTT FARLOW:** He's been working on that line.

**The CHAIR:** He loves that; that's all he's got. Before we commence, I'd like to make some brief comments about the procedures for today's hearing. We're being broadcast live on the Parliament's website. The proceedings are recorded and a Hansard transcript will be placed on the website as soon as it becomes available. In accordance with the broadcasting guidelines, media representatives are reminded that they must take responsibility for what they publish—no fake news. All witnesses in budget estimates have a right to procedural fairness—that's important—according to the resolution adopted by this House in 2018. There may be some questions that a witness could only answer if they had more time or with certain documents to hand. They can take those on notice and provide an answer within 21 days. But if they've got the answer in front of them, as we saw on Tuesday, it should be provided to the Committee. If witnesses wish to hand up documents, they should do so through the Committee staff. Minister, I remind you and your officials that you're free to pass notes and refer directly to your advisers, seated at the table behind you. Finally, if everyone could turn off their mobile phones, that would be helpful.

**Mr DAVID COLLINS**, Executive Director, Training Services NSW, Department of Education, affirmed and examined

**Professor HUGH DURRANT-WHYTE**, NSW Chief Scientist & Engineer, and Commissioner of the Natural Resources Commission, affirmed and examined

**Ms LISA BRAID**, Acting Secretary, Department of Enterprise, Investment and Trade, sworn and examined

**Mr STEPHEN BRADY**, Managing Director, TAFE NSW, sworn and examined

**Ms BELINDA MACKINNON**, Acting Chief Delivery Officer, TAFE NSW, affirmed and examined

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

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

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

**Mr DAVID BACKLEY**, Chief Information Officer, TAFE NSW, affirmed and examined

**Mr DAN BOWES**, Acting Chief Operating Officer, TAFE NSW, affirmed and examined

**Ms GEORGINA HARRISSON**, Secretary, Department of Education, on former affirmation

**Ms RUTH OWEN**, Acting Chief Operating Officer, Department of Education, on former affirmation

**Ms CHLOE READ**, Deputy Secretary, Education and Skills Reform, Department of Education, on former affirmation

**The CHAIR:** Today's hearing will be conducted from 9.30 a.m. to 12.45 p.m., with a 15-minute break for morning tea at 11.00 a.m. We're joined by the Minister in the morning, and in the afternoon we will hear from departmental witnesses from 2.00 p.m. to 5.15 p.m., with a 15-minute afternoon tea break at 3.30 p.m. During these sessions, there will be questions from the Opposition and the crossbench member—myself. If required, an additional 15 minutes are allocated at the end of the morning and afternoon sessions for Government questions. Thank you for your attendance today.

**The Hon. COURTNEY HOUSSOS:** Good morning, Minister. Good morning, everyone. Thanks for coming today. Minister, do you support calls from your own Treasurer earlier this week to solve the skills crisis by bringing in workers from overseas?

**Mr ALISTER HENSKENS:** We have a labour crisis in Australia, which is occurring in other parts of the world. The crisis is, in large part, created by the demographic reality that the baby boomer generation is retiring. It was a demographically significant generation. We have traditionally plugged up the gaps in the demographic discontinuity between that baby boomer generation and later generations through immigration. We've had a net decrease in immigration of, I think, 350,000 people during this pandemic, which has contributed to a labour shortage.

There are a number of ways in which we can deal with this labour shortage. We can have the Federal Government supporting the State Government's initiatives to support a higher participation rate by women in the workforce, which is regrettably low compared to other OECD countries. We could have the Federal Government also make it more financially attractive for seniors to enter the workforce, which will increase the participation rate of seniors in the workforce. And we can also supplement the labour force by having more immigration. I think Federal Labor has announced that it supports more immigration. They are all measures, along with record investments in skills and training, like our Government has made, which will all help to assist in what is a crippling labour shortage across all industries in our country and in our State, which is the single greatest threat to the viability of the nine out of 10 people who work in the private sector, where their businesses cannot get enough labour.

**The Hon. SCOTT FARLOW:** Hear, hear!

**The Hon. COURTNEY HOUSSOS:** Minister, you've clearly outlined the skills shortage that we're facing.

**Mr ALISTER HENSKENS:** Labour shortage.

**The Hon. COURTNEY HOUSSOS:** The Treasurer specifically—

**Mr ALISTER HENSKENS:** I actually said a "labour shortage". That's what it is; it's a labour shortage. You can't skill someone if there's not an available worker.

**The Hon. COURTNEY HOUSSOS:** We'll get to that shortly, Minister. I'm specifically asking you about whether you support the Treasurer's call for an increase in skilled visa places with a focus on the care workforce. Do you support that proposal?

**Mr ALISTER HENSKENS:** That's certainly one of the areas where we need more skilled migration.

**The Hon. COURTNEY HOUSSOS:** And you have also called for an increase in skilled migration yourself?

**Mr ALISTER HENSKENS:** Yes, across all sectors.

**The Hon. SCOTT FARLOW:** You're against that?

**The Hon. COURTNEY HOUSSOS:** Minister, you characterise this as a labour shortage, but you will be aware, as was reported in *The Daily Telegraph* this morning, that there were over 70,000 less people being trained at TAFE in 2020 than there were in 2011.

**Mr ALISTER HENSKENS:** My advice is that the statistics that go back that far as to enrolments are not necessarily accurate. But what I can say—

**The Hon. COURTNEY HOUSSOS:** Sorry, Minister, you are saying that it's not accurate?

**The Hon. SCOTT FARLOW:** Let the Minister finish.

**Mr ALISTER HENSKENS:** What I can say is that our budget this year, which is an investment of \$3.1 billion in Skills and Training, is \$4 billion more than the last Labor budget that was delivered in 2011.

**The Hon. COURTNEY HOUSSOS:** Minister, you have been in government—

**Mr ALISTER HENSKENS:** The TAFE operational budget—

**The Hon. COURTNEY HOUSSOS:** Minister—

**Mr ALISTER HENSKENS:** I'm answering the question.

**The Hon. SCOTT FARLOW:** Point of order: Let the Minister finish his answer.

**Mr ALISTER HENSKENS:** The TAFE operational budget is a full half a billion dollars more in this current year's budget under a Coalition Government than it was in the last Labor budget. On top of that, there is three times—

**The Hon. COURTNEY HOUSSOS:** Minister—

**The CHAIR:** Order!

**Mr ALISTER HENSKENS:** There is three times—

**The Hon. ANTHONY D'ADAM:** Point of order: The Minister is not being directly relevant. He was asked about enrolment numbers. We didn't ask him about the budget spend; we asked him about enrolment numbers.

**The CHAIR:** Just to set the tone, I try to be impartial as Chair. I can tell when the Minister is not relevant or there is a filibuster underway. I have no tolerance of that. But I think it's appropriate to allow the Minister at least a minute or so to work into his answer without interruption because, ultimately, we waste a lot of time if we're interrupting the interruptions, which tends to be some of the flow that we get. Minister, if you can just come to your answer, please. Keep them as concise as you can to then maximise the number of questions available to the Committee. Thank you.

**Mr ALISTER HENSKENS:** Thank you, Mr Chair. Two further points: The capital investment in TAFE in this year's budget is three times the capital investment in TAFE during the last Labor budget in 2011.

**The Hon. COURTNEY HOUSSOS:** Minister, nowhere—

**The CHAIR:** Order! The Minister has only got 10 seconds into his answer after I said that we need to give him a chance to complete his answers, so these interruptions are just inappropriate. The Minister is relevant because he is talking about his investment in the skills area, which is the subject of the question.

**Mr ALISTER HENSKENS:** Thank you, Mr Chair. The other contextual factor which is unique at the present moment, compared to the point in time that the question relates to, is that we have a 3.3 per cent unemployment rate—the lowest rate since I was in primary school; the lowest rate in 50 years—and that is obviously an important contextual factor towards the number of people that are undergoing skills and training, because many people can get a job at the moment without formal skills and training.

**The Hon. COURTNEY HOUSSOS:** Minister, I understand that you just gave me the figures on the last Labor Government's investments, and that's a great history lesson, but we are interested in the enrolment figures under your Government. Fifty-three campuses have suffered a 50 per cent or more reduction in enrolments. How can you explain that when you're talking about the amount of money that's being invested in TAFE? Fifty-three campuses have had a 50 per cent reduction in enrolments.

**The Hon. SCOTT FARLOW:** How many more providers are there now?

**The CHAIR:** Order!

**Mr ALISTER HENSKENS:** I can talk to our investment in skills and training—record investments—the sort of investments that would bring tears to a sincere Labor member's eyes, the amount of money that we have put in skills and training.

**The Hon. COURTNEY HOUSSOS:** Minister, I find that—

**The CHAIR:** Order!

**Mr ALISTER HENSKENS:** But I might pass to Mr Brady in terms of those enrolment figures that you're asserting.

**STEPHEN BRADY:** Thank you, Minister. The data you're referring to came from a response to a Standing Order 52. In our response to that standing order, we did specifically point out that there are methodological reasons why the data across that period is not comparable. Those go to things like the fact that prior to 2016 there were multiple legacy systems that that data was drawn from, where the information was calculated on totally different bases. Secondly, it doesn't reflect an accurate picture of enrolments by campus because where you're enrolled and where you're training may not necessarily be the same thing. We have blended different ways of delivering training, which means that the data you're looking at does not accurately say where training is being delivered. Ms Mackinnon probably could provide a little bit more detail about the basis for that assertion.

**BELINDA MACKINNON:** Absolutely. Thanks, Mr Brady. We have a number of campuses where they're an enrolment location rather than a student counting as an enrolment at a particular campus that you may have asserted. I will give you a couple of examples. Our Diploma of Viticulture at Kurri Kurri, they are reflected in the Kurri Kurri enrolments despite the fact that they don't attend the Kurri Kurri campus for the majority of their course. So you will see it skews the data towards a different campus.

**The Hon. COURTNEY HOUSSOS:** We might come to more detail this afternoon. Minister, that might be the case, there may be some differences in the numbers in terms of specific campuses.

**Mr ALISTER HENSKENS:** Well, it seems as if the data—

**The CHAIR:** Order! Minister, just as you shouldn't be interrupted—

**Mr ALISTER HENSKENS:** I'm sorry. I apologise, Mr Chair.

**The CHAIR:** —you shouldn't interrupt the person asking the question, please.

**The Hon. COURTNEY HOUSSOS:** Let's be clear, the figures show that there are 70,000 less people being trained at TAFE in 2020 than there were in 2011. This is a direct result of 10 years of your Government being in power. Let's talk about Blacktown TAFE. It saw a 66 per cent cut in the number of students studying, after more than 7,500 students went down to just over 2,500. There's a massive population boom that's going on around the Blacktown TAFE area. How can you explain, as the Minister for Skills and Training, such a huge decline in the number of students studying there?

**Mr ALISTER HENSKENS:** I think the managing director of TAFE has just explained to you that on the very document that was supplied, it identified that those statistics that you're quoting are not accurate.

**The Hon. COURTNEY HOUSSOS:** So you are saying that there are more than 2,500 students studying at Blacktown?

**Mr ALISTER HENSKENS:** I'm saying, as I understand the answer that the managing director just gave you, that that historical comparison is not a valid comparison.

**The Hon. COURTNEY HOUSSOS:** Well, no, let's be—

**Mr ALISTER HENSKENS:** Apparently it was on the very document that was supplied under the SO 52, which, if I understand the managing director's evidence correctly, you appear to be selectively quoting from.

**The Hon. COURTNEY HOUSSOS:** Minister, you are saying that there are not 70,000 less students studying today. Is that your testimony to the Committee?

**Mr ALISTER HENSKENS:** I will defer to Mr Brady on that matter.

**The Hon. COURTNEY HOUSSOS:** My understanding of the answers there was that there may be some anomalies among specific campuses. Your testimony to this Committee today is that there aren't 70,000 less students studying?

**Mr ALISTER HENSKENS:** I thought you were just asking me about Blacktown TAFE, which is a particular campus. As I understand it, the SO 52 was clear that campus-based historical comparisons were not reliable due to the different way in which data has been gathered over time. Now, that's how I heard the managing director's evidence. If I misrepresented that, then the managing director can correct me.

**STEPHEN BRADY:** That's correct.

**The Hon. ANTHONY D'ADAM:** Mr Brady, if that's the testimony that you're providing, does that mean that you don't actually know which campuses are increasing or declining? You have no line of sight to what campuses are actually losing enrolments?

**STEPHEN BRADY:** So we have—

**The Hon. ANTHONY D'ADAM:** Are you incapable of providing a long-term, longitudinal analysis of where TAFE is succeeding and where it's failing?

**STEPHEN BRADY:** When we are looking at our enrolments, we're looking at them on the basis of providing a network delivery across multiple campuses. We will have students that will do some training at one campus, and they will pick up some electives at another campus, and they will then pick up some online learning that might be delivered from a totally different campus. Campus-level data can be quite misleading. We obviously do track our enrolments and how we're performing, but, to some extent, the importance is the growth in numbers and how we're performing in terms of our completions that we're worried about.

**The Hon. ANTHONY D'ADAM:** So you do track campus data—enrolment data by campus?

**STEPHEN BRADY:** We certainly monitor it by the courses we're delivering, and we look at the utilisation rate on our campuses to see where we might need to expand capacity. But, as I was just saying, enrolment data at a campus level is not necessarily the most meaningful statistic because we don't deliver for one student at one campus. We deliver across a network of campuses to deliver a learning outcome.

**The Hon. ANTHONY D'ADAM:** Surely you must be looking at enrolment data because, ultimately, that's about asset utilisation. Take Lidcombe campus. On our analysis, Lidcombe had 6,475 enrolments in 2011. It now has 2,756.

**STEPHEN BRADY:** I think we've already said that that data isn't valid, and we can't draw a conclusion off the back of it.

**The Hon. ANTHONY D'ADAM:** Are enrolments declining at Lidcombe? Do you have any idea about that?

**STEPHEN BRADY:** I don't have that data available to me.

**BELINDA MACKINNON:** I don't have that data at hand, but I'm happy to take that on—

**The Hon. ANTHONY D'ADAM:** You don't have that data. You know you are going to be asked questions on those—

**The Hon. SCOTT FARLOW:** Point of order: If the witnesses don't have the data at hand, they are entitled to be able to take the question on notice and then come back to the Committee within 21 days, as to the resolution, with that information.

**The Hon. ANTHONY D'ADAM:** There is a story running in the Telegraph today on enrolment numbers. You come to estimates and you don't have accurate figures. Is that what you're telling us?

**The CHAIR:** Just to rule on the point of order and perhaps bring some clarity to the questions and answers. The situation seems to be that the TAFE officials are saying the methodology for raw enrolment numbers is not one that they depend on, but they do have utilisation rate numbers. It might be useful for the Committee if the utilisation rate numbers over the past decade for every campus could be provided to us on notice to give us an accurate steer on what you regard to be the accurate data.

**STEPHEN BRADY:** Thank you, Chair. We'll take that on notice. The concern I will raise is that we operate in a contestable market. When we get down to finite levels of data it is commercially sensitive. We do compete against other registered training organisations. When we start to provide quite finite data it allows our competitors to identify where there might be opportunities. We will take the question on notice and provide what level of information we can without putting ourselves commercially at jeopardy.

**Mr ALISTER HENSKENS:** Can I also add—

**The CHAIR:** Mr Brady, you referenced utilisation rates earlier on—something that is rock solid and concrete for you. I think the Committee would expect you to provide those to us, please. Minister?

**Mr ALISTER HENSKENS:** Mr Chair, I was going to make the point that, regrettably, having TAFE focus on 10-year-old data figures that are going to be unreliable is typical of the way in which the Labor Party—

**The CHAIR:** Order! Minister, we're not here to make those—

**The Hon. ANTHONY D'ADAM:** Point of order—

**Mr ALISTER HENSKENS:** —views the world through a rear-vision mirror rather than looking through to the future.

**The CHAIR:** Minister, that's out of order on the basis that you've been in government for 10 years and you need to be examined on your record. It is a legitimate source of questioning. Don't give us these cheap LA debating points. We are a bit above that here in the Legislative Council. Next question, please.

**The Hon. ANTHONY D'ADAM:** Do you have no idea what's going on at Lidcombe? Is it your evidence that there's no decline in enrolments at Lidcombe, that campus utilisation is not in decline over a long time?

**STEPHEN BRADY:** I think I've taken the question on notice, Mr D'Adam.

**The Hon. ANTHONY D'ADAM:** No, you've taken on notice the specific numbers. You must have some idea. You come to this hearing as the CEO of the organisation. You must have some idea whether particular campuses are being utilised to their full extent and whether you are seeing declining utilisation in those campuses. I'm asking you about Lidcombe. Is it your understanding that that campus has had declining utilisation over a long period?

**STEPHEN BRADY:** I do not have specific data on the Lidcombe campus with me today. I'm happy to take that question on notice.

**The Hon. ANTHONY D'ADAM:** You've got a bank of people behind you. You should be able to access that information. If you're here to assist the Committee—

**STEPHEN BRADY:** Mr D'Adam, when we provide it—

**The CHAIR:** Order!

**The Hon. ANTHONY D'ADAM:** You should be able to provide that information during this hearing.

**The CHAIR:** Mr Brady, I know you've got your staff online and they're watching these proceedings with interest. Perhaps that information about Lidcombe could be accessed over the next couple of hours and brought forward after the lunchbreak in the officials-only session? That's how we normally do it here to provide information to the Committee that would be available within the TAFE system. We will come back to that later in the day.

**The Hon. COURTNEY HOUSSOS:** Minister, you're trying to explain this away with an example from Kurri Kurri saying that maybe kids are attending different campuses or something is happening and there's a bit of an issue with the data. Let's talk about the macro figures: There are 70,000 fewer students according to these figures produced to the upper House by your department. Do you accept that there are fewer kids studying at TAFE, fewer people studying at TAFE today after 12 years of your Government?

**Mr ALISTER HENSKENS:** I'm glad that you're asking me about the macro figures. Can I just give you a few macro figures that are relevant to the question that you ask? Some 45 per cent of people who are being trained in TAFEs across Australia are being trained by TAFE NSW—one-third of Australia's population, but we have 45 per cent of people who are studying in TAFEs around Australia who are being trained by TAFE NSW. The NCVER statistics show an 8 per cent increase in the last 12-month figures of people who are undertaking an apprenticeship or traineeship in New South Wales—

**The Hon. SCOTT FARLOW:** Hear, hear!

**Mr ALISTER HENSKENS:** —with a very encouraging 20 per cent increase in women. We have trained 248,000 people in New South Wales since JobTrainer commenced in 2020. Those are macro figures, if you want macro figures. Under our Government, in this budget we have invested the largest amount of money in the history of New South Wales in Skills and Training. That's on top of last year's budget, which was also a record amount of investment in Skills and Training. Those are the macro figures.

**The Hon. COURTNEY HOUSSOS:** Minister, I'm glad you brought up the NCVET figures because I was about to move to that. The completion rates actually show, if we're going to talk about that, that in 2021 we had the lowest level of completion rates since 2001. It's all very well to talk about the money you're investing, but what we can see through the figures is that after 12 years of you being in government, there are 70,000 fewer people in TAFE and the lowest completion rates for 20 years.

**Mr ALISTER HENSKENS:** Your assertion as to completion rates is entirely false.

**The Hon. COURTNEY HOUSSOS:** Tell me.

**Mr ALISTER HENSKENS:** I would draw your attention to the NCVET December 2021 report, which showed completions across the board were up 10.8 per cent in the December 2021 quarter. That included an increase of 20.4 per cent completion rates for construction trade workers. Total trade completions were up 16.9 per cent. Female completions were up 14.5 per cent. I don't know where you get those figures from. Unless we're reading the report upside down or sideways, those are the completion percentages that are relevant.

**The Hon. COURTNEY HOUSSOS:** Minister, you know you can slice and dice data however you want. I'm going to give you these figures. These are the NCVET figures. In 2001 there were 21,600 apprentices and trainees in New South Wales. In 2021, there were 22,500.

**Mr ALISTER HENSKENS:** Going back 20 years!

**The Hon. COURTNEY HOUSSOS:** Exactly. For the lowest—

**Mr ALISTER HENSKENS:** I'm talking about what we've done over the last 12 months.

**The Hon. COURTNEY HOUSSOS:** —completion rates.

**Mr ALISTER HENSKENS:** Twelve months.

**The CHAIR:** One at a time, please. Minister, have you completed your answer?

**The Hon. COURTNEY HOUSSOS:** These figures show the lowest completion rates—

**Mr ALISTER HENSKENS:** You asserted that completion rates were down when—

**The Hon. COURTNEY HOUSSOS:** Exactly.

**Mr ALISTER HENSKENS:** —the report shows that they're up. They're up by 10.8 per cent across the board: 20.4 per cent construction trade workers, 16.9 per cent total trade completions—

**The Hon. COURTNEY HOUSSOS:** The total number—

**The CHAIR:** Order!

**Mr ALISTER HENSKENS:** —and 14.5 per cent in women. Those are the figures.

**The Hon. COURTNEY HOUSSOS:** —of apprentices that completed their work in New South Wales—

**The CHAIR:** Ms Houssos, your time has expired. We now go to my questioning. Minister, have you got confidence in Amy Brown as the secretary of your department?

**Mr ALISTER HENSKENS:** Mr Latham, I am not responsible for the employment functions of Amy Brown. Under the relevant legislative and constitutional arrangements, Ms Brown reports to Mr Coutts-Trotter, who is the Secretary of the Department of Premier and Cabinet.

**The CHAIR:** In your time as Minister, how many discussions have you had with Amy Brown about matters relevant to your department?

**Mr ALISTER HENSKENS:** I'd need to take that on notice as to the number, if you seriously want to—

**The CHAIR:** Is it dozens of discussions where, obviously, she's reporting to you? It's a fantasy to say that as the responsible Minister, Brown reports to Coutts-Trotter and not to you.

**Mr ALISTER HENSKENS:** Her employment functions are legally within the responsibility of Mr Coutts-Trotter, just as Ms Harrison's are.

**The Hon. ANTHONY D'ADAM:** No, that's not true, Minister.

**The CHAIR:** You can say that legally—and I'm not going to doubt your esteemed qualifications as a former defamation barrister—but practically, in terms of the Westminster system, Ministers are responsible for interaction, reports and the performance of their departmental heads. Isn't that the case?

**Mr ALISTER HENSKENS:** I disagree.

**The CHAIR:** If Ms Brown was to be promoted, removed or receive a performance bonus, you say it's got nothing to do with you; it's solely Mr Coutts-Trotter who discharges those functions?

**Mr ALISTER HENSKENS:** Correct.

**The CHAIR:** So why do we pay you so much money?

**Mr ALISTER HENSKENS:** I have other roles, constitutionally and legally, Mr Latham.

**The CHAIR:** You're taking no responsibility for the performance of your secretary of the department? Is that what you're saying to this Committee?

**Mr ALISTER HENSKENS:** I work in a collegiate fashion with the secretaries of the department who relate to my portfolio responsibilities.

**The CHAIR:** If the secretary of your department was completely and utterly incompetent, what would you do about it?

**Mr ALISTER HENSKENS:** That would be a matter for Mr Coutts-Trotter.

**The CHAIR:** What's your process, then, to deal with that problem? The taxpayers of New South Wales would expect you—elected and part of the Executive Government—to take firm action about an incompetent, very senior staff member who is not providing value for taxpayers' money. What do you do in those circumstances?

**Mr ALISTER HENSKENS:** Well, this is the separation—

**The Hon. SCOTT FARLOW:** Point of order: I know it is hard to take a point of order against the Chair who is asking the questions, but if we are to be applying the rules from the standing orders for questions to Ministers, that would be hypothetical and should be ruled out of order.

**The CHAIR:** It's not a hypothetical. I am maintaining that Amy Brown is utterly incompetent, as we have seen in the matter of the New York trade commissioner role. I'm wanting to know what the Minister does about that and related problems. Minister?

**Mr ALISTER HENSKENS:** This is not the Trade and Investment budget estimates.

**The CHAIR:** No, but she works for you as the head of the department and you must have formed a judgement about her level of competence. I'm wanting to know what you do about it. At the moment, you're going off to have a little meeting with Coutts-Trotter where, what, as Minister of the Crown you're begging a public servant to do your work for you and do something about her?

**Mr ALISTER HENSKENS:** Mr Latham, those are the legislative rules that have been set up by this Parliament. If you're unhappy with them, you're free to move a private member's bill. But that is the legislative context in which I operate as a Minister, the legislative and constitutional context.

**The CHAIR:** So are you saying that—

**Mr ALISTER HENSKENS:** If you're unhappy with it, then you're unhappy with it, but that is the context.

**The CHAIR:** On what basis then did your predecessor Geoff Lee get rid of Steffen Faurby, the head of TAFE? He was a Minister unhappy with the performance of the head of TAFE and used Ms Harrison to deliver a letter to sack him. Was that the legal, was it?

**Mr ALISTER HENSKENS:** The legislative context with regard to TAFE is a different arrangement with regard to department secretaries.

**The CHAIR:** So you're saying the taxpayers of New South Wales—

**Mr ALISTER HENSKENS:** You are comparing apples with oranges, Mr Latham.

**The CHAIR:** You're saying the taxpayers of New South Wales have highly paid members of the Executive Government who take no direct responsibility for the performance of departmental heads.

**Mr ALISTER HENSKENS:** Ultimately those matters are not within my responsibility as a Minister.

**The Hon. ANTHONY D'ADAM:** Can I draw your attention to section 23 of the Government Sector Employment Act? Section 23 (4) states:

Appointments to the office of Secretary of a Department are to be made by the Minister.

You actually do have the authority.

**The CHAIR:** That's a good point. Who appointed Ms Brown originally?

**Mr ALISTER HENSKENS:** I don't know. I'll need to take that on notice.

**The CHAIR:** But a Minister did? Minister Ayres, I assume?

**Mr ALISTER HENSKENS:** I don't know. I'll need to take that on notice.

**The CHAIR:** Former Minister Ayres?

**Mr ALISTER HENSKENS:** I'll need take that on notice.

**The CHAIR:** Sorry?

**Mr ALISTER HENSKENS:** I'll need to take that on notice. I don't know.

**The CHAIR:** You're saying, as a Minister of the Crown, you've no idea who appointed Ms Brown, whether it was done by a Minister. Isn't Mr D'Adam right in reading that section of the legislation?

**Mr ALISTER HENSKENS:** I don't know. I need to take—

**The Hon. SCOTT FARLOW:** Point of order: The Minister has said that he will take it on notice. At the time of Ms Brown's appointment, he was not the responsible Minister in this portfolio. I think that it's fair for the Minister to be able to take that on notice.

**The Hon. ANTHONY D'ADAM:** He gave evidence Ms Brown is one of his responsibilities.

**The CHAIR:** Minister, at the moment Ms Brown is on sick leave. Say she never came back and resigned, who then would appoint the next departmental secretary?

**Mr ALISTER HENSKENS:** My understanding—and I've taken that on notice—but my understanding is that the appointment is on the recommendation of the Premier, not on the cluster Minister lead or any of the other Ministers within the portfolio.

**The CHAIR:** Obviously, the Premier would ask you, as the responsible Minister, who you want working for you to discharge the responsibilities of this important department. Isn't that just the basic statement of fact?

**Mr ALISTER HENSKENS:** No.

**The Hon. SCOTT FARLOW:** Not necessarily.

**The CHAIR:** No? You're pleading sort of the Jim Hacker excuse that everyone else does it and you're just sitting there while it all swirls around you. Is that really the standard you're setting as a Minister?

**The Hon. SCOTT FARLOW:** Ask Greg Pearce and Barry O'Farrell.

**Mr ALISTER HENSKENS:** Mr Latham, I can't change the law unilaterally. There is a set legal procedure and responsibility for these appointments and that does not involve me.

**The CHAIR:** And given that Ms Brown has now lost responsibility for Investment NSW—she's not been deemed competent enough to discharge those responsibilities—why should she remain as departmental secretary?

**Mr ALISTER HENSKENS:** You are now straying on questions that are the responsibility of a different Committee.

**The Hon. COURTNEY HOUSSOS:** So you can't take it on notice?

**Mr ALISTER HENSKENS:** Investment NSW doesn't fall under the portfolios—

**The CHAIR:** I'm asking about someone who was going to appear here and other than for sick leave would have been here today who is part of this budget estimates process and is the head of this department that's being interrogated.

**Mr ALISTER HENSKENS:** But Investment NSW is not part of the portfolios that are under the scrutiny of this Committee.

**The CHAIR:** Have you got confidence in Amy Brown remaining as the head of your department?

**Mr ALISTER HENSKENS:** I've explained to you, Mr Latham, that her employment functions are not a matter of my ministerial responsibilities.

**The CHAIR:** Have you got any plans to talk to Mr Coutts-Trotter about removing Ms Brown because of her incompetence in the Barilaro matter?

**Mr ALISTER HENSKENS:** Mr Latham, that is a matter for others rather than me.

**The CHAIR:** Do you think you're probably the first Minister we've ever heard of who takes no responsibility for the employment performance of their departmental head? I've been around a long while. I've never heard of this before.

**Mr ALISTER HENSKENS:** Mr Latham—

**The CHAIR:** If you're the Minister, you want to run things, don't you? Otherwise you can go play golf.

**Mr ALISTER HENSKENS:** Well, Mr Latham, those employment functions are dealt with in a very particular way under the law.

**The CHAIR:** Well, I'm sure this is news to the long-suffering taxpayers who fork the money out for Coutts-Trotter to run everything, by the sound of it. Maybe we should pay him more. Anyway, we'll take that as a comment.

**The Hon. ANTHONY D'ADAM:** Which Minister do you think has the responsibility for Ms Brown?

**Mr ALISTER HENSKENS:** I believe that departmental secretaries are appointed under the responsibility of the Premier.

**The Hon. ANTHONY D'ADAM:** Thank you.

**The CHAIR:** Minister, looking at science and technology, which you talk about—

**Mr ALISTER HENSKENS:** Yes.

**The CHAIR:** —and I can say you try to boost it as much as you can—

**Mr ALISTER HENSKENS:** Yes.

**The CHAIR:** —in New South Wales, and you certainly have given it a lot more attention than any other Minister that we've seen in this State, do you believe for all the money you're spending, over \$2 billion, on science and technology that we have a soft underbelly in this space, given that our school academic results are so weak and we haven't got an effective pipeline of maths, science, STEM-type students coming through? How do you reflect on the fact that in the PESA results, 15-year-olds in New South Wales schools are four years behind their Chinese counterparts in maths, three and a half years behind in science, and even five terms of learning behind 15-year-olds in New South Wales at the turn of the century? Do you think that there's a risk that, for all boosterism and spending in science and technology, we won't achieve the results because we haven't got the school performance coming through the pipeline that we need?

**Mr ALISTER HENSKENS:** Mr Latham, can I thank you for your interest in Science, Innovation and Technology because it is really the key to our economic prosperity in the future and it's a very important matter. Can I say that, unfortunately, I do not have a shadow Minister for Science, Innovation and Technology—

**The Hon. SCOTT FARLOW:** Shame.

**Mr ALISTER HENSKENS:** —such is the lack of concern that others show about this, but I appreciate your concern—

**The CHAIR:** I'm taking it well.

**Mr ALISTER HENSKENS:** —in this important area.

**The Hon. COURTNEY HOUSSOS:** Point of order—

**Mr ALISTER HENSKENS:** And nobody has ever—

**The CHAIR:** The Hon. Courtney Houssos?

**The Hon. COURTNEY HOUSSOS:** I'm actually the shadow Minister for Better Regulation and Innovation, so that's actually misleading the Committee.

**Mr ALISTER HENSKENS:** Well, that's not Science, Innovation and Technology, I don't believe, but it's one of those. One out of three is not a pass mark, Mr Chair. We have made the greatest investment under this budget in Science, Innovation and Technology ever in the history of New South Wales. Over \$800 million is being invested over the forward estimates.

**The CHAIR:** Yeah, but the soft underbelly—the point of my question?

**Mr ALISTER HENSKENS:** Yes, sorry, I'm coming to that. Obviously the emphasis of those programs and the investments within the budget are really dealing with post high school phase of Science, Innovation and Technology. They're dealing with the Future Economy Fund, which is one component of the budget. It's also dealing with commercialisation of research—

**The CHAIR:** You're waffling now, Minister. Come to the point of my question.

**Mr ALISTER HENSKENS:** —and accelerating growth and investment.

**The CHAIR:** You're starting to filibuster now.

**Mr ALISTER HENSKENS:** Those are the components of the investment.

**The CHAIR:** Come to the point of my question.

**Mr ALISTER HENSKENS:** The matters which you're relating to really relate to our secondary and primary education system, which is the responsibility of Minister Mitchell. In respect of the details of that, the department secretary, Ms Harrison, would be the better person to deal with secondary education.

**The CHAIR:** What? You've got no view on this? Is that what you're telling us?

**Mr ALISTER HENSKENS:** Mr Latham, my view is clearly that we need to be as strong as we possibly can be in STEM. There are a range of measures to support STEM education, which I'm sure Ms Harrison can point out, and that's enormously important to the future.

**The Hon. COURTNEY HOUSSOS:** Minister, how many times have you met with Amy Brown?

**Mr ALISTER HENSKENS:** Again, I would need take that on notice. I have certainly met with her on a number of occasions and had, I think, videoconferences and other meetings with her. So we can get the exact number on notice.

**The Hon. COURTNEY HOUSSOS:** Do you have a regular weekly meeting with her?

**Mr ALISTER HENSKENS:** I have a regular meeting, not weekly.

**The Hon. COURTNEY HOUSSOS:** How often is that?

**Mr ALISTER HENSKENS:** I believe there has been a regular monthly meeting, but then on top of that there have been meetings as required from time to time.

**The Hon. COURTNEY HOUSSOS:** When did the last monthly meeting occur with Ms Brown?

**Mr ALISTER HENSKENS:** I don't know the answer to that. My last meeting with her was on the Wednesday of the last sitting week.

**The Hon. COURTNEY HOUSSOS:** Two weeks ago?

**Mr ALISTER HENSKENS:** If that's two weeks ago, yes.

**The Hon. COURTNEY HOUSSOS:** My understanding is I think that's two weeks ago today. When were you advised that she was going on leave?

**Mr ALISTER HENSKENS:** I think I was advised that she was going on leave the day that it was announced to the department that she was going on leave.

**The Hon. COURTNEY HOUSSOS:** What was that date?

**Mr ALISTER HENSKENS:** I don't know. I'd need to take that on notice.

**The Hon. COURTNEY HOUSSOS:** Is there anyone else who can tell us while they are here? Perhaps Ms Braid?

**LISA BRAID:** It was 12 August.

**The Hon. COURTNEY HOUSSOS:** Did you have any prior discussions with her about her going on leave, Minister?

**Mr ALISTER HENSKENS:** No.

**The Hon. COURTNEY HOUSSOS:** You met with her on the last sitting day—sorry, on the last sitting Wednesday, which was 10 August. My apologies, it was three weeks ago, and she went on leave two days later. She didn't foreshadow to you at that meeting that she would be going on leave?

**Mr ALISTER HENSKENS:** No.

**The Hon. COURTNEY HOUSSOS:** Did you have any discussions with her before she went on leave, just by phone or a text message or something?

**Mr ALISTER HENSKENS:** No. I had no discussions between the meeting we had at Parliament with her and when it was announced that she was going on leave.

**The Hon. COURTNEY HOUSSOS:** Minister, do you do an annual performance evaluation of your secretaries or of the people that report to you?

**Mr ALISTER HENSKENS:** I've only just become a cluster lead Minister in the last two weeks.

**The CHAIR:** Congratulations.

**Mr ALISTER HENSKENS:** Thank you, Mr Chair.

**The Hon. SCOTT FARLOW:** About time.

**Mr ALISTER HENSKENS:** To be honest, I am not aware of what the formal arrangements are with regard to the cluster lead Minister of the kind that you are referring to.

**The Hon. COURTNEY HOUSSOS:** I understand in the last two weeks you have become a new cluster lead Minister and congratulates on that, Minister, but I am interested in the work that you have been doing over the last nine months. Have you conducted any performance evaluations or reviews of the public servants who report to you?

**Mr ALISTER HENSKENS:** Not as a junior Minister. I do not believe, legally or constitutionally, that I have any role in the employment functions of those public servants.

**The Hon. COURTNEY HOUSSOS:** But you don't do any evaluation of the work that is happening underneath your purview?

**Mr ALISTER HENSKENS:** Not in a formal, annual sense. I do, obviously, meet more regularly with the managing director at TAFE. I meet weekly with him and I have been meeting weekly with the Chief Scientist and Engineer, who was the relevant department secretary level person within Science, Innovation and Technology and those portfolios within the Enterprise, Investment and Trade cluster.

**The Hon. COURTNEY HOUSSOS:** Minister, did you appoint Mr Stephen Brady as managing director of TAFE?

**Mr ALISTER HENSKENS:** I did.

**The Hon. COURTNEY HOUSSOS:** And what advice was that based on?

**Mr ALISTER HENSKENS:** It was based on two relevant matters. I had a discussion with Ms Harrison and I also had my own observations of how Mr Brady had been performing in the acting role of managing director over a period of months.

**The Hon. COURTNEY HOUSSOS:** Was that a full merit process or was that a direct appointment?

**Mr ALISTER HENSKENS:** My understanding is—and Ms Harrison might correct me on this—that as Mr Brady had a certain level within the public service, that it wasn't required under public service rules to go to a more open process, but I will defer to Ms Harrison in case I have mislead the Committee in any way about that.

**GEORGINA HARRISSON:** I may start, and I may ask Ms Tickle to provide the specifics of the employment arrangements.

**The Hon. COURTNEY HOUSSOS:** I am specifically wanting to know whether it was a direct appointment?

**GEORGINA HARRISSON:** Mr Brady undertook a full merit selection for his deputy secretary role at the Department of Customer Service. The mobility provisions within the Government Sector Employment Act mean that that process demonstrated his skills and capability at that band, the band 3 level within the public service. The MD of TAFE is a ministerial appointment and therefore can be done as a direct appointment through that process, and as Mr Brady had already demonstrated the skills through a number of years operating at that deputy secretary level in an agency prior to the role in TAFE, and as the Minister commented, had been performing well in the role as MD of TAFE, a direct appointment was an appropriate method to take and in line with Government Sector Employment Act regulations.

**The Hon. COURTNEY HOUSSOS:** Minister, just to be clear, you signed the letter offering the appointment to Mr Brady?

**Mr ALISTER HENSKENS:** I took my recommendation as to Mr Brady's appointment to Cabinet. Cabinet then approved his appointment and then I signed the letter implementing Cabinet's decision to appoint Mr Brady as managing director.

**The Hon. COURTNEY HOUSSOS:** As a direct appointment. Minister—

**Mr ALISTER HENSKENS:** As a Cabinet appointment, or Cabinet-endorsed appointment.

**The Hon. COURTNEY HOUSSOS:** I understand the distinction but not a merit-based process; it was a direct appointment?

**Mr ALISTER HENSKENS:** I think, as Ms Harrisson said, he had previously gone through a merit-based assessment to say that he was satisfactory to perform a role at that level within the public service and then he was appointed to an equal level within the public service organisation, which was as managing director of TAFE.

**The Hon. ANTHONY D'ADAM:** There is a distinction though, Minister; you understand that, don't you? There is a distinction between open competition and a direct appointment. Even though in both cases you may have a meritorious candidate, there is a distinction. You understand the distinction, don't you, Minister?

**Mr ALISTER HENSKENS:** But I believe that this is common throughout the public service. I don't think we've done anything unusual with regard to the appointment of Mr Brady.

**The Hon. COURTNEY HOUSSOS:** Minister, you currently have an acting secretary. Is that right, Ms Braid?

**LISA BRAID:** That's right.

**The Hon. COURTNEY HOUSSOS:** And when did you take on that role?

**LISA BRAID:** I commenced in the role as the acting secretary on 12 August.

**The Hon. COURTNEY HOUSSOS:** Ms Brown went on leave on 12 August?

**LISA BRAID:** That's correct.

**The Hon. COURTNEY HOUSSOS:** Let's just get this version of events: she met with you on the Wednesday on the tenth, on the eleventh—you started on the twelfth—she went on leave, so there was no mention of that to you, Minister?

**Mr ALISTER HENSKENS:** These are public service matters and it is common public service process, as I understand it, that when a secretary goes on leave there will be someone acting in that role.

**The Hon. COURTNEY HOUSSOS:** Of course, Minister, I accept that. I am just trying to get the sequence of events right. Ms Brown met with you on the tenth. On the eleventh—

**Mr ALISTER HENSKENS:** I met with Ms Brown and a group of people on the tenth. That was my last meeting or communication with Ms Brown before she went on leave on 12 August.

**The Hon. COURTNEY HOUSSOS:** Was this part of a regular meeting or was this—

**Mr ALISTER HENSKENS:** It was actually an incoming brief for me as the new enterprise, investment and trade, and sports Minister so that I could be briefed on my new portfolios, and it had a whole range of people—public servants—within those new ministerial responsibilities who were at the meeting, together with members of my staff.

**The Hon. COURTNEY HOUSSOS:** She meets with you on 10 August, which is the Wednesday of the sitting week. On Thursday she goes on leave. Is that correct, Ms Braid?

**LISA BRAID:** Ms Brown took leave from 12 August.

**The Hon. COURTNEY HOUSSOS:** I am trying to get the sequence of events here. Then you commenced in the role, but that's a Friday.

**LISA BRAID:** That's correct.

**The Hon. COURTNEY HOUSSOS:** Midway through the day? What happened?

**LISA BRAID:** From memory, it was a midmorning call from DPC to advise that acting arrangements were being put in place and would I be comfortable to act while Amy was on leave.

**The Hon. COURTNEY HOUSSOS:** Who contacted you for that?

**LISA BRAID:** From memory it was the chief people officer.

**The Hon. COURTNEY HOUSSOS:** Did they give you a period of time that would be for?

**LISA BRAID:** Yes. The initial instrument of appointment was from 12 August until 21 August, inclusive.

**The Hon. COURTNEY HOUSSOS:** And that has been extended. Is that correct?

**LISA BRAID:** It has. It has been extended until 11 September.

**The Hon. COURTNEY HOUSSOS:** When was that extended?

**LISA BRAID:** The instrument was signed by the Secretary of the Department of Premier and Cabinet on 19 August.

**The Hon. COURTNEY HOUSSOS:** Let me get this right. You were initially appointed as the acting secretary from 12 to 21 August. Then on the nineteenth you were advised that it would be continuing until 11 September. Is that correct?

**LISA BRAID:** I had a conversation with the Secretary of the Department of Premier and Cabinet on the evening of 18 August regarding the extension of the acting arrangements. The new instrument was signed by the Secretary of DPC on the nineteenth and was effective from 22 August through until 11 September.

**The Hon. COURTNEY HOUSSOS:** Ms Braid, what was your prior role?

**LISA BRAID:** My substantive role?

**The Hon. COURTNEY HOUSSOS:** What's your substantive role at the moment?

**LISA BRAID:** I'm the Deputy Secretary of Operations, Engagement and Governance in the Department of Enterprise, Investment and Trade.

**The Hon. COURTNEY HOUSSOS:** How long have you been in that role?

**LISA BRAID:** Since January of this year.

**The Hon. COURTNEY HOUSSOS:** January 2022. Prior to that, what did you do?

**LISA BRAID:** Prior to that, I was the chief operating officer of Investment NSW. I commenced in that role around 16 April 2021 and I performed that role up until 30 June 2022. So I performed a dual role as the chief operating officer of Investment NSW as well as the deputy secretary of the new department from the end of January through to the abolition of Investment NSW as an executive agency on 30 June.

**The Hon. COURTNEY HOUSSOS:** So now you are just still the substantive deputy secretary but not the chief operating officer?

**LISA BRAID:** That's correct.

**The Hon. COURTNEY HOUSSOS:** Does that result in any change in remuneration for you?

**LISA BRAID:** In terms of the change in role, sorry?

**The Hon. COURTNEY HOUSSOS:** Yes.

**LISA BRAID:** Yes. The chief operating officer role was a PSSE band 2 role. I am now in a band 3 role.

**The Hon. COURTNEY HOUSSOS:** So as a result of the abolition of Investment NSW, you get bumped up to be a dep sec. Is that right?

**LISA BRAID:** No. As a result of creating a new principal department to lead the new cluster for Enterprise, Investment and Trade, a deputy secretary level role was created to run the corporate services arm of the department.

**The Hon. COURTNEY HOUSSOS:** Prior to 16 April 2021 you were appointed the chief operating officer. What were you doing before that?

**LISA BRAID:** Prior to that I was on secondment in the Department of Premier and Cabinet in a policy role.

**The Hon. COURTNEY HOUSSOS:** Where were you being seconded from?

**LISA BRAID:** Transport for NSW.

**The Hon. COURTNEY HOUSSOS:** When did you commence there?

**LISA BRAID:** I had two secondments in Transport. It would have been in mid-2016.

**The Hon. SCOTT FARLOW:** Point of order: While I see that Ms Braid's work history is very interesting, I don't really get to what the point of it is when it comes to a budget estimates inquiry on Skills and Training, and Science, Innovation and Technology.

**The CHAIR:** I think the point of it is that Ms Braid is the acting secretary of the department, part of which is subject to this examination at budget estimates. Ms Braid is paid by the taxpayer. There's a budget outlay there. It doesn't mean that questions automatically have to have a linear point to them. Sometimes there's a long run-up in budget estimates to what the point might be, but that's for the questioner and subsequently the answerer.

**The Hon. COURTNEY HOUSSOS:** We might come back to this this afternoon, Ms Braid. We've got a lot of time this afternoon. I want to come back to the Minister now. Minister, have you put any specific KPIs in place for Mr Brady? This Committee has closely followed the fact that the previous MD was sacked by the previous Minister. We're interested to know, what are your KPIs for the MD?

**Mr ALISTER HENSKENS:** Mr Chair, just before I answer that question, can I just go back to a previous answer I've given by way of clarification? I'm advised under section 23 and 81 of the Government Sector Employment Act that the responsible Minister is the Premier, as I've said. My understanding is that some of the Premier's functions can be delegated to Mr Coutts-Trotter under that Act.

**The Hon. COURTNEY HOUSSOS:** Minister, is it your understanding that those functions have been delegated to Mr Coutts-Trotter?

**Mr ALISTER HENSKENS:** That's my understanding.

**The Hon. COURTNEY HOUSSOS:** So the employment functions that usually are with the Premier have been delegated to the public service at this point?

**Mr ALISTER HENSKENS:** I'm not aware of the extent of delegations. That really is a matter for the Premier. But I understand that, from time to time, he may delegate those functions to Mr Coutts-Trotter.

**The Hon. ANTHONY D'ADAM:** Can he delegate it to a Minister?

**Mr ALISTER HENSKENS:** I don't know the answer to that, but certainly I haven't received any delegations, if that's where you're going—not that I'm aware of. The agreed priorities with regard to the managing director's performance of TAFE are set out in the TAFE strategic plan. I might say that the TAFE strategic plan was finalised this year, possibly a month or two ago, and it's a three-year strategic plan.

**The Hon. ANTHONY D'ADAM:** Can I ask a question of Mr Brady? Before you were appointed in an acting capacity as the head of TAFE, what was your role?

**STEPHEN BRADY:** I was the chief operating officer for the Department of Customer Service.

**The Hon. ANTHONY D'ADAM:** What was your salary in that role?

**STEPHEN BRADY:** I'd have to get the exact number for you, Mr D'Adam, but it was in the range for a band 3.

**The Hon. ANTHONY D'ADAM:** When you took on the role as MD, did you get a bump in salary?

**STEPHEN BRADY:** There was an increase of approximately 10 per cent.

**The Hon. ANTHONY D'ADAM:** How much is that?

**STEPHEN BRADY:** I'd have to give you the exact numbers. I have to come back to you. I can give that to you after lunch, if you like.

**The Hon. ANTHONY D'ADAM:** Can I clarify, Ms Harrison, in terms of the appointment process, you undertook a suitability assessment. Is that right?

**GEORGINA HARRISSON:** Ms Tickle might be able to provide you with the specific information in terms of the process. We certainly provided advice to the Minister. I don't have that advice in front of me to refer to, Mr D'Adam. But we provided advice, we sought advice from the Public Service Commissioner in relation to the appropriate process for a ministerial appointment and Cabinet-approved appointment at the time, and we followed that advice and ensured that it was an appropriate appointment. Mr Brady's remuneration, as he has indicated, remains within the range of the band for the deputy secretary band—band 3—which the TAFE MD sits within. But Ms Tickle as the lead for HR in TAFE, responsible for processing those matters, might be able to provide further information.

**The Hon. ANTHONY D'ADAM:** Ms Tickle, can I ask you directly, was it a common practice, where an employee would get a bump of 10 per cent in salary, not to go to open competition—to rely on a suitability assessment?

**JULIE TICKLE:** The appointment of the managing director is handled by the Department of Education, as Ms Harrison has said. Our role in this is more procedural—making sure that everything is lined up at our end to welcome the managing director into TAFE NSW. In terms of the question, I understand that this appointment was within the guidelines of the GSE Act. Appointments are done in a number of different ways, but this one was in line with the GSE Act.

**The Hon. ANTHONY D'ADAM:** I understand. The power is there to make the appointment. I'm not suggesting that an illegal appointment has occurred. But it is the practice, is it not, that where an employee's going to get a significant bump in salary, you would go to an open form of appointment process? You would use a comparative assessment where the merits of the candidate are assessed against other candidates. Isn't that correct, Ms Tickle?

**GEORGINA HARRISSON:** If I may, Mr D'Adam, within the public sector employment Act, where someone is at the appropriate band, they're able to move to another role within that band. Individual roles are scored differently in terms of the points that they might attract, which sets the position within that band. So if someone is moving to a role that has a higher level of points in that band, then they may well get the increase relevant to that role. That is also part of the process here. It is also the case that when public servants move between roles, there is the opportunity to consider salary and for appropriate negotiations to take place in relation to someone taking up that role.

**The Hon. COURTNEY HOUSSOS:** Minister, our time's about to expire. I just wanted to ask, are you expecting Ms Brown to return from her leave?

**Mr ALISTER HENSKENS:** That's a matter for Ms Brown.

**The Hon. COURTNEY HOUSSOS:** But your understanding at this point—do you expect her to return from leave and continue in the role until March 2023?

**Mr ALISTER HENSKENS:** I have no legal or formal role in relation to the employment functions of Ms Brown. I don't know how many times I need to say that. That is the case.

**The Hon. COURTNEY HOUSSOS:** I'm not asking you about the legal or constitutional requirements, Minister.

**Mr ALISTER HENSKENS:** I don't answer speculative questions. You're asking me to predict the future. I don't answer hypotheticals. You're asking me to predict the future.

**The Hon. COURTNEY HOUSSOS:** I'm not asking you to predict the future, Minister. I'm asking about whether, in the operation of your department, you are expecting Ms Brown to return and to continue in her role in implementing your agenda.

**Mr ALISTER HENSKENS:** I'm not going to speculate on future matters that I have no control over.

**The CHAIR:** Minister, just coming again to science and technology, your colleague, the Treasurer Matt Kean, has declared a new capitalism. It's not all that often in economic history that figures of the standing of Mr Kean declare something as important and grandiose as a new capitalism. He has gone on to say there are five

pillars of the new capitalism, of which one is science and technology—your bailiwick. What do you understand the new capitalism to be?

**Mr ALISTER HENSKENS:** Well—

**The CHAIR:** Other than gibberish, what do you understand it to be?

**The Hon. SCOTT FARLOW:** Maybe he has read *Civilising Global Capital*.

**The CHAIR:** Not even I declared a new capitalism.

**Mr ALISTER HENSKENS:** Mr Latham, as you are an honours graduate in the political economy department of the University of Sydney, I would expect you to ask a theoretical question of that kind. I'm not going to try to paraphrase what the Treasurer has said, but if I can give you my understanding of science, innovation and technology and its importance to capitalism—

**The CHAIR:** No, the new capitalism.

**Mr ALISTER HENSKENS:** —it is that it is incredibly focused on changing the economy, reforming the economy and progressing the economy in the areas of new technology, new jobs, future jobs and future industries. That's what it's all about. It's about translating the world-leading research. We might just take a moment to reflect that the NSW Innovation and Productivity Council report—its scorecard, delivered earlier this year—identified that New South Wales, in comparison to a whole lot of other jurisdictions and sub-jurisdictions like California and the like, had the highest per capita number of top 200 universities in the world. If we count the ACT and the ANU, which is completely surrounded by New South Wales, we have seven of the top 200 universities in the world right here within our State.

**The CHAIR:** You're claiming Canberra now? Secession.

**Mr ALISTER HENSKENS:** The scorecard identified that we have many people in the top 10 researchers in their field in the world within our organisations. We also have CSIRO, which is a national research body. We have world-leading research going on here in New South Wales. We have the capacity to ensure that the future wi-fis, the future cochlears and other inventions that are made here in New South Wales are turned into New South Wales jobs that are commercialised locally and that we reap the economic benefit of that great research. Mr Latham, you may not be aware, but we've actually released a 20-year research and development road map here in New South Wales.

**The CHAIR:** I saw that, yes. Of course I saw that.

**Mr ALISTER HENSKENS:** Sorry, I apologise. Sometimes I think that I'm the only one that's caring about these matters, but I know that you have a strong interest.

**The CHAIR:** No, no. You're with the upper House colleagues now. We read everything.

**Mr ALISTER HENSKENS:** I know that you have a strong interest in these matters. As you're aware, that R&D road map identifies the areas of comparative advantage in terms of the great research ecosystem that we have here in New South Wales. What we want to do as a government—and that's part of why we've invested so heavily in this area within the budget. I have to give credit to the Treasurer for that. We are trying to maximise the economic return. Whether you want to call it a new capitalism or not, we want to maximise the economic return from that research to New South Wales in terms of future jobs and future industries.

**The CHAIR:** Thank you for that. In explaining the role of science and technology in the new capitalism, how has the Treasurer explained it to you?

**Mr ALISTER HENSKENS:** We've had the kind of discussions that I've just articulated. The Treasurer recognises that this is all about improving the productive capacity of our economy, which also means the future wealth of our State.

**The CHAIR:** Sure, but was the expression "new capitalism" used? Did he sit down and say, "Alister, this is how the new capitalism works and this is where you fit in?"

**Mr ALISTER HENSKENS:** We didn't use those terms, but I know that he—

**The CHAIR:** No. So the Treasurer has not explained to you, using the term "new capitalism", what it might be? So we're just stuck with the old capitalism?

**Mr ALISTER HENSKENS:** I'm not quite sure where it fits into the Ricardo theory of labour, where it fits into Marxist economics, where it fits into Friedman-like economics—

**The CHAIR:** What about Keanism? Where does it fit into Keanism?

**Mr ALISTER HENSKENS:** I'm not quite sure where within that continuum of economic theory it fits. But that is beside the point, Mr Latham, because it is actually incredibly important to our future and to our future prosperity.

**The CHAIR:** It is. On that subject, with the advent of outcome-based budgeting in New South Wales, we're expecting a return on the \$2½ billion science and technology investment. Are you worried that those returns and outcomes might be skewed and hard to measure because we're duplicating funding and functions that are normally performed out of Canberra?

**Mr ALISTER HENSKENS:** No, Mr Latham. The reason I say that very confidently and emphatically is because there is a degree of competitive federalism going on here, competing for the Federal dollar and Federal investment in these areas, and we can actually impact on where the Federal funds go. I should be deferring to the Chief Scientist & Engineer on this. Some of the funds that we have historically invested at a State level have in fact enabled our world-leading universities to then be successful in infrastructure grants from the Commonwealth, and these are facilities which enable them to have world-leading equipment, and so on, to facilitate their world-leading research. Did you want to add to that, Professor?

**HUGH DURRANT-WHYTE:** Yes. Quite a significant part of our funding historically has gone to leverage Commonwealth funding.

**The CHAIR:** What proportion is that?

**HUGH DURRANT-WHYTE:** In a lot of things it's around 10 per cent, but it can go up to 50 per cent. It depends on what the competition is. I might pick out research infrastructure—you know, fabrication, microscopy—but also centres of excellence, which are awarded by the ARC and the NHMRC, Cooperative Research Centres, a range of different things. There's about 70 of those in aggregate across the State that we effectively co-fund, and we attract a lot of Commonwealth funding.

**The CHAIR:** Right, so we're already doing that. How does increased expenditure in science and technology leverage more Commonwealth money as opposed to what historically they might do in Canberra? They think, "The State Government's investing all this extra money in science and technology in New South Wales. They're volunteering for cost-shifting. We don't need to do as much."

**HUGH DURRANT-WHYTE:** On the contrary, I think many of the areas that we've been recently investing in—semiconductors, RNA, quantum computing and things like that—are leveraging considerable interest and considerable support from the Commonwealth Government. I might pick out, for example, the Sydney Quantum Academy, which we've been supporting for a long time. Between them, they now are able to support about 50 PhD students. They are a key part of the National Quantum Strategy now. They are there not to just embrace research and the fundamentals but also to attract corporate interest and new companies, and so on. Sydney Quantum Academy is located at The Quantum Terminal, which now has 12 quantum startup companies in it, and so on. That is, if you like, leverage not just from the Commonwealth but from the commercial sector.

**The CHAIR:** Is that the basis of our investments in science and technology? Do you sit down every time and say, "We'll put this extra money in only on the basis that we leverage extra Commonwealth and corporate—

**HUGH DURRANT-WHYTE:** Not at all.

**The CHAIR:** You don't?

**HUGH DURRANT-WHYTE:** No, not at all. The 20-Year R&D Roadmap, which you have read, really does identify the data around where we actually attract funding and where we have good people. By "attracting funding", I don't just mean Commonwealth research dollars; I also mean commercial funding and things like that. Therefore, where should we double down if we're to genuinely build that and attract yet more funding, not just from the Commonwealth but from the commercial sector?

**The CHAIR:** So you don't do it across the board. Is there a risk of voluntary cost-shifting here, where the Commonwealth vacates the field, leaving more to New South Wales, which is stepping up?

**Mr ALISTER HENSKENS:** No. Can I give you an example of why that's not the case, Mr Latham? This is not just all about how many patents we have pending.

**The CHAIR:** We've got lots pending under you, haven't we?

**Mr ALISTER HENSKENS:** There was a lot of public awareness of mRNA technology. That's only one very small part of a broader technology, which is RNA technology, or ribonucleic acid technology. We in

New South Wales announced—you might remember that the Victorian Government invested in the mRNA facility with AstraZeneca down in Victoria.

**The CHAIR:** Yes.

**Mr ALISTER HENSKENS:** We actually announced that we would build an RNA facility here in New South Wales. We've invested about \$96 million in the physical infrastructure, and then we've committed to \$120 million over 10 years as part of supporting that facility. Why is that important? There's probably only one other facility in the world that's not operated by a drug company or a commercial operation with that kind of facility. That means that we are literally getting interest all over the world in that facility so that they can, in a commercially neutral environment, conduct research and invest in research. We've got the university sector that's incredibly interested in also using that facility. What we are actually doing is that we are maximising the capacity of the university sector to come in and invest their in-kind and other investments in research in that facility. We're getting overseas interest. That's the kind of way in which we can get—you're familiar with the multiplier effect. We get a multiplier impact of every dollar that we invest as a State Government—many times multiplier impact by that kind of investment.

**The CHAIR:** What is the multiplier that you've identified?

**HUGH DURRANT-WHYTE:** CSIRO came out with a report I think at the end of last year. It's \$7 for every dollar invested.

**The CHAIR:** Right, so it's 7.0.

**The Hon. COURTNEY HOUSSOS:** Minister, have you had any discussions or conversations with the Secretary of the Department of Premier and Cabinet about Ms Brown and her future tenure?

**Mr ALISTER HENSKENS:** No.

**The Hon. COURTNEY HOUSSOS:** Have you had any specific conversations with him about the Head review?

**Mr ALISTER HENSKENS:** No, not personally.

**The Hon. COURTNEY HOUSSOS:** Sorry, you haven't spoken to the head of DPC about the Head review at all?

**Mr ALISTER HENSKENS:** There was a presentation to Cabinet, which is Cabinet-in-confidence, but outside of that Cabinet presentation I have not had an individual conversation with Mr Coutts-Trotter.

**The Hon. COURTNEY HOUSSOS:** Have you had any discussions with the Premier about it?

**Mr ALISTER HENSKENS:** Again, not outside of the Cabinet discussion.

**The Hon. COURTNEY HOUSSOS:** So you had a discussion at Cabinet about the Head review, but you haven't had any follow-up discussions, any meetings with either the Premier or the head of DPC?

**Mr ALISTER HENSKENS:** That's correct.

**The Hon. COURTNEY HOUSSOS:** So what's the plan for implementation?

**Mr ALISTER HENSKENS:** That was discussed at Cabinet and the Premier released a press release, which contained the Government's response to the Head review for recommendations, and we made some additional recommendations or policy announcements on top of the recommendations in the Head review.

**The Hon. COURTNEY HOUSSOS:** So, Minister, you have had no follow-up discussions with your secretary or with the Secretary of DPC about how to implement those?

**The Hon. SCOTT FARLOW:** Point of order—

**The CHAIR:** I understand the point of order will go to the remit of this Committee.

**The Hon. SCOTT FARLOW:** Yes.

**The CHAIR:** I would suggest to the Hon. Courtney Houssos that she needs to link it to the responsibilities of Ms Brown across the portfolio—about the Head review—relevant to her continuing as secretary of the department, which includes the responsibilities of this Committee.

**The Hon. COURTNEY HOUSSOS:** Absolutely.

**The CHAIR:** Rather than narrowing it just to these trade matters that are outside our remit.

**The Hon. COURTNEY HOUSSOS:** I am specifically interested in the way that Ms Brown is going to be the secretary of the department going forward and implementing the Head review in relation to her performance as secretary of the department over which you are also a Minister.

**Mr ALISTER HENSKENS:** The Head review deals with a recruitment process in portfolios outside of Science, Innovation and Technology.

**The Hon. COURTNEY HOUSSOS:** Minister, you mentioned that the strategic plan has just been finalised for TAFE—just last month, I think you said. Can you tell me, does that strategic plan include campus sales?

**Mr ALISTER HENSKENS:** No, it doesn't.

**The Hon. COURTNEY HOUSSOS:** So you are ruling out any campus sales?

**Mr ALISTER HENSKENS:** It's not part of the agenda set out in that strategic review and, as I said to you last time, I have received no briefings on campus dispositions. It has not been my focus since I've been the Minister responsible for TAFE.

**The Hon. COURTNEY HOUSSOS:** But you would be aware that this Committee previously questioned the previous Minister extensively about a shopping list that would have been produced by the department, by TAFE, to the Minister with a list of campuses. Can you rule out selling those 19 campuses?

**Mr ALISTER HENSKENS:** I have not received any proposals with regard to dispositions of TAFE assets.

**The Hon. COURTNEY HOUSSOS:** That's not actually what I'm asking you, Minister. I am asking you whether you can rule out selling any of those 19 sites that had been previously identified by TAFE—that they could go up for sale.

**Mr ALISTER HENSKENS:** I think you tried this kind of scare campaign last time, and my answer is exactly the same: I have not received any briefs. There is no agenda with regard to the disposition of TAFE campuses.

**The Hon. COURTNEY HOUSSOS:** No, Minister, last time you told us you weren't focused on this part of the portfolio, and I understand you'd only been in there a couple of months. I am interested now that there is a further six months that have passed. Are you looking at selling these campuses and can you rule it out?

**Mr ALISTER HENSKENS:** The position is unchanged from last time.

**The Hon. COURTNEY HOUSSOS:** So you can rule it out. Why don't you just rule it out, then?

**Mr ALISTER HENSKENS:** The position is unchanged from last time.

**The Hon. COURTNEY HOUSSOS:** Minister, the position last time was, "I'm not quite across it. I've got lots of things to do."

**Mr ALISTER HENSKENS:** No, it wasn't.

**The Hon. COURTNEY HOUSSOS:** You've finalised your strategic plan—

**Mr ALISTER HENSKENS:** I said I was not focused on the disposition of TAFE campuses. I can't be any clearer than that.

**The Hon. COURTNEY HOUSSOS:** Minister, if you do receive a briefing proposing it by TAFE of any of these 19 campuses or the others, you will consider that?

**Mr ALISTER HENSKENS:** I am not answering hypothetical questions. I can tell you that I am focused on TAFE being future focused and industry focused. That's why we're investing so much in TAFE. That's why we're investing three times the capital investment of Labor in its last budget. That's why we've got a full half a billion dollars greater operational budget than last time Labor was in power. We are investing heavily in TAFE to make sure that it is a future-focused, industry-aligned training organisation, which is what it should be.

**The Hon. COURTNEY HOUSSOS:** Minister, you've been in power for 12 years, so we would hope that the budget had increased over that 12-year period. I am interested in the fact that there is a declining number of enrolments in TAFE under your Government as a result of 12 years and we are now specifically asking you about additional campus sales. This has been a huge issue in the portfolio. Can you rule out those campus sales?

**Mr ALISTER HENSKENS:** I know that a scare campaign by Labor is a huge issue for you.

**The Hon. COURTNEY HOUSSOS:** I'm not asking you about a scare campaign.

**Mr ALISTER HENSKENS:** But I have been very clear on this matter and you can ask the question over and over again. My answer will not change.

**The Hon. COURTNEY HOUSSOS:** I'm asking you because the track record of this Government has been to sell off TAFE campuses.

**Mr ALISTER HENSKENS:** I'm not going to play politics on the fact that Labor sold 21 campuses last time it was in power. I'm not going to play politics about that.

**The Hon. COURTNEY HOUSSOS:** Minister, you've been in government for 12 years and you've spent half your time this morning talking about Labor's record.

**Mr ALISTER HENSKENS:** Why do you want to keep playing politics about your appalling record on TAFE?

**The CHAIR:** Order!

**The Hon. COURTNEY HOUSSOS:** I want to ask you about your record.

**The CHAIR:** Order! Minister, you're interrupting the interruptions.

**Mr ALISTER HENSKENS:** I'm sorry.

**The CHAIR:** We can't allow that. We are glad you're not playing politics, but it all looks very political to me. Can we just have one question and one answer, please, going to the substance of the matter.

**The Hon. COURTNEY HOUSSOS:** Minister, I'm going to give you one final chance. Can you rule out further campus sales of those 19 that have been previously identified by TAFE?

**Mr ALISTER HENSKENS:** Can I again repeat that I'm not going to play into your fear campaigns. Dispositions of TAFE campuses are not part of my focus or agenda.

**The Hon. COURTNEY HOUSSOS:** But they were projected to yield—

**Mr ALISTER HENSKENS:** That's a clear answer.

**The CHAIR:** Just on the line of questioning, I think if the question is, "Can you rule it out?" and the Minister doesn't rule it out, well, we know he hasn't ruled it out, so we can move on. I don't think going through this circular process time after time is useful for the Committee. It hasn't been ruled out and I think that's now on the public record.

**The Hon. COURTNEY HOUSSOS:** Thanks very much, Chair.

**The Hon. ANTHONY D'ADAM:** Minister, did you read the article in the Telegraph this morning?

**Mr ALISTER HENSKENS:** No.

**The Hon. ANTHONY D'ADAM:** You didn't read it?

**Mr ALISTER HENSKENS:** Sorry, I think I did. Is this the article about regional enrolments?

**The Hon. SCOTT FARLOW:** Which one? There are a lot of articles in the Tele.

**The Hon. ANTHONY D'ADAM:** The one that relates to your portfolio. The one about "Student decline stokes job fears" is the headline. It was written by Chris Harris.

**Mr ALISTER HENSKENS:** The one that doesn't take into account all the increases—

**The Hon. ANTHONY D'ADAM:** The one that quotes you.

**Mr ALISTER HENSKENS:** —in completions that I've drawn attention to? The many fee-free—

**The Hon. ANTHONY D'ADAM:** The question was, Minister, did you read the article?

**Mr ALISTER HENSKENS:** —courses that we've provided?

**The Hon. ANTHONY D'ADAM:** Minister, it's a straightforward question. Did you read the article?

**Mr ALISTER HENSKENS:** The one that says nothing about the 248,000 JobTrainer enrolments?

**The CHAIR:** Order! Stop the interruptions. Ask a question and then allow the Minister to answer, please.

**Mr ALISTER HENSKENS:** Thank you, Mr Chair. The one that makes no reference to the 248,000—

**The Hon. ANTHONY D'ADAM:** Did you read the article, Minister?

**The CHAIR:** Order! Mr D'Adam, you're disorderly now because—

**The Hon. SCOTT FARLOW:** I think he's showing that he did.

**The Hon. AILEEN MacDONALD:** Yes.

**The CHAIR:** —he's got to be given more than five seconds to answer, please. Leave the question of relevance and the answers to me.

**Mr ALISTER HENSKENS:** The one that makes no reference to the 8 per cent increase in apprenticeships and traineeships in the last 12 months?

**The CHAIR:** No, Minister, that's not addressing the question.

**Mr ALISTER HENSKENS:** The 20 per cent increase in women, the 248,000 JobTrainer—

**The CHAIR:** No, that's not the question, Minister.

**The Hon. ANTHONY D'ADAM:** I'll take it that you have read the article.

**The CHAIR:** He's read the article.

**The Hon. ANTHONY D'ADAM:** My question then is: Did you seek advice from Mr Brady, or anyone else in TAFE, about the questions relating to Trenayr, Wellington, Leeton, Forbes, Glen Innes or Condobolin? Did you seek any advice on the article?

**Mr ALISTER HENSKENS:** Mr Brady informed me of what he's informed the Committee, which is that that historical data is not accurate. Do you listen to the answers that people give in these committees? You just seem to go round and round in circles without listening to people's evidence.

**The CHAIR:** Minister, come on. We've heard from Mr Brady in that regard.

**The Hon. ANTHONY D'ADAM:** That was the extent? You were satisfied that Mr Brady says, "Well, the figures aren't accurate. We don't have accurate information." You were satisfied with that answer from Mr Brady, were you?

**Mr ALISTER HENSKENS:** Because we know a few things, Mr D'Adam, which you don't want to focus on. We know that the numbers are up in terms of completions. We know that the numbers are up in terms of apprenticeships and traineeships.

**The Hon. ANTHONY D'ADAM:** You weren't interested—

**The CHAIR:** Order! The Minister will finish. He's being relevant.

**Mr ALISTER HENSKENS:** We know that we've got a record budget in TAFE. We know that we've invested more money than has ever been invested in skills and training now over the last two budgets—this one that we're supposed to be asked about, not 10 years ago—and last year's. We know all of those things. We know that TAFE has a new vision for it to be a future-focused organisation. We know that we've made record investments in regional New South Wales with our NETM centres and the like.

**The Hon. ANTHONY D'ADAM:** The Minister is not being directly relevant.

**Mr ALISTER HENSKENS:** We know that those are the things—

**The CHAIR:** Minister, wrap it up now.

**Mr ALISTER HENSKENS:** I know.

**The CHAIR:** Thank you. Next question.

**Mr ALISTER HENSKENS:** And those are the facts.

**The Hon. ANTHONY D'ADAM:** Minister, you didn't ask about Trenayr and what was happening there? You didn't ask Mr Brady? Irrespective of whether the figures were accurate, you didn't ask, "Is there a problem at Trenayr?"

**Mr ALISTER HENSKENS:** We know that we've invested record sums of money—

**The Hon. ANTHONY D'ADAM:** Minister, did you ask about Trenayr?

**Mr ALISTER HENSKENS:** I've already—

**The Hon. ANTHONY D'ADAM:** Did you ask about that site?

**Mr ALISTER HENSKENS:** If you keep asking the same question—

**The CHAIR:** The same answer.

**Mr ALISTER HENSKENS:** —you'll keep getting the same answer.

**The Hon. ANTHONY D'ADAM:** An evasive answer, Minister.

**Mr ALISTER HENSKENS:** We know that we've invested record sums of money in TAFEs in regional areas. We've created skills and training in areas where they've never had a TAFE presence before in many locations. We've given them state-of-the-art equipment so that people in regional areas can get skills and training that have never been imagined before in the past. We know all that.

**The CHAIR:** Thanks, Minister. That's enough.

**Mr ALISTER HENSKENS:** We don't need your fake news from your fake shadow Minister.

**The CHAIR:** That's enough. It is true, the same question gets the same repetition. New question, please.

**The Hon. ANTHONY D'ADAM:** Mr Brady, you say that the figures on enrolments can't be relied on. What about the figures about staffing? I understand that Trenayr, since 2012, has had a 92 per cent, almost 93 per cent decline in its staff. Surely that suggests that there's an issue with that particular TAFE, doesn't it?

**STEPHEN BRADY:** Mr D'Adam, when you look at the return we made under the standing order, it also provided caveats around the staffing data. Ms Tickle can provide a more detailed answer. But, very clearly, the position where a staff member is located under the system does not accurately reflect where they're actually working, particularly where we have teachers who work across multiple campuses. Ms Tickle can provide you with the full response.

**The Hon. ANTHONY D'ADAM:** My question is really about whether—you can have highly accurate data. The data clearly suggests there's an issue. There's an issue at Trenayr, isn't there, Mr Brady? You should know whether there's an issue at that institute. It's in long-term decline, isn't it?

**STEPHEN BRADY:** I don't believe that the data is reliable that you're basing that statement upon.

**The Hon. ANTHONY D'ADAM:** So you think everything is fine at Trenayr?

**The CHAIR:** Order! Please allow Mr Brady to answer the question for more than 10 seconds.

**STEPHEN BRADY:** I'm attempting to provide you with an answer and get Ms Tickle to provide you with a better understanding of that data and how it does not support the assertions that you're making, Mr D'Adam.

**The Hon. ANTHONY D'ADAM:** My question is not directed to Ms Tickle about the data.

**The CHAIR:** We'll hear from Ms Tickle. I think this is relevant.

**The Hon. ANTHONY D'ADAM:** It's about whether you believe, Mr Brady, as the CEO of the organisation, whether there is a long-term problem with that campus: Trenayr. Is there a problem with that campus?

**STEPHEN BRADY:** I'm not aware of any particular—

**The Hon. ANTHONY D'ADAM:** You're not briefed?

**The Hon. SCOTT FARLOW:** Point of order: The witness has got to be allowed to answer.

**The CHAIR:** The witness has got to be allowed to answer the question. If it's not available to him, it is appropriate to pass to the officer who has the information, in this case Ms Tickle.

**STEPHEN BRADY:** Ms Tickle, can you provide it?

**JULIE TICKLE:** Certainly. We provide employment data every year, which is full-time equivalent data. That's an important point to note because that's comparable data year on year. In terms of the two reasons why, as stated in the cover page of that SO 52 return, that this data is not reliable, the first reason is because the data is old methodology, so legacy methodology, so it doesn't make sense. As a specific example, or some more detail, between 2012 and 2013 the data was obtained through the Department of Education, whereas data from 2014 to 2021 was internal payroll reporting. So it's apples to oranges. That's the first reason.

The second reason is really common. Where we have employees and their campus is their home campus, they don't necessarily work there. Particularly you see this when we set up the corporate office in 2017 in terms

of Ultimo being the home campus for a number of people, like me. I actually work out of Taree campus, but on record my home campus is Ultimo and I don't actually work there. You'll see that all the time through corporate employees but probably even more importantly through teachers. I was a teacher for many years. I've been at TAFE for 20 years this year, actually. When I was a teacher I worked between four campuses, and that's really common. I worked from Taree, Great Lakes, Port Macquarie and sometimes Wauchope. So your home campus doesn't actually necessarily reflect where you work. So where we see campuses where the data might say that the numbers have gone down, it's not necessarily the case at all. It's actually a reallocation of the home campus allocation in the system.

**The Hon. ANTHONY D'ADAM:** What's your understanding of Trenayr then, Ms Tickle? You've got your finger on the pulse. You know the data.

**Mr ALISTER HENSKENS:** It's a bit like parliamentary fundraising rules.

**The Hon. ANTHONY D'ADAM:** What's the status of Trenayr?

**Mr ALISTER HENSKENS:** It's a little bit sloppy.

**The Hon. ANTHONY D'ADAM:** How many employees are there at Trenayr?

**JULIE TICKLE:** I don't have that in front of me. I would have to take that on notice. May I clarify again? When you say, "How many employees are there at Trenayr?", what we need to look at is not necessarily how many employees. The question doesn't quite make sense, if I may, respectfully, because it doesn't mean that the people aren't working at particular campuses.

**The Hon. ANTHONY D'ADAM:** Mr Brady, if you say we can't rely on the employment data to give us an indication and we can't rely on the enrolment data to give us an indication, what is the metric that that community can use to assess whether there's a problem at that TAFE? What's the metric that you're relying on?

**STEPHEN BRADY:** I think the issue here is that TAFE doesn't necessarily deliver courses only for a community from a single campus. We provide a solution for a community that's based on a network of campuses. Modern teaching involves a range of different delivery methods. They might be block release, where someone who's learning in a regional campus comes in to a major campus to do training. We rely on blended learning. We're doing instructor-led training, supported by online delivery. So to focus in on who works at a campus and how many enrolments are nominally allocated to a campus doesn't really give you a perspective on what's happening in that local community.

**The Hon. ANTHONY D'ADAM:** Do you try to gaslight these communities?

**STEPHEN BRADY:** I beg your pardon?

**The Hon. ANTHONY D'ADAM:** Let's talk about Leeton.

**The CHAIR:** We don't recognise terms like "gaslighting".

**The Hon. SCOTT FARLOW:** It's unparliamentary.

**The Hon. ANTHONY D'ADAM:** Let's talk about Leeton. My data has that over the course of—

**Mr ALISTER HENSKENS:** Like using parliamentary resources to raise political funds.

**The Hon. ANTHONY D'ADAM:** From 2012 until 2021, I think the data is for, there's been a net loss of 19 positions from the TAFE facility at Leeton. Are you saying to that community that those jobs don't matter?

**STEPHEN BRADY:** I think what we're saying is that data doesn't necessarily reflect what's happening in that campus, for all the reasons that Ms Tickle informed you of.

**The Hon. ANTHONY D'ADAM:** You don't think the loss of those jobs is something that should concern TAFE in terms of the viability of that institution?

**STEPHEN BRADY:** Mr D'Adam, what I'm saying is that I don't believe the data actually supports your assertion about a loss of jobs in that location.

**JULIE TICKLE:** I can clarify. From Leeton campus, there have been no employees declared excess to date. Again, Leeton is close to a number of campuses. We have employees who may work in Griffith, for example. At Leeton campus there have been no employees declared excess to date.

**The Hon. COURTNEY HOUSSOS:** Minister, let me take you to western Sydney. We've got Blacktown TAFE, Padstow TAFE, Macquarie Fields, Campbelltown TAFE. You might want to question the validity of the figures, but these are massive decreases that have been reported—53 per cent, 60 per cent,

64 per cent. At Blacktown TAFE it's a 66 per cent decrease in the number of students. These are huge declining numbers of students across western Sydney at major TAFE campuses.

**Mr ALISTER HENSKENS:** Do you really think that continuing to put figures which the organisation has said are unreliable is advancing the discussion at all?

**The Hon. COURTNEY HOUSSOS:** Minister—

**Mr ALISTER HENSKENS:** Do you? Asserting things that are not true to be true doesn't make them true.

**The CHAIR:** Order! I don't think that's an accurate reflection of what the Opposition is doing. They have sought an SO 52 and received documents provided by TAFE itself that apparently are qualified in footnotes and the like. The nature of those qualifications have been known to the Committee. So it's not true to say that black is white and white is black. This is on the basis of TAFE documents with the qualification that we know about, and the questions are proceeding on that basis.

**The Hon. COURTNEY HOUSSOS:** Minister, you can't—

**Mr ALISTER HENSKENS:** But I would say in response, Mr Chair, that what is being put is unqualified figures that were supplied—sorry, qualified figures that were supplied under an SO 52 as unqualified propositions to me in a question.

**The Hon. COURTNEY HOUSSOS:** Well, Minister, you actually cut me off.

**The CHAIR:** No, Minister, we're not silly here. We know the nature of the qualifications; they have been explained extensively by Mr Brady and Ms Tickle, so the Committee is aware of that. We will allow one more question before we go to morning tea.

**The Hon. COURTNEY HOUSSOS:** Minister, these are massive decreases in the number of students who are studying across—

**Mr ALISTER HENSKENS:** Again, you are asserting—

**The CHAIR:** Order!

**The Hon. COURTNEY HOUSSOS:** Minister—

**The CHAIR:** Order! You will allow the question to be asked, or I will deal with you.

**The Hon. COURTNEY HOUSSOS:** —these are massive decreases in the number of students that are studying across major TAFE campuses across western Sydney. It's the second-worst skill shortage in the developed world. Why are you not concerned about the decreasing number of students going through TAFE?

**Mr ALISTER HENSKENS:** Because the figures that you are putting to me, as has been the evidence by TAFE, are not accurate figures.

**The Hon. COURTNEY HOUSSOS:** Do you dispute that this is the trend?

**Mr ALISTER HENSKENS:** What is accurate—

**The Hon. COURTNEY HOUSSOS:** Do you dispute the trend?

**The CHAIR:** Order! Allow the Minister to answer, please.

**Mr ALISTER HENSKENS:** What is accurate is that we have a record investment in skills and training in this State—\$1 billion more than the last Labor budget. We've got half a billion dollars more operational budget for TAFE. These are all true facts, not fake news like you're putting to me. We have—

**The Hon. COURTNEY HOUSSOS:** Minister—

**The CHAIR:** Order! Allow the Minister to finish.

**Mr ALISTER HENSKENS:** —increases in completions. We have increases in people undertaking apprenticeships and traineeships, all by verified NCVER data, not the qualified data that you're putting to me. We know that there is a labour shortage in New South Wales, the whole of Australia and most of the western world. We know all of those things and we are providing unparalleled opportunities for people to get the skills they need for the jobs that they want by our record investments in TAFE. I don't accept that you adopting questionable data from 10 years ago is providing an accurate picture of what is occurring now in New South Wales in terms of skills and training.

**The Hon. COURTNEY HOUSSOS:** You don't think it's an accurate picture?

**The CHAIR:** No, we're going to break for morning tea; we have been round this track this several times. We will resume at 11.15 a.m.

**(Short adjournment)**

**The CHAIR:** I will resume the hearing, coming back to science and technology, and patents that are pending, I think it's very important, given the risk of cost shifting and the Commonwealth withdrawing from this field as New South Wales spends even more and more, to have very rigorous KPIs and outcome statements. How are we doing that? Can we provide and are you providing a guarantee to the taxpayers of New South Wales that each of these targeted investments results in more jobs and prosperity for the State? What are the outcome statements in the budget and how are they monitored?

**Mr ALISTER HENSKENS:** Mr Chair, that's an entirely reasonable proposition to put to me.

**The CHAIR:** It's actually a core purpose of budget estimates, surprisingly.

**Mr ALISTER HENSKENS:** Correct, yes—sometimes lost in these hearings. We will obviously be measuring the performance. Can I just say some of these investments will have a very long-term duration. But what we do know, for example, Mr Latham, is that 80 per cent—or 90 per cent, I think it is, sorry—of startup funds are actually paid to their employees. So these investments are job-generating, and they are the right kind of jobs too because they are jobs that are focused on skills that we don't currently have or we don't have in enough numbers. There will be measurement of the outcomes and that's important.

But what I would say, Mr Chair, is that because there has been a degree of work done—lead-up work, if I can put it that way; our Innovation and Productivity Council's regular reports; we've got our 20-year road map. There has been quite a lot of intellectual power put into the formulation of where we are going to focus our investments with those comparative advantages and competitive advantages identified in the R&D road map. That is very important. So this is not, if you like—and I don't think you suggested this, but it's not spraying around money in an unfocused way. There's actually a very focused direction towards where the money is going to be allocated, and it's going to be done in a rigorous way with independent assessment processes and an external auditor.

**The CHAIR:** Have they started already?

**Mr ALISTER HENSKENS:** In terms of where we are at in the process, we are very close to finalising, in effect, the—it's not right to say terms and conditions, but the criteria.

**The CHAIR:** The framework.

**Mr ALISTER HENSKENS:** The framework. In terms of when things will be delivered, in respect of the accelerated growth and investment funds, the guidelines are in the final approval stage and applications will open in September.

With regard to the commercialisation of products, it's a similar situation. The guidelines are in approval stage and we expect that that will open in September. With regard to the Future Economy Fund, those guidelines will be completed in the next week and we expect applications will be open in October. We have discussed the way in which we can do this in a staged fashion that is not bombarding the people who could be applicants under these different programs. We're doing it in a staged way. I wonder if the Chief Scientist and Engineer has anything to—

**The CHAIR:** I was going to bring in Professor Durrant-Whyte on a separate but related matter—that is, the relative balance between pure research funding and product development. Would it make best sense to think of the division of governmental responsibility as perhaps that the Commonwealth is the best funder of pure research that doesn't always lead to a commercial outcome and that the State funding should be targeted at product development that is much more likely to produce jobs here?

**HUGH DURRANT-WHYTE:** Firstly, I would say, yes, largely that's true. Having said that, to attract things like ARC centres, CRCs and critical research infrastructure, it's important that we build some capacity here so that we are actually investable by the Commonwealth Government. I would say that over 20 years we've been relatively poor at it. I think in the last decade or so we've got much better at attracting the Commonwealth dollar.

**The CHAIR:** So that framework of responsibility is the way you look at it, to try and maximise our investments in product development knowing that they're more likely to lead to jobs? I know that you can't have product development without some pure research but there is a lot of money provided elsewhere for that.

**HUGH DURRANT-WHYTE:** I might get to that in a second. We have a program called RAAP, which is the Research Attraction and Acceleration Program. It's been running for many years. We actually did an

evaluation as to the impact of that investment, which is in the order of between \$13 million and \$10 million a year over that time period. There have been huge paybacks in terms of external investment attraction of companies, training and all of these sorts of things from, for example, investment in our research infrastructure, nanofabrication, microscopy and so on. We had an independent review done of, basically, the impact of that and we worked very closely with the universities to understand that. In truth, that was an important part of the evidence base that went forward for the current program.

At the same time, we also—as you rightly say—are very involved in the research translation part. I might mention, although it is slightly different here, that I'm chair of the Medical Devices Fund. I think that's a very well-known program now because it's been so successful. Over a decade we've invested as a government about \$50 million. It has got private investment of well over \$800 million. It is genuinely leveraging and creating companies that go public or get sold or whatever and are genuinely creating new industries. On the back of that we now fund the Physical Sciences Fund, which is very related. We have the bushfire technology fund, which is again a very similar model. We're really looking at taking those early stage startups out of university and into a position where they're actually fundable by venture capitals, if that makes sense?

**The CHAIR:** Yes.

**HUGH DURRANT-WHYTE:** We're not trying to replace the venture capitals. In fact, many of the external committees that evaluate things comprise the venture capital community so that they genuinely understand whether they're commercialisable.

**The CHAIR:** No, I think that's the right approach. Professor Hugh Durrant-Whyte, I further ask whether you are aware of an international model where this has worked successfully that would pave the way for or inspire the New South Wales approach, where a provincial government somewhere has been able to leverage up high levels of product development and jobs from a targeted research investment?

**HUGH DURRANT-WHYTE:** Yes, there are numerous examples.

**The CHAIR:** What are the countries that you look to?

**HUGH DURRANT-WHYTE:** One I've just come back from is Singapore. I admit it is not Federal, but the advantage of Singapore is it's of comparable scale in terms of population to New South Wales. They are also looking at many of the similar areas that we are, such as semiconductors and RNA. They're looking at how they go about attracting people from elsewhere in Asia to Singapore in the same way we might think of, as a State, attracting places. They run similar programs. They're talking about mRNA facilities. We're talking about collaboration in, say, semiconductor packaging, which is happening now out at Bradfield, and how we can actually do similar models—both research models, because a lot of the expertise does live in universities, and similar programs that will attract industry, support industry and create new industries.

**The CHAIR:** But what about in small-F federal systems of government?

**HUGH DURRANT-WHYTE:** There are very few examples that look just like Australia. If you go to the US, the problem is that the federated States are orders of magnitude bigger than what we have here. It is very hard, for example, to compare us to California or something like that. Also, we have talked to the individual States in Germany but, again, they are driven in very different ways than what we have here. But likewise, most countries, at both a Federal and local level, are looking at research translation: How do we build out of the back of our strong universities? I might also mention at this point the 40-year economic blueprint that came out a few years ago. The seven pillars that I think Matt Kean referred to are in there.

**The CHAIR:** No, he had five pillars. The new capitalism has only got five.

**HUGH DURRANT-WHYTE:** And five was the innovation one. There again, we try to identify where it is that we should be building new industries.

**The CHAIR:** Just to take a case study, Minister, on 14 February you announced 14 five-year innovation partnerships with New South Wales universities. How do they work? In terms of accountability and the value for our taxpayers, what are we expecting?

**Mr ALISTER HENSKENS:** Mr Chair, I'll try to weave in what I was about to add to the professor's previous answer, if I may.

**The CHAIR:** Please do.

**Mr ALISTER HENSKENS:** Your question correctly identified that traditionally there's been a very strict separation between pure research and the commercialisation that may flow from that. What we learned from other jurisdictions—and I believe that the fact that we are a sub-jurisdiction is not relevant here. If New South

Wales was its own country, it would be the thirty-sixth largest economy in the world. We have the most diversified economy in Australia. We ought not let our Federal system drag us from our capability and where we should be aspiring to.

In respect of the relationship between pure research and commercialisation, the issue that we've had historically in Australia is that we haven't converted our pure research enough into commercial opportunities. That is the difficult step. If you look at countries like Israel, which is widely regarded as having one of the better innovation ecosystems in the world, what they do is embed innovation in every organisation they have. If TAFE was in Israel, they would have an innovation department within TAFE. I think we do have a kind of innovation department within TAFE, but Israel's water authorities—every private and public body has innovation embedded within the organisation.

In terms of pure research organisation—like, for example, the Wiseman Institute, which is one of the premier research organisations in the world—it has a head of pure research and a head of innovation. They actually get people from outside of the organisation with people in their innovation section to then brainstorm with the pure researchers. The pure research mindset is not necessarily a creative innovation mindset, although the two need to work together. They literally have brainstorming sessions as to how they convert the pure research that is going on there into real-world commercial opportunities. Then they have a section of that institute that is dedicated towards actually realising those innovation opportunities.

**The Hon. ANTHONY D'ADAM:** Minister, the student management system was supposed to be delivered by January 2018. It still hasn't been delivered. Would you concede that it's a disaster?

**Mr ALISTER HENSKENS:** No, I won't concede that. The first phase of the student management system went live in July of this year.

**The Hon. ANTHONY D'ADAM:** When is it likely to be completed, Minister?

**Mr ALISTER HENSKENS:** In terms of the forward program for the rollout of that system, I'll defer to Mr Brady and his staff.

**STEPHEN BRADY:** Thanks, Minister. We are delivering the system progressively in order to roll out functionality, assess whether there's any changes required and move on to the next rollout. Our first rollout was for our higher education students and our next rollout will be in January, where we'll be rolling out to our institute of advanced technology and our commercial delivery. The last phase of delivery is for our vocational education groups, which at this stage is forecast for September of next year.

**The Hon. ANTHONY D'ADAM:** Why does the implementation of this keep being delayed? It was supposed to be in place in January 2018. What has been causing the delays?

**STEPHEN BRADY:** A couple of things, Mr D'Adam. Firstly, as you're aware, the initial approach to delivery was to buy this as a service from an external vendor. That was found to not be providing the level of service that we were looking for and we brought it back in-house. That has been the subject of previous discussions of this Committee. Secondly, like every other infrastructure and digital program in the country, we've been hampered by the impacts of COVID-19 on a very tight market for skills, particularly for digital skills. Thirdly, as we were moving through the delivery of the program, it became apparent the initial funded scope for this program was not going to provide the level of functionality we needed. So what we've done is amended that initial scope in order to be able to provide a connection to other parts of an ecosystem of systems—so, for instance, curriculum management, facilities scheduling—the things you need to be able to provide an end-to-end solution across an organisation of our size and scale.

**The Hon. ANTHONY D'ADAM:** Why did TAFE get the scoping so wrong then?

**STEPHEN BRADY:** The initial funding—and I can ask Mr Backley to come up to provide further detail, but the initial programs had a very broad scope but actually only funded part of that scope. It was always anticipated that the student management system would come back for further funding and delivery beyond that initially funded scope. Mr Backley?

**DAVID BACKLEY:** Certainly. The original scope was to replace the EBS system from Tribal. As we looked at the scope and as we brought the system in-house, it was very clear that that would not deliver the outcomes, so we looked at the rest of the ecosystem, including later phases of the program for scheduling and rostering so that a student, a room and a teacher and a virtual classroom can all be rostered within the same solution rather than having to leave and go into different systems. So those are some of the changes that we've made.

**The Hon. ANTHONY D'ADAM:** Why did you terminate the contract with Red Rock?

**DAVID BACKLEY:** The termination with Red Rock was as a result of delays, potential costs blowouts and quality issues.

**The Hon. ANTHONY D'ADAM:** How much overbudget is the project now?

**DAVID BACKLEY:** The current budget is, for completion, \$121.5 million.

**The Hon. ANTHONY D'ADAM:** And what was the original budget?

**DAVID BACKLEY:** The original budget for, as I say, the lesser scope was \$84.9 million, plus a 10 per cent contingency.

**The Hon. ANTHONY D'ADAM:** Minister, are you satisfied with the significant cost blowout in this project?

**Mr ALISTER HENSKENS:** Well, I think what's been explained is that what has actually been delivered is beyond the original scope and the reasons for why there has been an increase in costs has been explained. Can I also add that my advice is that, by bringing the project in-house, that has in fact saved the taxpayer a considerable amount of money than would otherwise have been expended if the original procurement had been continued. So there has been attention to giving value for money to the taxpayer on an expanded scope of works.

**The Hon. ANTHONY D'ADAM:** What is the final date of completion? When will it be fully rolled out?

**DAVID BACKLEY:** The completion date at the moment is September 2023.

**The Hon. ANTHONY D'ADAM:** September 2023.

**DAVID BACKLEY:** I'm sorry, I must correct myself: The original budget was \$89.4 million.

**The Hon. ANTHONY D'ADAM:** It's been suggested to me that once this system has rolled out that actually the technology, in terms of comparative offerings in the market, will be quite antiquated. What do you say to that?

**DAVID BACKLEY:** I'd say that's rubbish.

**The Hon. ANTHONY D'ADAM:** You don't agree.

**DAVID BACKLEY:** No, I don't agree.

**The Hon. ANTHONY D'ADAM:** You think that it's best practice, is it?

**DAVID BACKLEY:** Well, the solution that is provided—the solution is underpinned by the Oracle Corporation, not a very small company. PeopleSoft Campus is used around the world. We are using it here for a vocational solution. I don't think Oracle will be taking their product obsolete in the next few years.

**The Hon. ANTHONY D'ADAM:** You don't think so.

**DAVID BACKLEY:** I am happy to take that on notice, but I have had this discussion with Oracle. There are other people in the market who may consider it's not fit for purpose, but they're competitors.

**The Hon. COURTNEY HOUSSOS:** Minister, we asked you a lot of questions this morning about the 70,000 decrease in course enrolments produced in SO 52 documents. According to TAFE annual reports, in 2012 there were 579,719 students currently enrolled at TAFE. In 2020—that's the most recent figures we have from your annual reports—there were 468,000. Now that shows an even bigger decline, over 110,000. Will you now accept that there is a declining number of students enrolled at TAFE and that that is contributing to the skills crisis in New South Wales?

**Mr ALISTER HENSKENS:** No, because we've never had more people wanting to get the skills they need for the jobs that they want and TAFE has never had a larger operational budget and a greater capacity to be able to deliver that. What we do have is a labour shortage. We have a shortage of people who are actually available to be trained, and part of the responsibility for that lies at the feet of the Federal Government in the areas that I've already identified. We have, as a State Government, pulled every lever that is available to us. We've supported women coming into the workforce and participation rates for women. We've put a record budget into TAFE.

The levers which have not been exercised and used are the levers that will further support female participation by the Federal Government, incentives for seniors to continue in the workforce that will help increase the labour market, and immigration. A skilled migrant can get their application processed in 14 days in Canada, I am advised. There is a huge backlog in the processing of skilled migration applications to Australia. That is

what's causing the problem. We need the Federal Government to step up—not have a talkfest, but actually start doing actions that will make a difference. That sits at the feet of Federal Labor.

**The Hon. COURTNEY HOUSSOS:** Minister, you're putting that at the feet of Federal Labor, who have been in government for a couple of months. You've been in government for over a decade. Under that time we've seen over 110,000 less students at TAFE. How can you not put that at your feet? You want to talk about a labour shortage. Well, let's talk about on the mid North Coast there's a youth unemployment rate of over 20 per cent—21.5 per cent in May—and yet under your Government's watch we've seen a decrease in the number of students at that TAFE by 59 per cent. It's been more than halved. Minister, this is the legacy of your Government: less students at TAFE, less apprentices in training.

**Mr ALISTER HENSKENS:** So, TAFE, as I've already said, trains 45 per cent of Australians in a TAFE, all around Australia. For one-third of the nation's population, 45 per cent of the TAFE students are in New South Wales, TAFE NSW. The other matter which you are not drawing attention to is the fact that you're only presenting part of the picture, because TAFE is not the only skills and training provider in New South Wales. In fact, we have a substantial private sector, which is why our skills and training budget is \$3 billion this year—\$1 billion more than the last year of Labor. Mr Collins will be able to give more accurate figures about the extent of skills and training that is going on in New South Wales, not just TAFE but including the whole skills and training ecosystem.

**The Hon. COURTNEY HOUSSOS:** Minister, we will get to that in just a moment. What I would like to ask you about is that—

**Mr ALISTER HENSKENS:** No. You have been presenting a quite misleading figure, which is saying that TAFE enrolments equal the number of people undertaking skills and training in New South Wales. That is a false proposition to put to me in your last question. You know, as well as I do, that there are substantial private RTOs that are training people in New South Wales. That's why we have had the increase in people undertaking apprenticeships and traineeships over the last 12 months—an 8 per cent increase, 20 per cent increase in women. That's why the figures do not match with your false narrative.

**The Hon. COURTNEY HOUSSOS:** Minister, it's not a false narrative that there are less students in TAFE. Over the last decade we have had an increase in population. We've seen your government in power for 10 years, yet we have seen a massive decrease in the number of students in TAFE. Irrespective of what is going on in the private vocational educational market, you cannot honestly sit there as the skills Minister and say that your government has had no role in the skills crisis that is confronting New South Wales right now.

**Mr ALISTER HENSKENS:** The labour crisis in New South Wales is feeding into a shortage of skilled employees.

**The Hon. COURTNEY HOUSSOS:** Minister—

**The Hon. SCOTT FARLOW:** Point of order: Let the Minister finish.

**The CHAIR:** Order! Let the Minister finish his answer.

**Mr ALISTER HENSKENS:** We have invested a record sum of money in skills and training. The funded positions, the New South Wales State-funded positions are not confined to TAFE. We fund many positions that are training positions by private RTOs. Mr Collins, if you will give him an opportunity, will give the data on those matters.

**The CHAIR:** Mr Collins, what have you got there in the contestable market?

**DAVID COLLINS:** We do have a contract with some 415 providers at TAFE and the balance being private and community training organisations, and they are delivering a range of qualifications that relate to local skill needs. We have had over recent years—I don't have the full 11 years, in fact we've not been managing this for the full period that has been referred to—but we have seen growth in enrolments certainly over the last four years within that area. We have seen growth in enrolments from 179,245 under those programs in 2018-19, to 227,593 in 2020-21. Our figures for 21-22 are being finalised. That is just over 200,000 as well. There's been a strong participation across the market in those priority qualifications. We have also in that time been working with the Commonwealth over the JobTrainer program where we have been seeing very strong participation in both full qualifications and part qualifications in skillsets related to targeted skill needs.

**The Hon. COURTNEY HOUSSOS:** Minister, there might be a slight increase over the last year or two in completions or in numbers, but if we look back on any indicator, on your own annual reports, on the data from this SO52, we see that there is a declining number of students, there has been a huge decrease in the number of students studying at TAFE and the number of staff employed at TAFE. Your government is trying to, or you are

this morning trying to lay the blame for the skills crisis at everybody else's feet but not taking responsibility for yourself.

**Mr ALISTER HENSKENS:** When will you stop talking—

**The CHAIR:** That's a magnificent Opposition statement, but there needs to be a question.

**The Hon. COURTNEY HOUSSOS:** Why won't you accept that there are less students at TAFE today than there were when you came to government in 2011?

**Mr ALISTER HENSKENS:** Why won't you stop talking down TAFE?

**The Hon. ANTHONY D'ADAM:** Point of order—

**Mr ALISTER HENSKENS:** Why won't Labor stop talking down TAFE? Because that's what you keep doing.

**The CHAIR:** Minister, I encourage Committee members to ask questions and you need to provide answers through statements, not to get your own question coming back. If you want to join the LC, say on the One Nation ticket at the next election, you will be most welcome. But I suspect you won't, so you need to provide statements of answers.

**Mr ALISTER HENSKENS:** Joining the LC would be a fate worse than death.

**The CHAIR:** Oh, no. It's serving with Matt Kean and new capitalism that will bring you down.

**Mr ALISTER HENSKENS:** Look, you keep presenting TAFE figures alone as representing the entirety of the training ecosystem. You either are doing that because you are ignorant of the other training providers within New South Wales, or you are doing it to be deliberately misleading. It's either one or the other, because you know very well that we have made a record investment in skills and training, that there has never been a better time to get skilled and trained in New South Wales, that we have made record investments in TAFE and we have modernised TAFE in a way that it has never been modernised in the past. We have got record investment in technology and the like. Yesterday we opened the largest multi-trades hub in Australia at Meadowbank TAFE. We are building an institute of applied technology out in Kingswood. We are building an institute of digital applied technology that will have the best cybersecurity facilities in the nation at Meadowbank. All of those things are ignored by you. Instead, what you prefer to do is put misleading statistics and propositions to me.

**The Hon. COURTNEY HOUSSOS:** Minister, after a decade of cuts you have finally put a little bit of funding—

**Mr ALISTER HENSKENS:** That's wrong.

**The CHAIR:** Order!

**The Hon. COURTNEY HOUSSOS:** —into vocational education, into TAFE, after a decade of cutting staff, after a decade of cutting funding, after a decade of declining students. You cannot claim credit for a slight uptick in the last couple of years. There has been a 50 per cent decline in the number of apprentices across the economy studying since you came to government in 2011.

**Mr ALISTER HENSKENS:** You know—

**The Hon. COURTNEY HOUSSOS:** A 50 per cent decline.

**The CHAIR:** Yes, but what's the question?

**Mr ALISTER HENSKENS:** What's the question? That's a statement. What's the question?

**The Hon. COURTNEY HOUSSOS:** There has been a 50 per cent decline in apprentices that are studying. Can you accept that that is a contributor to the skills crisis that is facing New South Wales?

**Mr ALISTER HENSKENS:** There's an increase in the number of people who are undertaking an apprenticeship or traineeship in the last 12 months.

**The Hon. COURTNEY HOUSSOS:** Exactly, in the last 12 months.

**The CHAIR:** Order! Can I suggest the meeting move on. This is now in the realm of tedious repetition. We are getting essentially the same question, the same answer. I've heard this thing about record investment about 50 times, or it feels that way. Can we move on.

**The Hon. ANTHONY D'ADAM:** I might ask, Mr Collins appears to be the man who's got the figures. You talked about the funding to private providers. How much of the total spend is going to private providers?

**DAVID COLLINS:** Overall in terms of the allocations that we are managing, it is about—I would take it on notice so I can give it to you accurately—but it is about 25 per cent.

**The Hon. ANTHONY D'ADAM:** I am asking for the figure, what's the dollar figure?

**The Hon. SCOTT FARLOW:** Point of order: Mr Collins indicated that he would take it on notice to give an accurate figure.

**The CHAIR:** He is taking on notice the precise percentage. He has now been asked a separate question, what does that convert to in dollars.

**DAVID COLLINS:** I would like to come back to you on it. I can probably come back this afternoon with a dollar value as well.

**The Hon. ANTHONY D'ADAM:** That would be good. The budget figures, the allocation is to the TAFE Commission. I am assuming that that proportion is within that budget figure. Is that correct? Of the 1.996 in the budget papers for the TAFE Commission, that 25 per cent that you suggest is out of that figure. Is that right?

**DAVID COLLINS:** The \$119 billion is direct funding to TAFE. It does include some of the TAFE's contestable funding, but that is funding for TAFE. The money that I am referring to is not taken out of that amount.

**The Hon. ANTHONY D'ADAM:** It is in addition to that amount. Is that right?

**DAVID COLLINS:** It is in addition to the \$1.9 billion.

**The Hon. ANTHONY D'ADAM:** The global figure, you will come back to us with that. Is that correct?

**DAVID COLLINS:** You asked about the figure that goes to the private market.

**The Hon. ANTHONY D'ADAM:** Yes.

**DAVID COLLINS:** And I will come back with precision on that.

**The Hon. ANTHONY D'ADAM:** Minister—

**Mr ALISTER HENSKENS:** TAFE is roughly \$2 billion operational budget. We've got a \$3.1 billion skills budget. I can't give you the entire breakup between the \$2 billion and the \$3 billion, but that is the sort of numbers that we are talking about in this year's budget.

**The Hon. ANTHONY D'ADAM:** Perhaps on notice Mr Collins might be able to provide us with the detail of the breakup of the additional billion over the funding for TAFE.

**The Hon. COURTNEY HOUSSOS:** Can I ask you to also provide us the not for profits as well. We have asked for privates, we would like not for profits as well as to TAFE. The full picture.

**DAVID COLLINS:** The figure will be for non-TAFE providers.

**The CHAIR:** Minister, if I can now turn to a few matters about training. At the last estimates you said that you hadn't had any discussion with Minister Kean about training plans for the 400 workers to be displaced, laid off at the closure of the Eraring Power Station in 2025. Have those discussions now been had?

**Mr ALISTER HENSKENS:** Mr Latham, on the last occasion, I was only partly accurate in my answer, which I indicated to you afterwards. My office had been in discussion with the Treasurer's office about the training opportunities with regard to the Eraring Power Station. As you correctly identified, the power station will close in 2025. It's an important issue that we provide the directly impacted workers with opportunities to retrain and reskill. I am advised that there are no apprentices or trainees that are employed at Eraring power plant. We will need to develop individual support plans to determine if the workers will retire, request work at other power stations, retrain into a new industry or uptake micro-credentials. That will all be part of the transition for the workforce when the power station closes.

**The CHAIR:** Minister, do you recall the Coalition's promise at the last election to halve the migration intake into New South Wales?

**Mr ALISTER HENSKENS:** The State Government or the Federal Government?

**The CHAIR:** No, the State Government—the then Berejiklian Government. Do you recall the promise, which I assume you ran on in your constituency as well, to halve the immigration intake into New South Wales?

**Mr ALISTER HENSKENS:** Certainly, Mr Latham, there has been a problem in the past with regard to the overwhelming percentage—I think as much as 80 per cent—of immigration into our country ending up in Sydney and Melbourne. That, of course, is not where the labour's needed, nor is it a good utilisation of the available infrastructure. So we certainly support an immigration system that will spread immigration throughout the nation in an appropriate fashion. Having said that, Mr Latham, we've got a huge labour crisis all around New South Wales. You've been around, as I have. It's in all industries, it's in all segments and it's particularly hitting regional areas. It is a very different set of circumstances to pre the 2019 election.

**The CHAIR:** But you concede that it now stands as a broken promise, particularly in light of your call, and that of Minister Kean, to ramp up the numbers of migration to New South Wales. I know you can plead changed circumstances but it stands as a broken promise.

**Mr ALISTER HENSKENS:** I'm not sure that's right, with the greatest of respect, because if we're minus 350,000 net migration over the last two years, I would suggest that that's a greater than 50 per cent reduction.

**The CHAIR:** What do you now want the immigration intake in New South Wales to be in the next—

**Mr ALISTER HENSKENS:** What we want is enough immigrants to provide labour for the businesses that employ nine in 10 people within our State, because the biggest risk to a job at the moment is that those businesses will not be able to continue because of the labour shortage. It's a very—

**The CHAIR:** Let me guess. It's nuanced.

**Mr ALISTER HENSKENS:** It is. I'm not trying to deflect but it is a very different set of circumstances than what was the case in 2019.

**The CHAIR:** Minister, do you support the new unskilled visa?

**Mr ALISTER HENSKENS:** We have a shortage of all kinds of labour. There are certain industries that are calling out for unskilled labour and we need to support those industries, particularly in regional areas. But the sweet spot in terms of immediate impact is also in the skilled migration spot, because it takes many years to train people in some skilled occupations, but if we can get a person in who already has the skills, training and experience then that will best meet some of the short-term challenges that we face.

**The CHAIR:** In terms of your repeated reference to a labour shortage, do we really have a labour shortage when there's hundreds of thousands of people in New South Wales on the dole or Youth Allowance and many on long-term welfare. Haven't we got a shortage of labour willing to put their name down to apply for a job?

**Mr ALISTER HENSKENS:** I'd answer that in two ways. The first is that my understanding of the statistics is that we actually have more positions vacant than we have available people to fill them—

**The CHAIR:** That proves my point. You've only got to put your name down and you've got a job.

**Mr ALISTER HENSKENS:** —even taking into account the matters that you raised. When you and I were at university, our professors told us that the rate of unemployment that you would never get below was about 6 per cent. That was the structural rate of unemployment—

**The CHAIR:** You had to be at the NAIRU, yes.

**Mr ALISTER HENSKENS:** —that they used to say. Now we're down to 3.3 per cent, so we've almost halved what was the conventional wisdom 30 years ago. So we are very much eating into some of the more difficult areas of the labour market with our current unemployment rates.

**The CHAIR:** Let me go to an example. You said I'd been around the State. When I was in Bourke just a few weeks ago, the new abattoir there has 75 jobs available, which is very important in a place like Bourke. They can only fill 15 of them. There's 60 where they can't get anyone, particularly those in the Indigenous community, to put their name down for a job. They're saying they will have to bring them in from East Timor. These are not skilled jobs but very valuable, and the habits of work and all the demonstration and mentoring effect for young people in a place like Bourke are critical. Aren't we missing an historic opportunity to end Aboriginal unemployment in New South Wales?

**Mr ALISTER HENSKENS:** Mr Latham, I agree with you. I think we have a historical opportunity to provide work for people from families who for generations have perhaps not had anyone work within their family group. I'm not talking just about Indigenous people.

**The CHAIR:** They are not just Indigenous but anyone on long-term—isn't this an historic opportunity that's going missing?

**Mr ALISTER HENSKENS:** It is. Mr Latham, our record investment—

**The CHAIR:** For people who won't work.

**Mr ALISTER HENSKENS:** —in skills and training is providing them with the opportunities to get skilled and get work.

**The CHAIR:** It is not a question of getting the skills; it's a question of wanting to work, isn't it, in part? Will that form part of the submission of the New South Wales Government at the forthcoming job summit in Canberra. Isn't this a fundamental point to make to Canberra?

**Mr ALISTER HENSKENS:** I agree with you. Perhaps what we need to do in order to eat even further into our participation rates is look at the kinds of supports. I've mentioned supports for women to re-enter the workforce. You're talking about a different segment of the potential labour market. I do agree with you that we need to look at the kinds of supports that will break into what you and I would call historic disadvantaged groups.

**The CHAIR:** Will this form part of the New South Wales submission to the jobs summit?

**Mr ALISTER HENSKENS:** I believe that that will be part of the narrative.

**The CHAIR:** Are you participating in the jobs summit? Who's the New South Wales delegation?

**Mr ALISTER HENSKENS:** The number of people who are attending is determined by the Federal Government. As I understand it, only the heads of jurisdictions in the States and Territories have been invited to come along. I believe the Premier will be representing New South Wales.

**The CHAIR:** You believe the Premier will put this argument, that the labour crisis, in part, is a crisis of people not willing to put their name down for a job?

**Mr ALISTER HENSKENS:** We want people to work. As Paul Keating once said, the greatest social welfare you can give someone is a job.

**The CHAIR:** I actually said that.

**Mr ALISTER HENSKENS:** Did you say that?

**The CHAIR:** I said that.

**Mr ALISTER HENSKENS:** I'm sorry.

**The CHAIR:** It still holds true.

**Mr ALISTER HENSKENS:** But it's true, and I agree with you. When I grew up in Newcastle, there was 26 per cent youth unemployment when I left school. That can have a very devastating impact on someone's life. We want to get people into work. We want to get people who are from an environment which traditionally has not supported them working—we need to get them into a job.

**The CHAIR:** For Indigenous people, the all-important need to ensure that they're in jobs will be the New South Wales Government's focus much more than flags on bridges?

**Mr ALISTER HENSKENS:** Mr Latham, we've done a range of supports for our Indigenous community beyond the matter that you've referred to. It is incredibly important because, again, supporting our Indigenous community to get work, to lead the best life they can give, is incredibly important.

**The CHAIR:** Just imagine the tragedy of having to bring people in from East Timor when we could have full employment for our Indigenous population in a place like Bourke. The stakes are high. This is a one-off opportunity and I urge the Government to take it.

**GEORGINA HARRISSON:** If I can add, Mr Latham, in terms of the participation rates of our Aboriginal students in vocational education, we have over 47,500 Aboriginal VET students in New South Wales and 7,020 Aboriginal apprentices and trainees currently in training with 4,176 employers.

**The CHAIR:** Well, I also know, Secretary, that on the *Notice Paper* you provided an answer to me about post-school outcomes for Indigenous, and they've dropped several per cent—I think 3½ per cent over the last five years. That's Indigenous school leavers in further training or jobs. So the raw figures might indicate that, but the proportional figures are in decline, I'm sorry.

**GEORGINA HARRISSON:** There are, though, signs of improvements, particularly around our school-based apprenticeships, through our work on our Premier's Priority where we are seeing—where students are engaging in a school-based apprenticeship, they're far more likely to complete that and go into employment. We are closely looking at those initiatives with—

**The CHAIR:** Well, at the schools I visited, the challenge is for people to go to school.

**GEORGINA HARRISSON:** We continue to be focused on working on those issues.

**The CHAIR:** I'm sure you do.

**Mr ALISTER HENSKENS:** Chair, can I ask for a personal break for a moment? I'll come back in a minute.

**The CHAIR:** Yes. We'll have a five-minute break and resume at five past midday. Thank you.

**(Short adjournment)**

**The CHAIR:** We might be ready to resume. Thanks, Minister and Committee members.

**Mr ALISTER HENSKENS:** Thanks for that break.

**The Hon. COURTNEY HOUSSOS:** Minister, under the National Vocational Education and Training Regulator Act 2011, you are responsible for approving courses. Is that correct?

**Mr ALISTER HENSKENS:** I'd need to defer to Mr Collins.

**DAVID COLLINS:** You give a New South Wales position, yes.

**Mr ALISTER HENSKENS:** We give a position, but my understanding is that it's a Federal system and all we have is input into that Federal system.

**DAVID COLLINS:** You do, on behalf of the State, endorse or support the courses that are created.

**The Hon. COURTNEY HOUSSOS:** How many have you endorsed, Minister, in nine months?

**Mr ALISTER HENSKENS:** I'm not sure. I'll need to take that on notice in terms of the number.

**The Hon. COURTNEY HOUSSOS:** Mr Collins, do you have any information?

**DAVID COLLINS:** I'd need to take it on notice as well.

**The Hon. COURTNEY HOUSSOS:** Minister, I understand that there are some that have been waiting for quite some time—indeed, almost a year—in order to be approved to provide courses in New South Wales. Is this news to you?

**Mr ALISTER HENSKENS:** I know that our Federal system of accrediting courses is incredibly cumbersome. But, as to that level of delay, I would need to defer to Mr Collins.

**The Hon. COURTNEY HOUSSOS:** Mr Collins?

**DAVID COLLINS:** I don't have that data in front of me. It is a national process, so we are one part of it. There are processes—the industry bodies that are responsible for the design and development of the training packages or the upgrading of the training packages. There is then consultation with States over that, so it is a process. I'm not sure of the data around that because I'm not close to it, but we can take it on notice.

**Mr ALISTER HENSKENS:** Can I just add that it doesn't ring true to me, because I get written a letter from the Federal Minister that usually asks me to endorse a course within 21 days. To my knowledge, we've always complied within the time frame set by the Commonwealth.

**The Hon. COURTNEY HOUSSOS:** Okay. Can I forward you a specific one from Novaskill that has been delayed, according to their information provided, since it was approved by the Federal regulator in October 2021 and is now in danger of having a superseded qualification due to extensive delays?

**Mr ALISTER HENSKENS:** Have you got a document that you're going to show us?

**The Hon. COURTNEY HOUSSOS:** Sure, I can provide that to you after the hearing. But this is a training course that has been sitting and waiting for approval. We're told it has been approved by the Federal regulators, but it has been sitting with the State Government since October 2021.

**Mr ALISTER HENSKENS:** That predates my time as Minister. It doesn't sound like something that I'm aware of. Unless you can put a document in front of me, I'd be loath to answer questions on it, unless Mr Collins has anything to add about that matter.

**DAVID COLLINS:** It sounds to me like what you're talking about is a qualification that may have been approved as part of a national training package and that the provider is seeking to get onto the NSW Skills List. I'm not familiar with the case, but it sounds like that might be what you're referring to.

**The Hon. COURTNEY HOUSSOS:** This is specifically in relation to aged-care and disability qualifications, the same qualifications that your Treasurer called for immigration to solve, and yet your government has been sitting on this course for almost a year.

**Mr ALISTER HENSKENS:** I don't accept that, and you're not able to produce a document to show what you're asking questions about.

**The Hon. COURTNEY HOUSSOS:** I just don't have another copy. I'm happy to provide it to you after the hearing, Minister.

**Mr ALISTER HENSKENS:** Well, I'm happy to look at the copy that you have there in front of you, and so is Mr Collins.

**The Hon. COURTNEY HOUSSOS:** I will seek some advice about whether I can provide you this exact copy.

**DAVID COLLINS:** Sorry to speak on behalf of the Minister, but I don't think we can respond to it unless we can see what it is. It's not clear to me what the issue is. It does sound like what I described, but I'm not sure. In referring to the age and disability area, the highest-volume qualification that we've supported under the JobTrainer program is a certificate III in Individual Support. That's the support qualification for people working across the age, disability and care sector. So there has been a very high level of activity in that area.

**The Hon. COURTNEY HOUSSOS:** Yes. I am going to provide that to you. Minister, while the document is being brought down to you, I understand you have been out to the PICAC training centre, the plumbing training centre north-west of Sydney?

**Mr ALISTER HENSKENS:** Yes, I have.

**The Hon. COURTNEY HOUSSOS:** There has been some additional funding that has been provided to skill up the plumbers.

**Mr ALISTER HENSKENS:** Can I read this document?

**The Hon. COURTNEY HOUSSOS:** Yes, of course.

**Mr ALISTER HENSKENS:** Thank you.

**The Hon. COURTNEY HOUSSOS:** Does it sound familiar to you, Minister?

**Mr ALISTER HENSKENS:** No, but I will hand it to Mr Collins for him to read.

**The Hon. COURTNEY HOUSSOS:** Great. Minister, I will continue with my question. You've been to the PICAC centre. You would be aware that there is a new requirement that is going to be brought in on 1 October to require plumbers to have a new licence for the installation of medical gas?

**Mr ALISTER HENSKENS:** Yes, I am aware of that issue.

**The Hon. COURTNEY HOUSSOS:** Yes, additional funding was promised to allow licensed plumbers to increase their training. Can you guarantee that that funding will remain available?

**Mr ALISTER HENSKENS:** I may ask Mr Collins to give advice on the status of that matter.

**DAVID COLLINS:** Apologies, I was slightly distracted by reading this as well. The organisation you referred to, the Plumbing Industry Climate Action Centre for service trades is the registered training organisation. We approved them in 2020, I believe, to deliver the certificate III in plumbing. We also approved them as part of that to deliver two units of competence that relate to medicinal gases and the installation of medicinal gas. Since then we have been funding the organisation to deliver those skill sets as well as funding them as a trainer of apprentices. There had been an issue about the recognition of one of those units of competence that we worked with the organisation over. That has been resolved and we are now back. We have just received an application from them to continue funding of the skill sets.

**The Hon. COURTNEY HOUSSOS:** So that funding is going to be available to them? I just want to be really clear on the record.

**DAVID COLLINS:** Yes, the funding will be available.

**Mr ALISTER HENSKENS:** If I understand the answer that Mr Collins has given, there are some regulatory matters which are still to be worked through. As you would appreciate, and now that you're advocating on behalf of private RTOs—which I congratulate Labor on because you've always had a position that you thought all skills and training should go through TAFE.

**The Hon. COURTNEY HOUSSOS:** Minister, I am asking you a serious policy question.

**The CHAIR:** Order!

**Mr ALISTER HENSKENS:** I congratulate you on finally coming to the party with us funding private RTOs.

**The CHAIR:** Minister—and Ms Houssos—you've made your point. Let's get on to the substantial answer, please, and not the pointscoreing.

**Mr ALISTER HENSKENS:** You are asking questions about regulatory matters and tying that to funding issues for private RTOs. The regulatory issues need to be worked through before the funding can be confirmed.

**The Hon. COURTNEY HOUSSOS:** But let's just be clear: the licence requirements start on 1 October and the training, from my understanding, is happening this week or perhaps even next week. Obviously we just want a guarantee that that funding will be available and that those people will be able to undertake that training before the licence requirements come in.

**DAVID COLLINS:** We are processing the application from the provider at this point in time.

**The Hon. COURTNEY HOUSSOS:** We might come back to that.

**The Hon. ANTHONY D'ADAM:** Mr Brady, earlier I asked about your salary at Customer Service and the difference between when you were appointed to the role of acting managing director. Are you able to provide us with a dollar figure? You referred to the difference being 10 per cent. What was the dollar figure of your salary at Customer Service?

**STEPHEN BRADY:** I think I overstated the benefit I received in taking up the new role. It's more like 5 per cent, Mr D'Adam. My current salary is \$499,250; my prior salary was \$471,797.

**The Hon. ANTHONY D'ADAM:** That was your salary at Customer Service, was it?

**STEPHEN BRADY:** That's right.

**The Hon. ANTHONY D'ADAM:** Minister, you just made an observation about RTOs. Can we take it from that comment that you're agnostic about where the funding goes? That if RTOs can do the job, then you're happy for more funding to flow to RTOs, away from TAFE?

**Mr ALISTER HENSKENS:** We've always supported a contestable market. We recognise—and it's one of the reasons why we've invested so heavily in regional areas in relation to TAFE—that there are not always contestable markets throughout New South Wales. But where there is a contestable market that's operating, we believe that, in the interests of getting the maximum number of people skilled and trained in our State, there should be a delivery-agnostic policy, and that is our policy.

**The Hon. ANTHONY D'ADAM:** How do you think that resonates with TAFE employees as a commitment around supporting TAFE as an institution?

**Mr ALISTER HENSKENS:** As I've said on a number of occasions today, we have invested half a billion dollars more on the operational budget of TAFE than under the previous Labor budget. We are investing heavily in TAFE—three times the capital investment in TAFE than under the last Labor budget. Over the last two financial years, and taking into account this year's budget, it will almost be \$800 million in capital investment in TAFE. These are substantial investments in TAFE. The only people who are talking down TAFE is you, Mr D'Adam, and your colleagues.

**The Hon. COURTNEY HOUSSOS:** Oh, come on!

**Mr ALISTER HENSKENS:** And Mr Crakanthorp.

**The Hon. COURTNEY HOUSSOS:** You want to give us a history lesson about spending that happened over a decade ago?

**Mr ALISTER HENSKENS:** You're the only people who—

**The Hon. ANTHONY D'ADAM:** Point of order—

**The Hon. SCOTT FARLOW:** Not even The Greens anymore.

**The CHAIR:** Order!

**Mr ALISTER HENSKENS:** It is the largest, best training organisation in Australia—

**The Hon. COURTNEY HOUSSOS:** It has been run down by your Government for over a decade.

**Mr ALISTER HENSKENS:** —and all you can do is talk it down.

**The Hon. SCOTT FARLOW:** Even The Greens aren't talking it down anymore.

**The CHAIR:** Order! Let's get back to—

**The Hon. ANTHONY D'ADAM:** So is it fair to say that the benefit—

**The CHAIR:** Order!

**The Hon. ANTHONY D'ADAM:** When there's a robust market—

**Mr ALISTER HENSKENS:** If you thought of the great TAFE teachers that we have, you wouldn't be talking it down.

**The CHAIR:** No, Minister, there will be no finger-wagging and pointing.

**The Hon. ANTHONY D'ADAM:** It is fair to say that where there is—

**Mr ALISTER HENSKENS:** It is insulting to them.

**The CHAIR:** Let's get back to Q and A.

**The Hon. ANTHONY D'ADAM:** Where there is a robust market, you're happy to run TAFE down and to have that funding shift to the private sector. Is that your evidence, Minister?

**Mr ALISTER HENSKENS:** We have a policy of a vibrant, healthy TAFE, as I've just explained to you, that is future focused, industry aligned. That is why we are investing so much money in TAFE, because we want it to continue to be the great training organisation that it is. It's the largest and the best in Australia. We make no apologies for that. That's why TAFE NSW is training 45 per cent of all the TAFE students in Australia when New South Wales is only a third of the population of Australia. That is the sign of why TAFE is so strong. We want to keep it strong. We particularly recognise the strong contribution it makes to regional areas. That's why we've got a record budget for TAFE. We've had two years in a row of record operational budget for TAFE and, as I've said, almost \$800 million in capital investments over the last two years and this current budget.

**The Hon. COURTNEY HOUSSOS:** Just off the back of that response then, Minister, you said that you understand the role that it plays in regional areas. Are you aware that the application of minimum class sizes is seeing the cancellation of courses in regional areas?

**Mr ALISTER HENSKENS:** I would need to defer to Mr Brady to answer that question.

**STEPHEN BRADY:** Over the 130 years of TAFE NSW we have continuously adjusted our course profiles to meet the local needs of the communities. We constantly look at where there is new demand, where demand has fallen off, how we can best deliver services. Every year we prepare a service delivery plan based on where we are seeing the need coming through from industry and local communities to best deliver those needs.

**The Hon. COURTNEY HOUSSOS:** Yes, but you would understand that—especially in areas that were suffering from bushfires and floods—there is a need to really get in there and train locals, particularly in skills that are applicable for the local economy?

**STEPHEN BRADY:** We have some good examples there. After the bushfires we ran a whole series of specific programs to meet the needs of those local communities to deal with the impacts of those bushfires. So things from chainsaw skills through to roofing—a whole range of very targeted programs to support those local communities. If you look at Lismore at the moment—devastated by the floods. We acted very, very quickly to ensure that we had continuation of training for the people in Lismore. We arranged delivery from other campus, we arranged with Southern Cross University to allow us access to their facilities to continue to train, and we worked with local businesses to deliver it within their premises. So continuing delivery for those local requirements is a very high priority for us. I do say, though, that there are circumstances where demand for courses falls away. Then we'll continue to look at how we can best support those from other campuses or through a blended learning approach. We've always, over our history, continued to adjust our courses.

**The Hon. COURTNEY HOUSSOS:** Minister, let me take you to a different part of the State devastated by floods and fire down on the far South Coast: Bega. It was supposed to offer a cert III in retail this semester and yet it was cancelled. Indeed, at least one, but possibly several, of the students there were going to be students with a disability, and the day before the course was due to run it was cancelled. Can't you understand that these kinds of arbitrary figures that are made in Sydney actually have a huge impact on rural and regional areas?

**Mr ALISTER HENSKENS:** TAFE has a great record in terms of supporting students with a disability. Some 11 per cent of its students have a disability, 9 per cent are Indigenous and 23 per cent are from non-English-speaking backgrounds. So the supports for students with a disability are substantial. When it comes to regional areas, it is an operational matter for Mr Brady and his team to manage how to best deliver courses. But we have a huge imprint in regional Australia. I think one of our campuses in a remote regional area is servicing a very small regional population. That's what TAFE does. It is facilitating people's opportunity to get skills and training, get a better job, a new job, and it's enormously important. We will always support doing that.

**The Hon. COURTNEY HOUSSOS:** Minister, I understand. That's good general information. I'm asking you specifically about the cert III in retail that was due to run—this was a course that was going to run online through Bega TAFE. It would have a hugely significant impact on the students who were enrolled to participate in that course. Yet, with the stroke of a pen, these students missed out. Can you explain why you wouldn't have a little bit of flexibility with implementing minimum class sizes for such a course?

**Mr ALISTER HENSKENS:** My understanding is that there is flexibility.

**The CHAIR:** Has Ms Mackinnon got the answer?

**Mr ALISTER HENSKENS:** I think Ms Mackinnon might have more information about that.

**BELINDA MACKINNON:** I don't know the specifics of that certificate III in retail at Bega. I'll undertake to have a look why that occurred. What you're talking about in terms of the flexibility of minimum numbers absolutely is taken into consideration. So, as I said, I will look at that one. That's why we have flexible delivery models, and models where we'll have a delivery location and three students in Bega, five students in West Wyalong, or whatever, to ensure that we can operate and offer those rural communities—not just rural communities, metros in the same instance—an opportunity to undertake the course of their choosing.

**The Hon. COURTNEY HOUSSOS:** But what this is showing—

**Mr ALISTER HENSKENS:** That's a good example, if I may add, of why the investment of our Government in 20 connected learning centres, and in connected learning points within existing TAFEs, is so important. It actually provides more opportunities for learning in regional areas than under the traditional model, which you so passionately speak about, 12 years or so ago. It's important for TAFE to embrace the opportunities of technology in terms of broadening the footprint of students who can learn.

**The Hon. COURTNEY HOUSSOS:** Minister, we've talked a lot about connected learning centres in these hearings previously. This specific example shows a cert III in retail that was due to run online at Bega TAFE and yet still got cancelled. Can you see now that even online students in rural and regional areas are missing out, if you're going to have these arbitrary applications?

**BELINDA MACKINNON:** As I said, Ms Houssos, I'll be able to undertake to look into the details of that.

**Mr ALISTER HENSKENS:** I don't accept that. We have areas in New South Wales now that, through our investment in connected learning points, had no skills and training provider at all within that regional area. We have enabled more skills and training places than ever before. We've got over 160 different locations throughout New South Wales, many in regional areas, where TAFE is delivering skills and training. And, on top of that, we have many private RTOs as well that are receiving State Government funding for their students.

**The Hon. SCOTT FARLOW:** Hear, hear!

**The CHAIR:** Minister, earlier on you mentioned various locations where TAFE is modernising its facilities with up-to-date capital works. Earlier this year I visited a very good mine servicing factory in Rutherford, near Maitland. They said that they could double their workforce if they had enough trained staff. This is advanced manufacturing and machinery. They've got 16 apprentices there, and they learn 95 per cent of their skills on site and only get the basic stuff from TAFE. Isn't it impossible for TAFE to keep up to date with the fast-changing pace of advanced manufacturing and machinery? You can have some sectors but you can't have them everywhere. We need to adopt a policy that reverses the traditional approach, which was that the workforce goes to TAFE, to now ensure that TAFE goes to the workplace.

**Mr ALISTER HENSKENS:** I'll defer to Mr Brady in terms of examples where TAFE may go to the workplace. But, Mr Latham, you are partly correct, if I may say so, in the sense that we need a TAFE and a skills and training ecosystem that is able to teach advanced skills. One of the problems with our current—why looking through the rear-vision mirror is so counterproductive is that we almost have two different sections of our skills and training ecosystem, and there's a bit of overlap between the two. What I refer to there are what I would call

our traditional skills, which are changing but changing at a much slower rate than our emerging skills and our new skills.

Traditionally, what we have had is a system that is catered to the earlier group rather than to the later group. That's why our Government commissioned David Gonski and Peter Shergold to write a report on what the future of skills and training looks like in our State. We have implemented all their recommendations, things like our institutes of applied technology and the New Education and Training Model, which is where industry can come along to NETM and say, "These skills are not being provided by anyone anywhere. Can you do a course that will skill people with these new, emerging, cutting-edge skills?"

**The CHAIR:** What about the point of TAFE going more to the workplace, given that you can't have the advanced machinery everywhere? I visited a TAFE not far from Rutherford. To use a Paul Keating-ism, it was industrial archaeology, probably with metal lathing machines similar to those used at Newcastle High in 1980. So you just can't have the advanced machinery everywhere, can you? We have to get more into the habit of TAFE going to the workplace, where they do have the advanced machinery.

**Mr ALISTER HENSKENS:** I'll pass to Mr Brady in a minute. But, Mr Latham, if we're talking advanced manufacturing, when I go into a modern factory, not like the one that you're referring to—

**The CHAIR:** No, it's a modern factory. As modern as—laser technology.

**Mr ALISTER HENSKENS:** What I see is even a traditional fitter and turner will now be operating machinery with a digital control panel that is highly automated. I think even the new Prime Minister, Anthony Albanese, referred to this the other day. Even with our traditional trades, in terms of advanced manufacturing, there is a need to be skilling them with digital technology to be able to work the machinery of the future. That is going to become ubiquitous. That's why we have invested in the institutes of applied technology in Meadowbank. We've got the traditional trades side by side with our digital students so that there is synergy and interaction between the two to encourage that.

**The CHAIR:** I know, but you can't do that everywhere. And Meadowbank is a long way from Rutherford.

**Mr ALISTER HENSKENS:** You're right. But what we need to do is to be embedding this technology into all of our TAFE courses across the State. That's why we're investing in technology within our TAFE ecosystem, and that's why we've been getting questions questioning our investments and why I keep talking about our CLCs and our connected learning points, because it is important. We have a very future-focused vision for TAFE and for skills and training in our State—not looking back 12 years, not talking about what was going on 10 or 12 years ago, but actually what should be happening in the next 10 years. That's what we're focused on. But I will pass to Mr Brady.

**The CHAIR:** I'm focused on that, of course.

**STEPHEN BRADY:** Thank you, Minister. There are a few things that the Minister touched on that I would like to just expand on, if I could. Firstly, digital skills are a part of everything we train now. You can't be a tradesperson without being able to work in a digital environment. We're seeing internet and things stepping more and more into construction sites. We're seeing in the manufacturing space that you can no longer just be a machinist; you are bringing together mechanical, electrical and digital skills in the one role. So the way in which we're delivering our training is having to adapt to provide a more multi-skilled graduate so that they are able to step into a modern workplace. We are developing a proposal for Government to establish an advanced manufacturing centre of excellence at the Bradfield City Centre as part of the aerotropolis. That is to provide us with somewhere we can bring people to have an intensive piece of training.

**The CHAIR:** But that's a long way from Rutherford too.

**STEPHEN BRADY:** I totally agree, Mr Latham.

**The CHAIR:** It's going further away, actually.

**STEPHEN BRADY:** One thing that has become apparent is that advanced manufacturing is a broad cover for a whole range of different technologies. For us, we're looking at how we engage with industry to actually do exactly what you've been saying: How do we actually go to the workplace and provide the training in situ? We do this in our traditional trades. Because of the range of different technologies and the cost of that kit, we think we really need to look at a different way of doing this. We do think that having a centrepiece at Bradfield where we can track people into training and to demonstrate the potential job roles that come out of being trained highly in advanced manufacturing is of high value. But then we think partnering with industry, bringing in the training

and employment much closer together, is definitely the way we should be proceeding. We're actually establishing industry engagement.

**The CHAIR:** If I can just move on to a different topic—

**Mr ALISTER HENSKENS:** Sorry, just on advanced manufacturing, can I also point out that this strict separation between skills and training on the one hand and universities on the other hand is becoming blurred. A good example of that is the advanced manufacturing facility out at Bradfield, which perhaps the Chief Scientist could talk about.

**The CHAIR:** No, we haven't got time for that. I've got to move on to a different—

**HUGH DURRANT-WHYTE:** I might interject. There is a piece in here around building precincts in particular domains, and Bradfield is one of the advanced manufacturing—

**The CHAIR:** What are you building in the Hunter Valley?

**HUGH DURRANT-WHYTE:** Sorry?

**The CHAIR:** What are you building in the Hunter Valley?

**HUGH DURRANT-WHYTE:** There is a health precinct in the Hunter Valley.

**The CHAIR:** Health.

**HUGH DURRANT-WHYTE:** There are other precincts, for example, in digital, at Tech Central, and that's the place in which we invest in critical research and training infrastructure, so that indeed we can afford to have that sort of equipment at that level. Also, the other thing is to try and attract industry to actually build around it. So those companies that are out at Rutherford, we want to try and cluster manufacturing companies here and multiple places and so on. It's an important part of the whole process.

**The CHAIR:** Can I ask for TAFE—

**Mr ALISTER HENSKENS:** Just in terms of the Hunter Valley—

**The CHAIR:** No, you've—

**Mr ALISTER HENSKENS:** No, no. The University of Newcastle has the old BHP research facility there, which is now—

**The CHAIR:** You would think the Minister would look after them.

**Mr ALISTER HENSKENS:** —is now going to modern manufacturing as well and new and better manufacturing techniques. So it's happening in a number of places. I agree with you that over time it will need to be happening in more places to equip our economy for the future advanced manufacturing and future jobs.

**The CHAIR:** Could I move on to a different topic? How many staff have TAFE lost by putting on the vaccination mandates and then taking them off?

**STEPHEN BRADY:** Thank you, Mr Latham. As you're aware, we took off the vaccination mandate recently. We did exit 80 staff, permanents and then temporary staff.

**The CHAIR:** How many have come back?

**STEPHEN BRADY:** I might ask Ms Tickle. As positions become vacant, those staff are welcome to apply for them through the normal recruitment process.

**JULIE TICKLE:** Yes, that's correct. We rescinded our vaccination policy on 15 August, so not very long ago. So I don't know how many have come back because it's not very long ago. There are certainly a number of people that would be in progress of the usual way that we recruit people back into roles.

**The CHAIR:** So they don't get their old role back. They've got to apply for new jobs.

**JULIE TICKLE:** If they are a full-time employee—and, as Mr Brady said, the number is on record now—we look at where we need the people in terms of where the training is required. Yes, they would go through the normal recruitment practice.

**The CHAIR:** What's your latest advice from NSW Health about the effectiveness of vaccination? I read a circular from Ms Harrison. I get sent many of her circulars. You ought to put me directly on the mailing list, actually. It said that the latest advice from NSW Health was that prior infections—so natural immunity—and also the vaccination program do nothing to reduce the infection rate for the new BA.4 and BA.5 strains. Is that your advice?

**JULIE TICKLE:** I don't have the latest advice in front of me, but what we do, of course, along with the Department of Education, is work very closely with NSW Health. We have done for the last three years. Any circular that comes out, advice, we always take that on board in terms of our workforce.

**The CHAIR:** Is that accurate, Ms Harrison, about your advice?

**GEORGINA HARRISSON:** Certainly. What we have seen with the vaccination—and I think the document you're referring to would indicate—is that there is less effect on transmission from the vaccines that are currently available. The vaccines do stand up strongly in relation to serious illness—

**The CHAIR:** Yes, hospitalisation.

**GEORGINA HARRISSON:** —and hospitalisation. But, certainly, with the latest variants, we are not seeing the same level of protection from transmission of the illness.

**The Hon. COURTNEY HOUSSOS:** Minister, will you support Ms Amy Brown staying on her \$600,000-plus salary a year now that she's no longer the CEO of Investment NSW but also just remaining the secretary?

**Mr ALISTER HENSKENS:** As I have already indicated in response to numerous previous questions, I'm not responsible for the employment functions of Ms Brown.

**The Hon. COURTNEY HOUSSOS:** Yes, I accept that Minister, but I'm wondering whether you will support that. Obviously, the bump in pay was a result of the Premier's request to increase her pay. Are you going to support that?

**The Hon. SCOTT FARLOW:** Point of order: As the Minister has already outlined, this is not a matter within his purview, it is not a matter relevant to this budget estimates committee, and it's a matter for the Premier.

**The CHAIR:** I'm not too sure that's a point of order. The Minister has given an answer that he's sticking to, clearly, and he's open to further questioning.

**The Hon. COURTNEY HOUSSOS:** Minister, I'm asking whether you will support that.

**Mr ALISTER HENSKENS:** I've already answered that question. It's exactly the same as the previous one.

**The Hon. ANTHONY D'ADAM:** No, it's a different question. One is about whether you've got the authority; the other is about whether you're going to advocate one way or another.

**The CHAIR:** Whether he's supporting the pay rise. He's saying he's wiping his hands of Brown's employment conditions, saying it's a matter for others.

**Mr ALISTER HENSKENS:** Correct.

**The Hon. COURTNEY HOUSSOS:** You're saying that, as the Minister responsible, you have no view on her pay?

**Mr ALISTER HENSKENS:** I know you have no experience in government and what is the appropriate role of a Minister and the public service, but I'm telling you—

**The Hon. ANTHONY D'ADAM:** I don't think that's appropriate.

**The Hon. COURTNEY HOUSSOS:** Minister, I don't really need your patronising comments. I am asking—

**Mr ALISTER HENSKENS:** —for about the twentieth time that the employment functions, legally, are not my responsibility.

**The Hon. COURTNEY HOUSSOS:** —about someone who is receiving over half a million dollars a year—

**The CHAIR:** That's an answer.

**The Hon. COURTNEY HOUSSOS:** —and whether you have a view on that, as the Minister responsible.

**Mr ALISTER HENSKENS:** I've answered your question.

**The Hon. SCOTT FARLOW:** He's not the Minister responsible.

**The CHAIR:** He has answered—

**The Hon. ANTHONY D'ADAM:** He is the Minister responsible for the portfolio over which the secretary—

**Mr ALISTER HENSKENS:** You can't read legislation or understand the responsibility.

**The CHAIR:** Order!

**The Hon. ANTHONY D'ADAM:** Over which the secretary—

**Mr ALISTER HENSKENS:** It goes to show why you should never be allowed to be in government.

**The CHAIR:** Please, Mr D'Adam, this is not a debate between you and Mr Farlow. As much as Committee members might like it to be so, we can't force answers upon Ministers. They give the answers that they see fit. The Minister has answered on this consistently several times now. I invite a new question, please.

**The Hon. COURTNEY HOUSSOS:** Minister, how much money has been allocated to and how much money has been spent on the Western Sydney Airport TAFE Skills Exchange?

**Mr ALISTER HENSKENS:** I would need to defer to, I think, Ms Harrison and her staff.

**STEPHEN BRADY:** Skills Exchange is a TAFE—

**Mr ALISTER HENSKENS:** Or is that for you, Mr Brady?

**STEPHEN BRADY:** The Skills Exchange is a way in which we engage with industry around large programs. Obviously, for Western Sydney Airport, there's a very large construction program that's occurring there. We establish a capability on site to help to bring in new workers, train them and support the delivery of those large programs. For the western Sydney, I don't have specific data. We do have a small office in Parramatta that supports the delivery of that training. Ms Mackinnon?

**BELINDA MACKINNON:** I certainly don't have the dollar figure, but we can find that out. Mr Brady is correct that we are absolutely engaged with the aerotropolis and the western Sydney connex scenario to ensure that we're training those people interested and the existing employees for the skills to undertake that employment and build of the western aerotropolis et cetera.

**The Hon. COURTNEY HOUSSOS:** If you can just—you're going to take on notice how much money has been allocated to it and how much money has been actually spent of that allocation?

**BELINDA MACKINNON:** They're funded—

**The Hon. COURTNEY HOUSSOS:** Sorry, you need to say "yes" so it goes on notice.

**BELINDA MACKINNON:** Yes.

**The Hon. COURTNEY HOUSSOS:** Thank you.

**BELINDA MACKINNON:** Certainly, from that perspective, there's a number of full-time employees attached to that skills exchange and there have been for quite some time.

**The Hon. COURTNEY HOUSSOS:** Okay. Minister, you'd be aware that not a single student has enrolled at the Multiversity—something that was announced by your Government to much fanfare. Have you got concerns about the skills training capacity at the Western Sydney Airport, at the new aerotropolis?

**Mr ALISTER HENSKENS:** I think Mr Collins ultimately has responsibility in terms of the bureaucracy in relation to that matter. But we're doing a range of things in western Sydney; the Multiversity is one of them. I'm aware that the NETM, for example, is certainly underway. That's another program that's being delivered by the Western Parkland City Authority. Of course, we've got the Westmead Health and Education Precinct—

**The CHAIR:** No, Minister, you've just been asked about the Multiversity at Bradfield, which sounds like another Stuart Ayres stuff-up. Let's just stick to the topic of the question.

**Mr ALISTER HENSKENS:** I like to call it a crime against the English language, the Multiversity. But it's a partnership—

**The Hon. SCOTT FARLOW:** Would you put the aerotropolis in the same band?

**The CHAIR:** It's up there, like the "training ecosystem" that you constantly—

**Mr ALISTER HENSKENS:** It's a joint venture between a number of parties—universities and TAFE, I think. Mr Brady, are you part of the Multiversity team?

**STEPHEN BRADY:** I'm not aware of it.

**The CHAIR:** It sounds like a Stuart Ayres boondoggle.

**The Hon. COURTNEY HOUSSOS:** Not a single student has enrolled at the Multiversity. In fact, I think there were a couple of expressions of interest and they got redirected back to the universities themselves. Is there going to be any training that is happening out there—TAFE, universities, anyone?

**Mr ALISTER HENSKENS:** Absolutely. But I'd ask Mr Collins for an update on that.

**The CHAIR:** Mr Collins, how many students have you got there?

**DAVID COLLINS:** This is another one we will need to take on notice. I understand that the Multiversity is jointly funded. It has secured Commonwealth funding for Commonwealth student places because the Commonwealth is actually the funder of higher education student places. I understood that it had commenced enrolments from the middle of 2021.

**The CHAIR:** It may have, but how many students are enrolled? It could be zero.

**DAVID COLLINS:** I don't have that information, I'm sorry.

**Mr ALISTER HENSKENS:** I should say, Mr Chair, as my recollection of the Multiversity is being prompted, that I believe it falls under the Western Parkland City Authority. It's part of that project, which will be the subject of my brief in budget estimates next week.

**The CHAIR:** Maybe you can do a bit more research on that and have a crack.

**The Hon. COURTNEY HOUSSOS:** As the Minister responsible for tertiary education, we'd expect that you would know what is going on with skills and training in the aerotropolis.

**Mr ALISTER HENSKENS:** It is progressing, as I understand it. It's a partnership between many different organisations. It's a new concept. But we will need to take it on notice as to that matter of enrolments.

**The CHAIR:** But you're the Minister for the parkland authority now. You're the Minister for everything.

**The Hon. COURTNEY HOUSSOS:** You've been the Minister responsible for this part for nine months and there is not a single student.

**Mr ALISTER HENSKENS:** No, I haven't. It is part of the precincts, which was formerly under Minister Ayres' portfolio, and which I've now taken over in the last two weeks.

**The CHAIR:** Right. Well that's reassuring, at least.

**The Hon. ANTHONY D'ADAM:** Minister, can I just clarify something that you said earlier? Is it correct that Amy Brown's salary doesn't come out of the department's budget?

**Mr ALISTER HENSKENS:** I will again say that the employment functions of Ms Brown—

**The Hon. ANTHONY D'ADAM:** No, this is about the budgetary implication, not about the employment—

**The CHAIR:** It's actually an estimates question.

**The Hon. ANTHONY D'ADAM:** It's an estimates question.

**The CHAIR:** Where is she paid from?

**The Hon. ANTHONY D'ADAM:** Who pays her? Does it come out of your department's budget or does it come out of the Premier's budget?

**Mr ALISTER HENSKENS:** I honestly am not sure about that.

**The CHAIR:** It must be your budget.

**GEORGINA HARRISSON:** Salaries for secretaries come out of their departmental budget.

**The Hon. ANTHONY D'ADAM:** Is it the case that you don't have a view about that element of the budget expenditure for your own department?

**Mr ALISTER HENSKENS:** I don't determine those matters. That is part of the employment functions—

**The Hon. ANTHONY D'ADAM:** You don't have a view about it? You don't express a view to the Premier about the appropriateness of a salary allocation that is coming out of your own department's budget?

**Mr ALISTER HENSKENS:** Again, two weeks ago I became the cluster Minister. I understood that my cluster Minister role is going to be the subject of questions next week. In my role as the Minister for Science, Innovation And Technology, which was a junior ministry in the cluster, I had no responsibility for the matters that you continue to ask me questions about.

**The Hon. COURTNEY HOUSSOS:** But no view as the junior Minister? No providing feedback? This secretary is receiving over \$600,000 a year, a huge amount of money. There was no saying whether you thought that was appropriate and, going forward, whether you thought she should continue on that massive salary?

**The Hon. SCOTT FARLOW:** Ask him next week.

**The CHAIR:** Yes, I'm sure he will be asked next week. But it's in order this week, too.

**Mr ALISTER HENSKENS:** Again, it is not part—I did not have a role—

**The CHAIR:** The expenditure in his department.

**The Hon. ANTHONY D'ADAM:** On his own budget.

**Mr ALISTER HENSKENS:** —in relation to the employment functions of the department secretary.

**The Hon. COURTNEY HOUSSOS:** You've seen 110,000 less students at TAFE. Your Government has cut tens of thousands of teachers from TAFE. Yet you don't think it's appropriate that you review the more than \$600,000 that the departmental secretary is receiving? You don't have a view on that?

**Mr ALISTER HENSKENS:** See, the problem is that you put a whole lot of false propositions and then you expect me to actually give an answer. I don't accept many of the propositions that you've just put. For example, the teacher numbers have increased in six of the last seven TAFE annual reports. When you talk about cutting teacher numbers, as you just proposed, you're back at some point decades ago.

**The Hon. COURTNEY HOUSSOS:** Minister, you just need to talk to a TAFE teacher or a TAFE student on the ground and they'll tell you.

**Mr ALISTER HENSKENS:** I do. Do you?

**The Hon. COURTNEY HOUSSOS:** They will tell you exactly what we have put to you today.

**Mr ALISTER HENSKENS:** How many TAFE teachers have you spoken to?

**The CHAIR:** Order!

**Mr ALISTER HENSKENS:** I do talk to TAFE teachers.

**The CHAIR:** We are out of time. We will have to conclude at that point and thank the Minister for his attendance today. It has been a broad-ranging and fascinating session for which we thank him very much. I am sure members of the Legislative Council look forward to seeing him next week as well, where they will go for rounds two, three and four. Thank you very much, Minister. We will see all our other friends after lunch at 2.00 p.m.

**(The Minister withdrew.)**

**(Luncheon adjournment)**

**The CHAIR:** Thanks, everyone. It's 2 o'clock so we can resume, with our new seating configuration. I will commence the questioning regarding TAFE matters. TAFE diplomas are very important, with credits often leading to a university degree. Since the start of November 2021, why has the process of advising students that they've been accepted into the popular online diplomas collapsed, with many students not contacted and not even knowing that they're enrolled? Please, whoever is in charge of online diploma enrolment?

**DAVID COLLINS:** That would be Ms Mackinnon.

**BELINDA MACKINNON:** Thanks, Mr Latham. I am not aware that the process has collapsed at all. The application process is one where, in many cases, we need to assess portfolios and then make sure that they meet the requirements and entry requirements of courses as well.

**The CHAIR:** Right. You're unaware of the problem of students not even knowing that they've been accepted for enrolment?

**BELINDA MACKINNON:** I haven't heard that one, but I'm happy to take any details that you've got, Mr Latham.

**The CHAIR:** What sort of quality control do you have in that space?

**BELINDA MACKINNON:** We've certainly been monitoring the length of time that any of our inquiries take to be responded to and, equally, application processes, ensuring that they're assessed in as timely a manner as possible. In some cases, though, the process is held up, not by TAFE NSW; it's held up by students actually responding to the requirements in front of them.

**The CHAIR:** What's the average time from an inquiry to enrolment?

**BELINDA MACKINNON:** I would have to take that on notice.

**The CHAIR:** Can you? Has that been increasing, that average time, in the past couple of years—if you could take that on notice?

**BELINDA MACKINNON:** Not to my knowledge, but it is dependent upon the qualifications, and the qualifications change as training packages change in those diploma areas and some have become more stringent in terms of those entry requirements.

**The CHAIR:** Why was the student services administrative function moved from Sydney to Port Macquarie?

**DAVID COLLINS:** Student services is distributed across the State, Mr Latham. It's not located in any one particular place, so we have a distributed workforce. Ms Tickle may be able to provide you with more detail.

**JULIE TICKLE:** Yes. We have a number of student service centres—one in Port Macquarie, there's one in Kingscliff. They're all across the State, so I wouldn't say it's accurate to say that it was moved to Port Macquarie. We have a number of hubs where we have student services and we have student services, like many of our employees, across the entire State.

**The CHAIR:** When was that Port Macquarie office opened?

**JULIE TICKLE:** I would have to take it on notice. I work in that region so I know it's been there for quite some time. But I have to take specifically on notice that question.

**The CHAIR:** Were any of the administrators made redundant in Strathfield—

**JULIE TICKLE:** I'm not sure about Strathfield.

**The CHAIR:** —who facilitated the Port Macquarie move?

**JULIE TICKLE:** Not that I'm aware of, but in terms of administrators, could you give me a little bit more detail on what you're asking and then I'll take the question on notice.

**The CHAIR:** I was told reliably that the Port Macquarie office was established in a way that downgraded Strathfield and some of the Sydney people just lost their jobs.

**JULIE TICKLE:** Not that I'm aware of, Mr Latham. As I said, we have student service centres across the State. It's actually really great that that happens, actually—for example, in the recent floods in the northern rivers, we opened Kingscliff to the public and we were able to not have a kind of downturn in the way that we accepted enrolments because we have hubs across the rest of the State, and Port Macquarie was one of those that helped out. But I'll take the question on notice.

**The CHAIR:** To Mr Brady, why was Jon Black, the chief people officer, terminated?

**STEPHEN BRADY:** Jon Black was the managing director a couple of managing directors ago, Mr Latham so, well before my time, sorry.

**The CHAIR:** But he was the chief people officer at one stage, wasn't he?

**STEPHEN BRADY:** I don't believe so. I think he was a managing director.

**The CHAIR:** Okay. Since Mr Black departed, what's been the relative growth of managers employed to teachers employed in TAFE?

**STEPHEN BRADY:** Ms Tickle, would you have that?

**JULIE TICKLE:** Yes. If you would just let me find my notes. In terms of executive employees at TAFE, we have senior executives employed in a couple of different ways at TAFE. As I said in March in front of this Committee, we are transitioning our senior executives across to the public service senior executive framework. Prior to that, and in fact when Mr Jon Black was the managing director, senior executives of TAFE were employed under two different ways—one was a TAFE common law contract—and our senior executives were also employed, and continue to be employed, under the TAFE managers agreement. We still have each of those types of employment. In terms of the change, I can provide to you how many people were paid the

equivalent, if you like. So that's a total of 108 TAFE employees that are paid a salary equivalent or above the public service senior executive level at 30 June, which is actually the same—for your information, Chair—as 30 June 2021.

**The CHAIR:** What about previous years—2020, 2019, 2018?

**JULIE TICKLE:** I don't have that, but it would be provided in our annual report, I believe, so I'm happy to take that question on notice.

**The CHAIR:** What does the latest staff survey show, starting with participation rate in the survey?

**JULIE TICKLE:** Do you want me to continue?

**STEPHEN BRADY:** Yes, please.

**JULIE TICKLE:** We transitioned across to PMES, the People Matter Engagement Survey, which was done by the public service in 2021, and 39 per cent of the employees completed the survey in 2021. The survey's actually open now until 16 September and, as the chief people and culture officer, I really hope that more of our employees complete that survey because I'm interested in all of their voices. But 39 per cent was the 2021 completion rate.

**The CHAIR:** So 61 per cent not participating is pretty dismal, isn't it?

**JULIE TICKLE:** Look, as I said, I really hope that we have more participation. Some reasons why it may have been low—although I may state that 39 per cent is statistically very accurate, so it still is a really good way of telling what our people think. But in terms of increased participation rates for this year compared to last year, we hope that it does increase because we've had one year in the PMES and people are, I guess, used to the process. They are used to how they are asked to participate in the survey, whereas last year was the first time we'd moved across for some time.

**The CHAIR:** What sort of questions are asked? Is there a view expressed about management, the line manager and confidence in them?

**JULIE TICKLE:** Yes. From memory, and I'm doing this off the top of my head, but I believe there's 152—or thereabouts—questions in the survey. I completed it myself on Monday. It takes about 20 minutes to complete and there's a range of questions. It's the same questions that are asked of all agencies across the public service. We do have a number of customer questions that are asked for TAFE as well so, yes, there is a category around leadership.

**The CHAIR:** What has been the feedback there?

**JULIE TICKLE:** If you just bear with me, I've got that in front of me. So there is a number of questions. Senior leaders is a category under the PMES. Some results that the Committee may find useful—56 per cent of staff said that senior managers keep them informed about what's going on. That's actually an increase in our pulse result, actually, from 2021. In terms of the 2021 result for senior leaders, I'll just see if I can find that. I don't have it in front of me, Mr Latham. I may be able to come back to it if I find it in my notes.

**The CHAIR:** Can you give us the feedback on views of management, staff views of TAFE as an employer, confidence in recruitment and promotion practices—152 questions sounds comprehensive, so all those things must be addressed in some capacity?

**JULIE TICKLE:** Yes. The results of the survey are actually available. There in the public domain. They are every year, so all of our results are available on the PSC website as well. But I can certainly find information you're after.

**The CHAIR:** Ms Tickle, how long have you been the chief people and culture officer at TAFE?

**JULIE TICKLE:** Thank you for the question. I believe I relieved in the position from June 2020. I'm doing this from the top of my head. I was appointed to the position—I believe it was around May 2021.

**The CHAIR:** All up, a bit over two years acting or permanent role?

**JULIE TICKLE:** Yes, that's correct.

**The CHAIR:** What sort of recruitment and promotion decisions are you directly involved in?

**JULIE TICKLE:** Well, I mean, I'm directly involved as a hiring manager in any recruitment actions that I partake in as a hiring manager. In terms of other decisions, we look after the process and the policy side of decisions around recruitment and promotion. I'm not sure if that's helpful.

**The CHAIR:** I am after a breakdown of those recruitment decisions you have been involved in along gender lines—how many women have been recruited under your watch versus how many men? Have you ever been presented within TAFE of a suggestion that there is a male bias against male recruitment? A number of men have said that they don't bother applying for these promotions and positions because they think they've got no chance.

**JULIE TICKLE:** I would completely disagree with that statement. We recruit people based on merit, on their suitability for the role, their experience, all of the things. If a male candidate has all of those things, then he would be the candidate that goes forward. If a female candidate has all of those things, then she would be. So I don't agree with that statement.

**The CHAIR:** If I can just get the data on the decisions you have been involved in over the two years, the gender breakdown and also more generally across the organisation, that would be helpful, on notice?

**JULIE TICKLE:** Yes, certainly. In our annual report we absolutely talk about our diversity targets and women and leadership roles of women across the organisation is one of those targets. As you know, it is a Premier's target. But I can provide the information you want on notice.

**The CHAIR:** I have some stuff in the next round on that.

**The Hon. ANTHONY D'ADAM:** Is there anyone on the panel who can actually give me some information about enrolment numbers at campus level?

**BELINDA MACKINNON:** I can speak to a couple of those scenarios. Certainly, it is still an area where the campus enrolment numbers are not a true reflection of actually the utilisation of the campus in terms of—for the reasons that I discussed earlier this morning.

**The Hon. ANTHONY D'ADAM:** Of course.

**BELINDA MACKINNON:** Our different models of delivery that reflect modern teaching methodologies are those that then respond to the needs of students. We will have, as I said, blended delivery models where we might deliver from one campus to 26 other campuses, with students in each of those but they would be enrolled at a central location. That happens quite regularly, so that we can actually meet the needs of students that aren't specifically within that radius of a particular campus.

**The Hon. ANTHONY D'ADAM:** Are you able to address questions about specific campuses?

**BELINDA MACKINNON:** Specific campuses, as we said, those enrolment numbers are certainly commercial-in-confidence. So we could actually—

**The Hon. ANTHONY D'ADAM:** Why is that?

**BELINDA MACKINNON:** Why is that? Because we actually operate in a competitive market.

**The Hon. ANTHONY D'ADAM:** For example, is the market at Condobolin a highly competitive market?

**BELINDA MACKINNON:** It depends what we are actually operating under—a Smart and Skilled contract or whether we have commercial activities ongoing at that campus.

**The Hon. ANTHONY D'ADAM:** Do you do competitor analysis?

**BELINDA MACKINNON:** We do to a certain extent, and certainly Mr Naidoo would have specific details around how we actually look at competitor data.

**The Hon. ANTHONY D'ADAM:** How do we understand, if you say that enrolment's not an indicator. We can't read anything into enrolment, it tells us nothing effectively, is the evidence that you have provided. Is that correct, that you think enrolment figures will tell us nothing?

**BELINDA MACKINNON:** That's not what I said. I actually said the way that you are forming the question of a campus-based scenario is actually only one scenario and indicator of how we actually deliver to the State of New South Wales and beyond.

**The Hon. ANTHONY D'ADAM:** Sure. So we are trying to form a picture. You accept then that enrolment, it's not the whole picture, it may not be a significant part of the picture, there might be other factors, but it is part of the consideration? That's your evidence, isn't it?

**BELINDA MACKINNON:** Absolutely.

**The Hon. ANTHONY D'ADAM:** I would like to understand what's happening at Trenayr campus. We have put stats forward, which I accept the agency is saying should be highly qualified. But is it the case that the numbers overall in that area are trending down?

**BELINDA MACKINNON:** I would have to take advice on that, absolutely. But what I can say is there's a whole range of activities that have been operating at Trenayr, which is, I might add, only nine minutes out of Grafton, where we've actually got a certificate in horticulture, where two of those students have secured traineeships locally. We have also had certificate IV in land and conservation management—secured employment at Fisheries. We have currently got horticulture students building garden space on campus out of flood-affected bales donated by a local farmer. You can actually see by that list that, one, we are meeting the needs of the local community with employment outcomes, and also that things are happening.

**The Hon. ANTHONY D'ADAM:** Yes, I am not disputing that things are happening. Certainly, from our perspective, we are hoping that Trenayr continues to be a place where TAFE continues to make educational offerings available.

**The CHAIR:** Without eating into your time, earlier on Mr Brady and I think Mr Collins were going to come back with some data about campus by campus utilisation numbers. Has that happened?

**STEPHEN BRADY:** We haven't got that data yet, Mr Latham. It will take some time to pull that together.

**The CHAIR:** It won't be available today?

**STEPHEN BRADY:** I doubt it will be available today.

**The CHAIR:** Mr Collins, you had something to bring back after lunch as well, is that right?

**DAVID COLLINS:** I had taken on notice the point about the split of funding for private and community providers. I need to take that on notice. I did say I might bring it back this afternoon, but I need to make sure it is accurate.

**The Hon. ANTHONY D'ADAM:** Is the number of people that are accessing educational services at that location a factor that you take into account in terms of whether you deliver a course in that location?

**BELINDA MACKINNON:** What I might do is actually ask Mr Naidoo to answer this question in terms of our planning.

**VIK NAIDOO:** Absolutely, and thank you for the question and thank you, Ms Mackinnon. Basically how it works at the planning level is that we look at the input from a data perspective, like employment forecast, population demographics, trending demand, and we then cascade down in terms of what course offerings we have aligned to those input data. That input data comes from the ABS. We are looking at what's available in the public domain. And also to answer your question around competitors, we use Mind Skills data and CBER data to look at who our competitors are in specific regions.

Where we don't have this ability, because that's the competitive argument that Ms Mackinnon made, is the enrolments by RTOs. We don't know what our competitors are offering in specific courses and the number. But what we do have at the high macro level is that overarching regional sort of input in terms of where the employment forecasts are heading, what's the training demand that we can digest from that employment forecast coming out of the ABS at the field of educational level, that we then feed into our service delivery planning. At a micro level, our service delivery plan is taking that macro data as input to feed into specific courses that we offer at specific campuses.

**The Hon. ANTHONY D'ADAM:** You might offer, say, horticulture, based on that analysis, at Trenayr, but if you don't get enough enrolments—there is the macro analysis of the market potential, and then there is the actual realisation of whether you are actually getting people interested in enrolling. So obviously that is a factor. At what point do you decide that this is not viable any more and cease offering a course?

**BELINDA MACKINNON:** Certainly, to the methodologies that I spoke about for delivery, we would look at all of the opportunities that we have to meet the needs of individual students. That could be that the students are enrolled in a work-based delivery model, or it could be that they are in an online or a virtual delivery scenario. So that we can actually get across the State a much more larger cohort, which makes for a better student experience as well when they have colleagues doing the same study pattern. We utilise all of those methodologies to actually make decisions around courses.

**The Hon. ANTHONY D'ADAM:** What about the non-market considerations? When do they come in?

**BELINDA MACKINNON:** Such as?

**The Hon. ANTHONY D'ADAM:** Say a site like Condobolin where there may be a thin market, you may not get sufficient enrolments to continue offering a range of courses, so you retrench your offering, and then that starts to feed in terms of the viability of that campus. And then there's a commercial question about whether you continue to operate on that site and continue with the maintenance of the assets or whether you try and make those offerings through some other mechanism, whether it's virtual or CLC. Obviously for that community, they're concerned about maintaining a presence, maintaining the institution, maintaining the employment and maintaining the presence of TAFE as a trusted brand in their community. They're all non-market considerations. How do you balance those?

**BELINDA MACKINNON:** And they are all considerations that we take into consideration when making those sorts of decisions. Certainly a lot of our staff are members of those local communities and absolutely provide intelligence around what the aspects are that that community needs. We have an obligation, as being the comprehensive public provider, around community obligations, and it's one of the absolute pillars of our strategic directions.

**VIK NAIDOO:** Ms Mackinnon, if I can add, the policy around thin markets is also very clear. We might be able to invite our colleague here, Mr Collins, to help us understand that.

**The Hon. ANTHONY D'ADAM:** Sure. That would be useful. Mr Collins?

**DAVID COLLINS:** Around thin markets, in terms of the contestable arrangements and the funding of TAFE under contestable arrangements, our policy is that if there is a thin market where a provider is not willing to deliver for the price that's set, we will negotiate with TAFE and also with adult and community providers about the price at which they would be willing or able to deliver a qualification. So there's a negotiation capacity there that covers the qualifications we fund.

**The Hon. ANTHONY D'ADAM:** Mr Brady, you can see, obviously, that you've got the commercial imperatives there, but then there's the question about the institutional presence and reputation of TAFE in these communities. What do you say to these communities when you're not prepared, for these commercial reasons, to be open about what's happening with these campuses, which would give communities at least some assurance that an ongoing presence of TAFE in those areas is viable? How do you balance those two issues?

**STEPHEN BRADY:** A great question. As Mr Naidoo was talking about, there's the top-down data analysis to give us an indication of where industry requirements are, and we have the bottom-up looking at our engagement with local communities and local industry, understanding what demand is available. But there is a critical part of our role where we understand the importance of TAFE in local communities, and our strategic plan is really starting to talk to that much more strongly than perhaps previous planning processes have done. Where we're looking at, as our next stage in our evolution, is to say not only do we need to have our overall statewide delivery plan, we also want to start to look at community level plans, where we can actually talk about how do we engage with community, how do we understand the drivers in those communities for skills demands, and how do we engage communities more around our campuses to get them more engaged on the campus?

Since COVID it has been difficult, unless it's a very practical delivered course, to get people back onto campus. We want to make those a more vibrant place where a community is engaged in them. We do work closely with local communities around their skills needs. Our teachers work with local business leaders to understand what their needs are and that feeds into our service delivery planning. What we're looking to do now is go a step further than that and really start to engage around a longer term plan for local communities to understand what's driving them and how we can better set ourselves up to be part of those communities in a much more structured way.

**The Hon. ANTHONY D'ADAM:** Do you think the shift to a One TAFE model has actually eroded that capacity to engage with communities? Where there's much more investment in the institute model and a place-based approach, the institutional arrangements meant that communities could have faith that the TAFE institute in their region was there for the long haul? Whereas with One TAFE and a model that's based on service delivery through a range of mechanisms and not necessarily face to face in a specific location, that undermines community confidence in TAFE as an institution?

**STEPHEN BRADY:** I think there have been significant benefits from the One TAFE model. We talk about the blended delivery approach as our ability to think as a network of campuses to support a local community. Under the previous way that TAFE was run, that would have been much more fractured and difficult to do. But I do think there's an opportunity for us to step forward from where we are today and be more engaged with communities. That was getting to that localised engagement and community planning level. So I think we have gained benefits from One TAFE. Certainly in the back office, we've been able to streamline, bring in better systems et cetera. But we've also been able to project more course delivery in different ways. I think the next opportunity

for us is to be further engaged with community and focus on community as one of our key stakeholder groups that we need to have a stronger plan with.

**The Hon. ANTHONY D'ADAM:** I live in the Lidcombe community. Lidcombe TAFE is obviously an important part of the institutional arrangements in that community. Anyone who lives in that area knows that the utilisation of that campus has been in decline. If you refuse to provide a full picture of what's going on and why that campus' utilisation has declined, how can we have confidence that TAFE is actually going to have a long-term commitment to that community?

**STEPHEN BRADY:** I think the difficult part of this is that people have transitioned their learning over the last few years. We're not learning the same way as we were. We do obviously have trades where people come in and learn how to strip down a heavy diesel motor and those sorts of things where you have to be hands on. But a lot of our courses are not like that. We do have a lot of courses in business studies and in allied health-related areas where large components don't necessarily need to be delivered on campus and a lot of that is happening in virtual classrooms and online. Just because you're not seeing the activity on campus doesn't mean that learning isn't happening.

I go back to Ms Mackinnon's point about how we network the campuses so that we're delivering for those communities. I think the problem is when you think about a campus as being this is the community and that's how we deliver to the community, that's not how we actually deliver vocational education. We deliver it across a networked series of campuses using instructor-led training, using virtual delivery, using blends of those, delivering in block release. So you might do a whole bunch of your training in a virtual classroom and then come in and do a block of practical component at a TAFE, which may or may not be your local TAFE. But you're still getting that learning in your community. It's a more complex way to assess that we're meeting the needs of those communities, but moving to these different modes is allowing us to extend delivery to more people.

**The Hon. ANTHONY D'ADAM:** Do you think that analysis—it's very transactional and it misses the intangible role of TAFE as an important, trusted public institution. The campus brings business into an area, so it has those multiplier effects in a local economy that as a public institution are important. As just a discrete commercial player, that's less of a factor. But you're not; you're a public institution, aren't you? So you should have to actually take account of that. Do you think you're appropriately taking account of that in the transition to new models of delivery?

**BELINDA MACKINNON:** Could I add to your Lidcombe scenario, Mr Brady, just as that's obviously the one you're close to, Mr D'Adam? We've continued to invest in Lidcombe TAFE. We've invested \$3.7 million since 2019 in upgrading our carpentry facilities and equally revitalising and moving additional fashion delivery into Lidcombe. So I think that's pretty distinct evidence of the fact that we are absolutely committed to those communities and being a part of that community.

**STEPHEN BRADY:** To your point, Mr D'Adam, there is an opportunity to activate those campuses better. Some of those students are working online now. We'd love to get them back on campus and make sure we have an attractive place for them to be, to create that sense of buzz around the campus. There's work for us to do but, as Ms Mackinnon says, it's not because we're not committed to the community. It's because there has been a big transition with COVID. I've been talking to our infrastructure people about how we create more attractive places for students to congregate on campus. How do we give them better wayfinding and those sorts of things to make it a better place to be?

**The Hon. ANTHONY D'ADAM:** Coming back to this central question around—how does a community actually know what's going on and whether the institution is in peril in their community? If we can't take the enrolment numbers as an indicator of the viability, it goes back to that question I asked you in the earlier session. What's the metric that the community can look at to say, "No, TAFE is okay. We be sure that TAFE will continue to deliver services in our community"? What is it that you can point to in terms of the measurables that are in the public domain that a community can look to, to gain assurance about the ongoing viability of their TAFE institution?

**BELINDA MACKINNON:** I think there's a range of metrics. It's not just one, as we've said. The other thing is that our TAFE services coordinators that are based in campuses are our absolute link, along with our teaching teams, to those communities and are a barometer of what is happening in that local community and what is happening at TAFE. They certainly are attending different events, so there would be a level of security in regard to their engagement with the community. Equally, when we do our planning and then create the offerings for the upcoming enrolment periods, that gives you surety around the courses that are going to be offered both locally and across the network that we have. So it isn't just looking at a campus. It's actually looking at, "What could I do, based in a location, that I could never do before?" Cert III in Community Pharmacy—we could not possibly run that at every location, but we can service every location because we can offer it in a different way.

**The CHAIR:** Ms Tickle, based on our earlier conversation, there's widespread support for gender targets that are fifty-fifty, which always seems eminently fair and doable. Why does TAFE Digital have over 80 per cent of women in all roles above base-level teacher roles and less than 20 per cent male?

**JULIE TICKLE:** Mr Latham, I'll have to take on notice TAFE Digital, but I can provide to you our complete employment. This year, 63 per cent of our overall employees are women. In FY21 it was 63.3 per cent. In FY20 it was 62.9 per cent. In terms of your earlier question about recruitment that I've personally been involved in, in the last couple of months I've been involved in two recruitment actions. I convened the panel along with my colleague Mr Naidoo and our chair, Danny O'Connor, for some of our new Executive Directors Education and Skills. We had four roles to fill—three were filled by men and one by a woman. We have six of those roles because they're our new roles instead of the regional general managers, and the split is 50-50. We have three males and three females.

**The CHAIR:** Right, but I asked over the two-year period. You'll also take TAFE Digital on notice. Is that right?

**JULIE TICKLE:** I beg your pardon?

**The CHAIR:** I asked over two years, but will you also take the TAFE Digital numbers on notice?

**JULIE TICKLE:** Yes, certainly. I can.

**The CHAIR:** That's roles above base-level teacher.

**STEPHEN BRADY:** Could I just add, Mr Latham, that 63 per cent of our workforce is female but only 45 per cent of our senior executives are female. In terms of "Are we gender biased towards women?" I think we have more work to actually bring it up to parity.

**The CHAIR:** That depends where you're looking. How many head teachers have not maintained the required 10 hours of direct student teaching per week through 2021 and 2022?

**JULIE TICKLE:** We have Band 1, 2 and 3 head teachers and they deliver different hours based on what band they're at, so they don't all have 10 hours to deliver. We would need to take the question on notice. We have a number of head teachers across the State.

**The CHAIR:** Okay. Three years ago, OTEN, now known as TAFE Digital, was regarded as rivers of gold financially for TAFE. Now I'm told it's in decline. In each of the TAFE Digital faculty areas, what is the level of student engagement, the percentage of students logging into their courses and the assessment submissions not lodged?

**JULIE TICKLE:** I will refer that question to Ms Mackinnon.

**BELINDA MACKINNON:** Thanks, Mr Latham and Ms Tickle. I'd have to take that on notice to delve into the details that you've provided there.

**The CHAIR:** Okay. Mr Brady, have you been briefed at all on revenue decline for TAFE Digital—that it's not bringing in those rivers of gold that it did three years ago under OTEN?

**STEPHEN BRADY:** I'm not aware of us having a significant decline, Mr Latham.

**The CHAIR:** You're not? The financial officer or people officer—Ms Mackinnon? Is there any evidence of a financial decline in TAFE Digital?

**BELINDA MACKINNON:** TAFE Digital has been absolutely instrumental in the provision of service to the Women in Business scenario and certainly around a whole range of those fee-free courses, but I would have to take it on notice, Mr Latham.

**The CHAIR:** Okay. If I could get data, say, for the last five or six years—the OTEN period and then the revenue that's come in with TAFE Digital, to raise a comparison. What are the participation revenue and other KPI statistics for the last 12 months of OTEN and the last 12 months of TAFE Digital? That's not COVID affected because it's online.

**STEPHEN BRADY:** We'll take that on notice, thank you.

**The CHAIR:** Where are the TAFE learning materials produced?

**STEPHEN BRADY:** Ms McNeill?

**The Hon. ANTHONY D'ADAM:** Is it Ms McNeill or Dr McNeill?

**MARGOT McNEILL:** It is "doctor".

**The Hon. ANTHONY D'ADAM:** You've been downgraded. Apologies.

**MARGOT McNEILL:** I have, yes.

**The CHAIR:** Dr McNeill?

**MARGOT McNEILL:** Thanks, Mr Latham, for the question. Just to remind the Committee about how our learning materials are produced, we have a collaborative approach with our wonderful TAFE teachers and our own product and quality team that brings skills such as learning design, educational technologies and pedagogical perspectives. All of those work together to either develop our new materials—for example, with transitioning training packages—or to curate some of the materials that are already in use, because most of the courses that we teach have been taught, in some cases, for probably 130 years. They obviously get updated, but we're still using the materials that are already available.

**The CHAIR:** Is there any subcontracting to entities outside of TAFE?

**MARGOT McNEILL:** No. The way we work is adding a third component. When we, for example, have had an unprecedented demand for our product development processes, we work with external partners. We have about 30 on our panel at the moment, and we've used about 20 of those in the past 12 months. That can be everything from acquiring digital textbooks so that students can use those as part of their learning materials to working with third-party providers on developing bespoke materials. We also have some highly interactive materials, for example, for use by the self-directed students that enrol with TAFE Digital. They have lots of activities built in. They have immediate feedback on formative quizzes so, for example, the students can understand where their learning gaps are before they go through their assessment processes. Sometimes we work with external partners to do that.

**The CHAIR:** Of those 30 external partners, how many are based in Australia and how many are overseas?

**MARGOT McNEILL:** They're all based in Australia, but a couple of them have large global networks. That means we can utilise their capability for things like digitising our existing resources. One of the things that's happened as an offshoot of some of the digital uptake that we've heard about earlier today, as a result of the COVID pandemic, is that many more students are expecting to be able to do some of their learning in an online environment. For example, think about tradespeople who might be coming onto campus to demonstrate their learning, but they'd like to be able to check out on their phone what the next assessment task is going to be. That has been a huge growth area for us, so that means a lot of our static resources have had to be digitised. For example, if we think about our own learning management system, we've had over a 300 per cent increase in enrolments, which means that although students are still coming to campus, they can access those materials and instructions, for example, or demonstration videos have been really popular with the students.

**The CHAIR:** Of those global external partners, do you know what proportion of the work is undertaken overseas?

**MARGOT McNEILL:** We don't really break it down that way because all of our work in developing products is highly collaborative. So there are always highly skilled TAFE NSW staff members involved, whether they are from the learning design perspective or the teaching teams, because the great TAFE teachers are the people who have the discipline expertise, the local industry contacts and they also understand the pedagogical requirements for their cohorts, and that's a very local activity. So we never develop any of our materials without those people involved.

**The CHAIR:** Is there a "made in New South Wales" policy where there is a tender preference for these external partners that can demonstrate the work is being performed in our State, by residents of New South Wales, to ensure that taxpayers' money stays here?

**MARGOT McNEILL:** As I mentioned before, they are based in New South Wales, but sometimes we work with them because they have those global networks—for example, digitisation.

**The CHAIR:** Right, and you don't know what part of the globe they are actually doing the work in?

**MARGOT McNEILL:** I know just from conversations with those partners—sometimes we've been working with them for 12 months or more—and we know that they talk about some of their teams elsewhere. Some of them have a team in LA, for example, or they might have different groups. They are global providers, so they kind of acquire different—

**The CHAIR:** Is there any feedback or complaints from teachers about work undertaken in non-English-speaking countries, that the English-language explanations are not culturally sensitive or clear for Australian standards?

**MARGOT McNEILL:** One of the things that we are really proud about is the quality assurance framework we've established to make sure that we work with teaching teams right from the outset of that process I was describing. So right from the beginning of talking about what's going to be required, we work with teaching teams. The last step, if you like, in that initial product development process is that the teaching teams have access to those materials before they're deployed with students so that we can gather any of the feedback to make changes before deployment.

**The CHAIR:** What's that feedback been about the overseas-produced material in non-English-speaking countries?

**MARGOT McNEILL:** I just clarified that it's not overseas produced; it's always a collaborative production process.

**The CHAIR:** Yes, but you said earlier on that these are global network organisations and you don't exactly know which part of the globe it's coming from other than if they've mentioned it to you. Do you get feedback from the teachers saying, "Look, this stuff here is not really expressed in proper English language"?

**MARGOT McNEILL:** We certainly get feedback, but it's not linked to where it's specifically come from. We just take the feedback on board and then we work with them. I will say that the pulse surveys that we've been using to gather feedback have been predominately really positive. The teachers have been really positive about being engaged in the design and the development process and they have been able to see that their feedback has been implemented.

**The Hon. COURTNEY HOUSSOS:** Mr Collins, I just wanted to ask if you had any information on the Novaskill issue? I gave you that email before lunch.

**CHLOE READ:** I might take that one. From the look of the email, that training package is still within the Commonwealth process.

**The Hon. COURTNEY HOUSSOS:** So the delay is actually at the Commonwealth level, not at the State?

**CHLOE READ:** Yes.

**The Hon. COURTNEY HOUSSOS:** So it hasn't come out of the Federal process—is that right?

**CHLOE READ:** No.

**The Hon. COURTNEY HOUSSOS:** That's excellent clarification. Thank you very much.

**The Hon. ANTHONY D'ADAM:** Mr Brady, in October 2021 there was an ICAC report handed down into the Western Sydney Institute of TAFE.

**STEPHEN BRADY:** Yes. Operation Lancer.

**The Hon. ANTHONY D'ADAM:** Yes. I wanted to ask what the status is of the implementation of the recommendations? In particular, recommendation 9, which is, "That TAFE analyses treatment of prior reports of corruption, including public interest disclosures, to further inform its corruption prevention planning efforts."

**STEPHEN BRADY:** My information is that we are partially complete in that activity. We have been going back through and assessing. We have some more work to do. I will just see if I've got any more detail. The action is that we have analysed prior reports of corruption and are undertaking further analysis. We are currently in the process of updating the fraud and corruption plan based on the insights coming out of that analysis.

**The Hon. ANTHONY D'ADAM:** How many incidents of public interest disclosures were involved in that analysis?

**STEPHEN BRADY:** I would have to take the question on notice, Mr D'Adam.

**The Hon. ANTHONY D'ADAM:** What about the other recommendations? Perhaps you might be able to run me through where you're up to with each of those recommendations.

**STEPHEN BRADY:** Recommendation 1 was, "That TAFE NSW further constrains local information and communications technology processes that are architectural exceptions." We have done a lot of work—Mr Backley has done a lot of work in terms of the way we hold and transmit information across the organisation. I might ask Mr Backley if he can give a quick update on that item.

**DAVID BACKLEY:** Sure. Thank you for the question. We have now instituted a full architectural review for any systems that are proposed, and that's done in conjunction with the procurement process. I think

those are the two things—the architectural review and the procurement process tied together to ensure that the procurement process is robust and the solutions fit within the architecture.

**STEPHEN BRADY:** I think in terms of the historical actions in that space, six of the 12 data centres were decommissioned on 30 June with the final six anticipated to be decommissioned shortly.

**DAVID BACKLEY:** Yes. We will be out of all of the local data centres and just into the Government data centre, which further restricts access to data and further restricts access to creating rogue systems and buying rogue systems.

**The Hon. ANTHONY D'ADAM:** In terms of recommendation 10, has there been any substantial change to the staff complaints management framework?

**STEPHEN BRADY:** Yes, it has. We've procured additional modules of service now, which is a workflow management system, enabling the development of a centralised case and records management system for staff complaints. Implementation is projected for 2023. Prior to any implementation, an assessment of the current state of people, processes and controls and design of the future state is required. Upon completion, an action will be formed, which will include the full suite of a system development life cycle task. We have undertaken an external gap analysis of our current processes and resources to manage staff complaints and an action plan to give action to that analysis. That is anticipated to be complete by October 2022. So that will then lead into populating the new system that we are putting in place.

**The Hon. ANTHONY D'ADAM:** Perhaps on notice you could provide some detail on the responses that you've undertaken to the other recommendations of that report, if that's possible?

**STEPHEN BRADY:** Very happy to.

**The Hon. ANTHONY D'ADAM:** One of the issues that's been identified is around how poor handling of complaints are dealt with. The issue was the subject of an internal investigation at Hamilton TAFE. Can you tell me what's happened with that investigation and where the follow-up is on remediating that issue?

**STEPHEN BRADY:** Julie or Belinda?

**JULIE TICKLE:** I think we would need a little bit more information about what you are actually talking about.

**The Hon. ANTHONY D'ADAM:** It attracted some media, as I understand it, at the Hunter TAFE campus, and it related to a staff member giving dishonest directions to staff to complete timesheets and other associated records with time and attendance. Does that ring a bell, Ms Tickle?

**JULIE TICKLE:** Yes, I do believe I know the incident you're referring to. It's a historical matter and, as you said, it has received quite a lot of attention so it's quite public. In terms of actions taken, we did a number of things including what we call a manual or a handbook, the teacher program diaries, or TPD, which I guess is what you could say is the teacher timesheets. So all teachers are required to understand that. We also, just in the last 12 months, have rolled out training for our incoming teachers and head teachers. The head teacher version is called "head teacher essentials" and that includes a lot of information around how teachers should be scheduled, how to operate correctly under the enterprise agreement. We actually consulted with the Teachers Federation and took feedback from them in terms of what we would put into the modules in that head teacher essentials program.

**The Hon. ANTHONY D'ADAM:** The internal report had a low-level finding of corruption. What happened to the employee against whom the findings were made?

**JULIE TICKLE:** I would need to take the question on notice because the incident is quite old. We do have information on that, but it's not in the folders for today because the incident is quite old. There were a number of actions taken around a number of employees concerned.

**The Hon. ANTHONY D'ADAM:** The affected staff, were they back paid?

**JULIE TICKLE:** Wherever we've had incidents of employees needing to be back paid, we have absolutely done that very promptly and, in fact, reached out to employees to make sure that they let us know if there have been any incidents of them needing to be back paid.

**The Hon. ANTHONY D'ADAM:** On notice can you provide information about the specifics of the back pay, if any, that applied to those staff who were affected by this incident?

**JULIE TICKLE:** In Hamilton? Yes, I can.

**The Hon. ANTHONY D'ADAM:** And, particularly, how much back pay? Are you also able to indicate whether that's given rise to any further investigation about issues around inaccurate or false timekeeping in TAFE

and whether that's given rise to any underpayments? Because, as I understand, the issue was that the staff were directed not to count particular times of the day in their records, and that would then mean that they fell short in terms of the payment. Has that practice now been eliminated across the organisation? I don't know whether you've got information about that now. But, if you don't, perhaps you might take that on notice.

**JULIE TICKLE:** I can certainly provide some information for you. What I would say is that the allegations and the incident in Hamilton TAFE was very complex and had a number of aspects to it. So I would like to separate that incident from the information that I'll provide. We don't believe we have a systemic underpayment issue at TAFE. We were made aware, again, through our union, actually—the Teachers Federation brought to our attention some very historical incidents of people not receiving related duties correctly, perhaps.

If I may clarify the way that that's done, our teaching employees receive related duties. These are part-time casual teachers. They receive a payment which is called related duties. So it's duties other than teaching and related to teaching. It's a sliding scale. So if an employee works, I think, 10 hours, they start to accumulate related duties. But it's a choice, because some of our part-time casual teachers don't like to receive the related duties. You need to attend campus or attend work to receive the related duties. They are off doing other things. We've got lots and lots of part-time teachers who work in the industry.

Through the Teachers Federation bringing this to our attention there were some isolated and historical cases of related duties. We acted very swiftly. The former managing director wrote to all employees and asked them to let us know if there had been any historical incidents of related duties. Your question was: Do we have a problem at the moment? I believe the answer to that is no. We've done a lot of work around making sure that everyone who works at TAFE is paid correctly, and that all of our head teachers and team leaders who are responsible for teachers are receiving the correct payments understand how to do that. That's the program I referred to.

**The Hon. ANTHONY D'ADAM:** Were there any underpayments identified as a result of that direction from the former managing director?

**JULIE TICKLE:** I believe there were. Once we reached out to our employees via the former managing director, we were contacted by 28 part-time casual teachers. We looked into their matters immediately. They were all historical matters, so we didn't find any current matters. But the historical matters were rectified—as in, we back paid them.

**The Hon. ANTHONY D'ADAM:** How many public interest disclosure investigations have been conducted in the last five years?

**JULIE TICKLE:** That would be a question for Mr Bowes. We don't look after PIDs in my section.

**STEPHEN BRADY:** I think we'll have to take that question on notice, Mr D'Adam.

**The Hon. ANTHONY D'ADAM:** Sure. How many staff have been found to have engaged in corrupt conduct following any of those public interest disclosures?

**STEPHEN BRADY:** We'll take that on notice as well.

**The Hon. ANTHONY D'ADAM:** Of those staff who've been found to have engaged in corrupt conduct arising out of a public interest disclosure, how many are still employed at TAFE?

**STEPHEN BRADY:** We'll add that.

**The Hon. ANTHONY D'ADAM:** What's the average cost of investigations?

**STEPHEN BRADY:** We'll take that on notice.

**The Hon. ANTHONY D'ADAM:** I think that's the end of my questions on that.

**The Hon. COURTNEY HOUSSOS:** On the ICAC?

**The Hon. ANTHONY D'ADAM:** On the ICAC, yes.

**The Hon. COURTNEY HOUSSOS:** I might move to—

**The Hon. ANTHONY D'ADAM:** While you're doing that I might ask Dr McNeill—at last estimates we had quite a lengthy exchange about the TAFE transitions. I wonder whether you might be able to update us on where that issue is up to.

**MARGOT McNEILL:** I'm so glad you asked about those, Mr D'Adam.

**The Hon. ANTHONY D'ADAM:** I'm sure you are.

**MARGOT McNEILL:** I'm happy to report that we did actually develop all the required course material for the courses that were scheduled for delivery in semester one. That was over 150 courses, and then 130 courses for semester two. That number, despite the fact it was a huge demand on the team, with the collaborative approach that we embedded, meant that we exceeded the product development process outputs from the 12 months before already, even though it's only August. That's a great outcome in terms of the collaborative approach, as I said before, between the teachers, the product and quality team, and lots of other people across TAFE NSW.

We've also managed to increase the speed with which we could undertake those processes. For example, we're now three months ahead of where we were 12 months ago in terms of the planning process. So we know we have a longer lead time for the materials to be developed for semester one next year, which is a much, much smaller scope. If I think about a comparative viewpoint, we have about 55 courses on our scope for development for first semester next year but about 30 of those relate to transitioning training products. So we're much more closely aligned with what is a typical number. We've also introduced a lot of those features I added before about things like automated feedback for students and much higher levels of interactivity.

**The Hon. ANTHONY D'ADAM:** How much did this process ultimately cost?

**MARGOT McNEILL:** In the last financial year we allocated—the project that we were talking about, we named it Adapt. That ended up with a budget of \$25 million. If I think about that whole process that we've undertaken so far in that financial year, there was also another \$12.6 million that was allocated for things like purchasing online textbooks and working with other third-party providers outside that Adapt, which was the focus of our discussion last year.

**The Hon. ANTHONY D'ADAM:** Can you repeat the second figure?

**MARGOT McNEILL:** It was \$12.6 million.

**The Hon. ANTHONY D'ADAM:** The \$25 million was the figure that was paid to the consultancies. Is that right?

**MARGOT McNEILL:** The two consultants that we worked with so closely in the Adapt piece of work, yes.

**The Hon. ANTHONY D'ADAM:** In terms of the ongoing work that's required in terms of this exercise, is that consultancy arrangement now the permanent state of affairs? Is that how you're going to—

**MARGOT McNEILL:** No, it's definitely not. In fact, that piece of work has finished. I mentioned earlier around the panel of providers that we work with. We've just been going through a renewal process for that panel. That piece of work was arranged specifically for Adapt with those two professional services firms.

**The Hon. ANTHONY D'ADAM:** Does that mean that, now you've caught up and you're a little bit ahead, you're able to manage this process internally in TAFE without reliance on external consultancy? Is that right?

**MARGOT McNEILL:** Partly, being responsible in terms of using taxpayer dollars wisely, we do have a great internal team. But there will always be very specific products that we need to develop that we work on collaboratively with these external partners. It might be that there are very new and emerging materials that we can work on with production partners. But things like digital textbooks—we don't really want to become a proxy publishing house for digital textbooks when they are greatly available, and we work with those partners. For example, there are learning materials that students might read or watch demonstration videos. Sometimes they have simulation environments that we would work on with those external partners, rather than us trying to fund and nurture those kinds of skills, when we might only need them on an ad hoc basis.

**The Hon. COURTNEY HOUSSOS:** Can I go come back to you, Ms Braid? I asked you a series of questions about your previous work history. You said you became a dep sec in January 2022. Was that a direct appointment or a full merit—

**LISA BRAID:** I was acting in the role at that time up until, I think, 14 March. I had applied for another band 3 role in government and was talent-pooled for that role. So I was directly appointed to the deputy secretary position as a result.

**The Hon. SCOTT FARLOW:** Congratulations.

**The Hon. COURTNEY HOUSSOS:** What about your role as chief operating officer at Investment NSW? Were you directly appointed to that one?

**LISA BRAID:** No, I acted in that position from 16 April until sometime in late July. When the job was advertised, there was a merit selection process and I won the position.

**The Hon. COURTNEY HOUSSOS:** That was a merit selection. Your previous role to that—

**LISA BRAID:** I joined Transport for NSW in 2016—August, I think.

**The Hon. COURTNEY HOUSSOS:** Yes.

**LISA BRAID:** I went on secondment once to DPC from around about mid-2019 until March 2020. I subsequently went on maternity leave. I returned on secondment to DPC for a further period from October 2020 until I joined Investment NSW in March 2021.

**The Hon. COURTNEY HOUSSOS:** In terms of your role at Transport for NSW, was that a direct appointment or was that a merit selection?

**LISA BRAID:** Merit selection.

**The Hon. COURTNEY HOUSSOS:** We asked Mr Morris—Mr Collins, sorry; I keep calling you Mr Morris, I'm not sure why. We've got the answer back on that one. Mr Collins, I think there was one more that we were waiting for you to come back on, but I can't remember what that was. We talked a lot about the skill shortage—and this is open to anyone. Has there been any modelling that has been done, either within the Department of Education or within TAFE—or, I guess, Investment NSW—about the skill shortage and the impact that that's having on increasing building costs?

**GEORGINA HARRISSON:** I might kick off, Ms Houssos, and then maybe see if my colleagues have anything to add. We do do work around skill shortages and the skills list, in particular. But I don't think we've done any specific modelling around that industry in particular, but I might see if Ms Read has any further information.

**CHLOE READ:** No, we would have information on skill shortage relating to the building industry but not in relation to building costs.

**The Hon. COURTNEY HOUSSOS:** Ms Braid, do you have anything from your department?

**LISA BRAID:** I do have a note here on business and skilled migration specific to the business—sorry, what was the sector you referred to?

**The Hon. COURTNEY HOUSSOS:** The skill shortage is obviously contributing to the massive increases that we're seeing in building costs, so I'm just wondering whether your department has done any modelling on that.

**GEORGINA HARRISSON:** What I might just say, while Ms Braid finds her notes, is that we have through CESE undertaken some analysis that shows that 61 per cent of shortages relate to five industries. Those industries are: one, health care and social services; two, professional scientific and technical services; three, manufacturing; four, construction; and five, education and training.

**LISA BRAID:** I don't have any further information on that question. However, we will appear again on 1 September. The managing director for Trade and Investment has been called as a witness and will be able to respond to any skilled migration questions.

**The CHAIR:** Just following up there, Ms Braid, when the current Government promised at the last election to halve the New South Wales immigration intake, they also said they were seeking a bigger role with input with the Commonwealth regarding the distribution of skilled migration places in the regions to match regional skill needs up against the destinations for skilled migrants around New South Wales. Has that role been upgraded, and is the State happy with the input that we have to ensure that our regions are filling their skill gaps?

**GEORGINA HARRISSON:** Mr Chair, I might just comment that Regional NSW would be able to provide some specific information in relation to employment opportunities across the regions. Given the focus this issue, I think, has had at National Cabinet, the Premier and the head of DPC may also be able to provide some information on those engagements with the Federal Government.

**The CHAIR:** What are you saying, I need to go to their estimates?

**GEORGINA HARRISSON:** I think that they have the lead in those issues, Chair, and would be able to help you with your inquiries.

**The CHAIR:** You've got nothing there, Ms Braid, that comes from your collaboration with Regional NSW on skills?

**LISA BRAID:** I understand that New South Wales' regional skilled migration program is delivered with assistance from Regional Development Australia officers around the State, who are operating under contract with

the New South Wales Government. To further support regional development in New South Wales, innovation and investment program for migration makes concessions for migrants seeking to establish or invest into regional areas of New South Wales.

**The CHAIR:** Who calls the shots there? They're Commonwealth-funded but you said under contract from New South Wales. How does that work?

**LISA BRAID:** I will take that on notice.

**The CHAIR:** There's a specific New South Wales program, is there, to have these regional development officers do special work from our point of view—from the New South Wales point of view—for the distribution of skilled migrants?

**LISA BRAID:** The regional skilled migration program is delivered with assistance from the Regional Development Australia officers around the State, who operate under contract with the New South Wales Government. So I understand there is an agreement in place.

**The CHAIR:** Could you furnish the terms of the agreement and how it works in practice? It's an open question, isn't it, that these are Commonwealth-funded positions I think under the new Minister, who's the member for Eden-Monaro.

**The Hon. COURTNEY HOUSSOS:** Kristy McBain.

**The CHAIR:** Yes, Kristy McBain is the new Minister. She funds them, but we must have some financial input and contractual arrangement, hopefully providing the New South Wales input on our regional skills needs. If you can take that on notice, that would be appreciated.

**LISA BRAID:** Certainly.

**The CHAIR:** Dr McNeill, back to you and the question of these introductory quiz tasks at TAFE Digital. Has there been a problem in matching up the answers to the questions? Have there been complaints from students and/or teachers that the answers don't match the questions on these quizzes?

**MARGOT McNEILL:** As I mentioned before, we do have a quality assurance loop where we invite feedback from teachers and students. So if there are issues like that that will sometimes be how the instrument is being deployed, we absolutely work on that. I haven't heard of specific instances, but I know that would be part of the feedback loop.

**The CHAIR:** On notice, could you find out how many complaints have been lodged in the last 12 months on your quality assurance loop?

**MARGOT McNEILL:** Yes, sure.

**The CHAIR:** It's a bit of a worry if the answers don't match the questions. It doesn't give you a lot of confidence. It sounds like Parliament. Now, what are the numbers on the lodgement and marking of student assessments at TAFE Digital over the past five years? Has there been a decline? Are the students doing as much work as they used to, or they just don't lodge the assessments?

**LISA BRAID:** I would have to take that on notice, Mr Latham.

**The CHAIR:** On notice? Okay. Ms Tickle, has compliance with the performance development review process broken down so that only a small proportion of TAFE staff have created a PDRD—their annual work plan and individual career plan—and undergo an annual review?

**JULIE TICKLE:** PDRP is the process that we use, but we have a number of processes, so I may take a moment to clarify. Our employees working under the Teachers and Related Employees agreement complete what's called an ATR—an annual teacher review. That has been in place for some years, and teachers need to do that with their head teachers. We also recommend—or I recommend, actually, very happily—that teachers can also participate in the PDRP process. The PDRP process is housed in our people at TAFE system and has a number of components. Work goals is one of them, capability plans is another, and career plans is another. There are five sections—or four sections in the system.

**The CHAIR:** There are four sections in that and a separate review process. So, what, staff get to pick which one they like? Why would you have two streams of review process for staff?

**JULIE TICKLE:** I would love everyone to use the same process, Chair.

**The CHAIR:** Why don't you make them do that?

**JULIE TICKLE:** However, in our enterprise agreement for teachers, it is stipulated that they do the annual teacher review process. So that's what they do. If they also would like to participate in the PDRP process, they're very welcome to. But, certainly, my preference would be that everyone uses the same process.

**The CHAIR:** What's the preference of the teachers?

**JULIE TICKLE:** Look, I was a teacher and I undertook—it was called the PDP process at that point. I think it's up to the individual. We certainly encourage people to partake in not only a formal review process, which I think is an important point to make, but very regular conversations with their line manager about how they're going and getting feedback. We also have professional development plans in place for our employees so that we can help them with training, development, experiences, shadowing, mentoring, all those sorts of things.

**The CHAIR:** What proportion of teachers undertake the annual teacher review process?

**JULIE TICKLE:** Well, the annual teacher review process is specified in the enterprise agreement, so they should all do that.

**The CHAIR:** That's compulsory. So that's 100 per cent.

**JULIE TICKLE:** Correct—well, they should all do that.

**The CHAIR:** They should do that. How many do? Is it 100 per cent or less?

**JULIE TICKLE:** I would have to take the question on notice.

**The CHAIR:** What is the proportion who undertake the PDRP?

**JULIE TICKLE:** As I said, not everyone does the PDRP. In terms of different groups, depending on the make-up of the enterprise agreements—we have four enterprise agreements at TAFE. Where the majority of the staff in an area are under an enterprise agreement that is under the TAFE managers or the administration agreement, the percentage is higher on the uptake of the PDRP.

**The CHAIR:** Can I get that percentage on notice, please?

**JULIE TICKLE:** Yes, you can.

**The CHAIR:** In negotiations for the next enterprise agreement, are you going to try to streamline it so you have got one standard review process that everyone can look to rather than two streams? That just seems a bit duplicated and confusing.

**JULIE TICKLE:** I would love to have everyone using the same performance development process. It's actually really important to me. I certainly have always and will continue to recommend that everyone uses the same thing.

**The CHAIR:** Mr Brady, what do you think needs to be done there? Are you going to put this on the table for the next enterprise agreement?

**STEPHEN BRADY:** We're right in the midst of enterprise bargaining at the moment, Mr Latham.

**The CHAIR:** Is it on the table?

**STEPHEN BRADY:** What we're trying to do is negotiate with the union to get through the 3 per cent pay increase as quickly as we can so that the teachers are entitled to the back pay to 1 July. We've tried to expedite that process by not asking for any additional reforms from an employer perspective. But certainly if the union is open to a more broad-ranging discussion, that's something I'd really appreciate having on the table. I absolutely believe that every one of our staff members should have a performance plan that sets out really clearly what our expectations are and how we're going to support them, and then have a review process so that there is a loop to help continue to support our employees.

**The CHAIR:** Why would the union want these two streams of staff review, one bigger than the other?

**JULIE TICKLE:** I think that's a question for the union. But certainly we talk to the Teachers Federation on an ongoing basis and very regularly about this. The union is very supportive of teachers receiving feedback and so are we. I'm sure that it's a conversation that we can continue to have. I agree with the managing director that the performance agreements are really important, but what's also important is not just the formal process but the ongoing conversations. We have what's called "Let's Chat", a monthly online support set of tools for line managers to talk to their employees about various aspects of their performance development.

**The CHAIR:** To round this out, what is the average time delay at TAFE for staff submitting their PDRP and having it approved by line managers?

**JULIE TICKLE:** That's not exactly how the process works, Chair. Would you like me to explain how it works?

**The CHAIR:** Yes, if you could.

**JULIE TICKLE:** The PDRP process is done collaboratively with the line manager and the employee. Actually, I had my PDRP with the managing director last week. We sat together and we went through the PDRP. It's not a matter of "I do it and then it's approved". The PDRP is created by me as the employee and we sit together and go through it. There's not a delay. It's done collaboratively, in most cases.

**The CHAIR:** Thank you. You're still here, so that's a good sign.

**JULIE TICKLE:** So far!

**The Hon. ANTHONY D'ADAM:** Mr Brady, there has been a number of Government announcements about free TAFE courses over the course of the last four years. I want to ask you about the take-up. Perhaps we can look at the 103,000 that were announced in October 2021. Of those additional free training places, how many were actually taken up?

**STEPHEN BRADY:** One moment, please.

**BELINDA MACKINNON:** I can provide some of those details, Mr D'Adam.

**The Hon. ANTHONY D'ADAM:** Yes, please.

**BELINDA MACKINNON:** In terms of fee-free apprenticeships, we've had over 60,000 enrolments. The available places weren't just for TAFE NSW, though. Similarly—

**The Hon. ANTHONY D'ADAM:** Are you available to provide a breakdown of how many went to TAFE and how many went to the private providers?

**GEORGINA HARRISSON:** Mr D'Adam, I think that question might be better directed to Mr Collins in terms of the breakdown. Very happy to—

**The Hon. ANTHONY D'ADAM:** Whoever can provide the information.

**GEORGINA HARRISSON:** I might start. The Skilling for Recovery program is delivering JobTrainer throughout New South Wales—the fee-free places—as a key component of the State's COVID-19 recovery plan, with more than 225,000 fee-free training places delivered to date. Within that, there have been more than 42,000 enrolments in building and construction qualifications, and more than 50,000 enrolments in health and individual support qualifications. We have seen 39 per cent of all the students enrolled in JobTrainer are in the age group of 17- to 24-year-olds. That work is continuing. The breakdown for you, Mr D'Adam, is 131,989 full qualifications and 93,311 part qualifications. But I'll see if Mr Collins is able to give you any breakdown between the different providers at this point.

**The Hon. ANTHONY D'ADAM:** Which period are we talking about? There's 131; which period were you specifically talking about?

**GEORGINA HARRISSON:** For the whole of the program, Mr D'Adam, it is 225,000 fee-free places.

**The Hon. ANTHONY D'ADAM:** So that I can get some clarity that we're talking about the same things, you're talking about the combined announcements of the 103 plus the 70,000 that were announced in June this year? Is that right,?

**GEORGINA HARRISSON:** I'm talking about the total number of places under the JobTrainer fee-free places that ran through the COVID period. But I'll let Mr Collins provide the specific details for the time period.

**DAVID COLLINS:** The commitment that you're referring to was a continuation of a partnership that the New South Wales Government has had with the Commonwealth Government. JobTrainer was introduced in 2020 as a joint initiative to respond to COVID: basically, funding for training places to support businesses to recover, to support people who may need an assistance to get back into jobs. The first tranche of it was 103,000 places. That was rolled out from 2020 and then towards the end of 2021. In 2021 an announcement was made to continue that; it was for the New South Wales Government to meet the Commonwealth Government's investment to continue for, in fact, another 103,000 places. We have been working to roll that out, with enrolments against that continuing to the end of this year.

**The Hon. ANTHONY D'ADAM:** Can I clarify how this operates? If someone who took up one of the initial 100,000 places is enrolled in a two-year course, do they then count in the 200,000 that were announced in the following—

**DAVID COLLINS:** They only count once. We are funding a mix of full qualifications and part qualifications. A number of those part qualifications are very short courses that might be about getting into a job or about boosting productivity. Linking back to the question about construction, we've done a lot of work in construction about—

**The Hon. ANTHONY D'ADAM:** On notice, can you provide a breakdown of how many were part qualifications—

**DAVID COLLINS:** We can provide a breakdown of that.

**The Hon. ANTHONY D'ADAM:** —and full qualifications?

**DAVID COLLINS:** Those who enrol in a full qualification—and we've been funding qualifications up to and including diploma level—will be continuing students. Part of the investment that has been made is to support them to get through to the completion of their qualification. They only count once, though, as an enrolment.

**The Hon. ANTHONY D'ADAM:** Are you able to, for each of the announcements—or are they all just bundled together?—provide the breakdown in terms of how many were delivered by private providers and how many by TAFE?

**DAVID COLLINS:** We can pull that data together.

**CHLOE READ:** But just to note, the commitment is ongoing, with enrolments until the end of the year.

**The Hon. ANTHONY D'ADAM:** Okay. Are you perhaps able to just provide that data, then, till the end of the last financial year—until 30 June 2022?

**CHLOE READ:** Yes.

**DAVID COLLINS:** Yes, certainly.

**The Hon. ANTHONY D'ADAM:** In terms of the development of this proposal, was there any pre-modelling undertaken by Education, is it—where does the policy sit? It sits with the department, doesn't it?

**CHLOE READ:** Yes, it's with us. As I understand it—it's before my time, so I'll defer to Mr Collins—there was some work done by the NSW Skills Board that informed the program.

**DAVID COLLINS:** Yes, there had been work we'd been doing in relation to the bushfires to look at what the skill needs were resulting from the 2019 bushfires. We built on that work to then try and forecast, I guess, what the impact of COVID was going to be and where we thought there was going to be a need for training support. As it happened, things have changed. We had our modelling that kind of told us we were going to see a major economic collapse and a lot of people being unemployed and we were going to be needing to support them. It's been a slightly different experience, as you know, so we've tailored the program to support those people who had been affected and had need of training to get into jobs, but we've also tailored it to deal with emerging needs. Those needs range from infection control to security, to construction, to dealing with the labour shortages and the need for skills uplift across a range of industries.

**CHLOE READ:** I would just note that it's a joint program with the Commonwealth. Most States and Territories had a similar arrangement and some of the impetus for the program was, of course, coming from the Commonwealth.

**The Hon. ANTHONY D'ADAM:** Where does the 100,000 that were announced in February 2019 sit? They're outside of this because obviously that was pre-COVID.

**GEORGINA HARRISSON:** Sorry, Mr D'Adam, we're struggling to hear you a bit, I'm afraid.

**The Hon. ANTHONY D'ADAM:** Sorry. I was saying in February 2019, the 100,000 that were announced in terms of fee-free places, that's pre-COVID. Where do they sit in terms of this area. It's discrete—

**DAVID COLLINS:** There's been a lot of announcements around fee-free.

**The Hon. ANTHONY D'ADAM:** There have been. I'm trying to understand how effective those programs have been.

**DAVID COLLINS:** So, previous announcements about fee-free training have included fee-free arrangements for apprenticeships and we're working through that. We are effectively meeting the fees of apprentices for their training. There was also an announcement that included 70,000 fee-free traineeships that I think might be part of that 100,000 that you're mentioning.

**GEORGINA HARRISSON:** Yes. Mr D'Adam, we're very happy to take on notice the specifics of that 2019 commitment and come back to you with more information, but just noting that obviously the situation and the economy changed significantly with COVID and we have pivoted to deliver on those needs. I think it is also worth highlighting some of the work that teams have done to make sure that we have supported industries at particular time. So, through JobTrainer, very clearly supporting the hospitality industry with summer skills programs, winter skills programs, to ensure that when those peak times were returning to those industries for travel within the State that they were able to access the workforce that they needed to get back on their feet and be opening their doors again. So I'm very happy to provide you on notice with that 2019 information, but I did just want to put on the record some of the, I think, really good work that's been done to support businesses in New South Wales with a skilled workforce at a point in time and at a point of need through this effort.

**The Hon. ANTHONY D'ADAM:** So, on the 2019 number—obviously, on notice if you can't answer this—but was there any modelling done in terms of that particular announcement?

**GEORGINA HARRISSON:** Very happy to provide that on notice. I haven't got information dating back that far here with me today, Mr D'Adam, in relation to that commitment, but very happy to come back on notice.

**The Hon. ANTHONY D'ADAM:** Presumably, when you make an announcement like that, you are anticipating the likely cost. You budget for an upper figure, presumably. The figures that you've provided, Ms Harrisson, are a lot less than the total number that have been announced in terms of available fee-free places, so there must be some underlying analysis that is undertaken to determine what the likely uptake will be. Is that correct, Mr Collins? Do you undertake some analysis to estimate how many of these positions, when you announce 100,000, you expect that at least 60,000 or 40,000 will be taken up, or perhaps it's unlikely that you're going to get to the full 100,000, isn't it?

**GEORGINA HARRISSON:** So, Mr D'Adam, I think, as I said, we'll take that number on notice. In terms of the JobTrainer commitments, we have absolutely met those commitments along the way. So, in that first year, very high numbers of updates. I remember the reporting well, Mr D'Adam, because Mr Collins, you will recall in this forum, was held highly accountable for that being delivered, and he did so. So I am not sure I understand the premise of your question around falling short of those commitments but I am very happy to take the position around 2019 on notice.

**The Hon. ANTHONY D'ADAM:** Obviously, the announcement is that there are this many positions available. My question is not really about the numbers. It is about whether the analysis is undertaken, and Mr Collins it should be in a position to answer that question now. Is the analysis undertaken around how many of those positions, when an announcement like this is made, are likely to be taken up?

**DAVID COLLINS:** I can't—

**CHLOE READ:** I want—

**DAVID COLLINS:** Sorry.

**CHLOE READ:** Just back to the kind of JobTrainer, because that's the one that we have an answer for here. That analysis was undertaken, as Mr Collins said. What changed during the delivery of JobTrainer 1 was the difference between part and full qualifications, so we anticipated more part qualifications than full, and it actually ended up levelling out a bit on that. But the number, from our perspective, our expectation is to deliver enrolments in line with the commitment.

**The Hon. ANTHONY D'ADAM:** I understand you want to deliver them all. There's no doubt about that.

**CHLOE READ:** We don't plan to deliver 80,000—

**The Hon. ANTHONY D'ADAM:** It's just a question of whether you expect that it's likely that you're going to deliver all of those places in this take-up.

**DAVID COLLINS:** I think I understand your question and, yes, we do—and I can't give you specifics about any of the modelling off the top of my head—but we do. We plan for the volume of enrolments to which we're committing. But we do anticipate that there will be some attrition so there is some modelling around what the likely attrition is. So, if we have 100,000 places, we don't have full funding for 100,000 places through to completion because we understand that people make choices. People enrol and they'll commence their training—

**The Hon. ANTHONY D'ADAM:** The funding is contingent on an expectation that a certain proportion of those who might enrol will not complete.

**DAVID COLLINS:** We do factor that behaviour into the estimates.

**The Hon. ANTHONY D'ADAM:** That assumption is part of the modelling and part of, ultimately, how you arrive at the costing figure that goes in the budget.

**DAVID COLLINS:** Yeah. We'd like to have the problem that they all complete, but what do we do?

**The Hon. ANTHONY D'ADAM:** We have a problem. If someone enrolls and doesn't complete, that's it. That counts as one of the places, doesn't it? If you get a subsequent enrolment, like, it's not cumulative, is it? You can't double-count someone. Two enrolments that both might not complete: That does not add up to a single position in that commitment, does it?

**DAVID COLLINS:** If we use the JobTrainer as an example, we are working within our budget so we have set targets of 100,000 in each tranche—100,000 in the first tranche and 103,000 in the second. We use the budget that is available to us to support our enrolments and, as the secretary has said, we're actually looking at something like 240,000 enrolments at the moment, which is a combination of things. It's a combination or a mix of the short qualifications and the longer qualifications, but it's also about being responsible with the budget, supporting people to enter training and hopefully complete it.

**The Hon. ANTHONY D'ADAM:** So different courses have different completion rates, don't they?

**DAVID COLLINS:** They do.

**The Hon. ANTHONY D'ADAM:** Yes, so the ultimate course mix within the fee-free places will vary in terms of the expectation of how much each course will cost in terms of the fee-free places. Is that right?

**DAVID COLLINS:** The qualifications cost differently. The cost of qualifications are different as well—very different for construction, for example, rather than hospitality, picking two examples out of the air. So, it's a complex mix of trying to work out how to manage the budget most effectively to get the best outcomes for the people who are participating.

**The Hon. ANTHONY D'ADAM:** Do you have an estimation by course of what the uptake will be? Different courses—obviously, that's got to be part of the calculation, doesn't it?

**DAVID COLLINS:** Within the JobTrainer, we actually had some targets. We had some targets and commitments that were made. This was part of our negotiation with the Commonwealth. The Commonwealth wanted to see certain numbers in relation to aged care, in relation to digital skills. We also set targets around construction.

**The Hon. ANTHONY D'ADAM:** Did you meet those targets, Mr Collins?

**DAVID COLLINS:** Pardon?

**The Hon. ANTHONY D'ADAM:** Did you meet the targets in JobTrainer? This is the February 2019 one.

**CHLOE READ:** No, it was the second round of JobTrainer that had those targets.

**DAVID COLLINS:** So the targets I've referred to are in the second round, and we are still—we're very close to each of them.

**The Hon. ANTHONY D'ADAM:** Very close?

**DAVID COLLINS:** Yes. So, by the end of the year, we'll be good.

**The Hon. ANTHONY D'ADAM:** Can you provide the non-completion assumptions for each of the rounds that have been taken into account? Is that possible?

**GEORGINA HARRISSON:** Mr D'Adam, we are very happy to provide whatever we can on the modelling that we have for both that 2019 commitment that you referenced as well as the JobTrainer program itself. I think one of the things that is worth noting by the Committee at this particular time has been the impact of high employment rates on our completion rates. We have seen people, just from the fact that they were taking part in a course and doing some of it, then securing employment, which is a good problem to have within that kind of gap between accepting a course and completing a course.

**The CHAIR:** It is 3.30 p.m. We will break for 15 minutes for afternoon tea and come back at 3.45 p.m.

**(Short adjournment)**

**The CHAIR:** It being 3.45 p.m., we should resume. Have the problems with enrolment experienced earlier this year, which were quite chaotic, been fixed now?

**STEPHEN BRADY:** As Ms McNeill mentioned, we are much more ahead in terms of the product development process, which has allowed us also to make sure that the offerings—which is when we put up the courses for enrolment on the website—were well ahead of where they were in the first semester. We have also ensured that some of the processes that sat behind that have been streamlined. I think we are seeing a much better student experience this semester.

**The CHAIR:** What do you mean streamlined? What have you done behind the scenes to get the course materials out more efficiently? Have you seconded more teachers into the system to write the course material?

**STEPHEN BRADY:** Well, that was the process that Ms McNeill was talking about earlier where we've, not so much seconded teachers into the process, but certainly engaged them much more heavily right from the very beginning of the process. We have a combined team of the product experts and the curriculum experts working with the teachers and with external providers to generate the product. Not only have we had the resources devoted to it but we have been continuously improving that process so that, as I said earlier, we have been able to get ahead of the curve and put ourselves in a very strong position for semester 2.

**The CHAIR:** Dr McNeill, how much notice did you have from the national regulator that these courses were going to be necessary?

**MARGOT McNEILL:** There's always a period of 12 months' notice and that gives us time, and any provider, because the training package releases outside of TAFE NSW, as you are suggesting with the national regulator. When we get that notification, that gives us time to do things like revise the training materials that we have to make sure that they reflect the new training package, but also to teach how to transition the students that might be currently enrolled.

**The CHAIR:** If you had 12 months' notice, what went wrong earlier this year?

**MARGOT McNEILL:** Well, it wasn't that things—the issue was that there was an unprecedented number of training packages that were transitioning and that meant because of the size and scale of TAFE NSW we had then an unprecedented number of materials that we needed to develop and that was the ADAPT project.

**STEPHEN BRADY:** Just to provide some context, Mr Latham, in a normal type of year we might expect to have 30 of these transitioning products. We had 250, so it was a massive effort to support and get those courses up and ready.

**The CHAIR:** Yes, but it was a massive problem for the students too, wasn't it, to get enrolled in courses that weren't yet ready? Have you said to the national regulator if they bung on another 230 you need a lot more lead time than 12 months?

**MARGOT McNEILL:** We are certainly involved in those discussions and that's part of the kind of thought leadership, if you like, because of the size of TAFE NSW, the voice around that table. But I would just talk about more of the process, rather than just the product development. We certainly need to have the materials to be able to deliver successfully for the students and teachers, but offerings processes involve many other steps in the way. Part of the delays earlier in the year were around things like COVID delays, meaning that some students hadn't successfully completed their course from last year in order to be able to move into the next course. All of those created a bottleneck effect, if you like, of the offerings process earlier in the year.

**The CHAIR:** Why were entry level courses, such as horticulture at Richmond college cancelled for semester 1, 2022 without any engagement with relevant industry leaders?

**MARGOT McNEILL:** I will hand over to Ms Mackinnon to talk about specific courses.

**The CHAIR:** Ms Mackinnon, how many other courses like that were cancelled in semester 1?

**BELINDA MACKINNON:** I would have to take that on notice, Chair, just in relation to the details behind that so that I can provide accurate information.

**The CHAIR:** Is there any estimate on how many apprentices and trainees have been lost in horticulture as a result of that cancellation and also in other areas where the courses were cancelled?

**BELINDA MACKINNON:** Equally on cancellations, whilst a course might be cancelled, we offer courses at various times through the year. Whilst it might be cancelled on one scenario and time frame, we have got an extended college year that can actually go across 48 weeks of the year. We could be doing things not just on a semester basis in the traditional sense, but actually at different times.

**The CHAIR:** You don't think you would have lost any apprentices or trainees?

**BELINDA MACKINNON:** I couldn't say with accuracy.

**The CHAIR:** You couldn't say but you will take that on notice.

**STEPHEN BRADY:** We will take it on notice, Mr Latham. I think at the last hearing we did talk about the fact that we were able to get the offerings up. Some of them were a little later than we would have liked, and it is quite normal. We don't always start everything on the same day anyway; there is a staggered start. From memory, I think there were only two courses that had a real impact from that. We will take it on notice and we will come back to you. But we were able to get courses up and running. We do, as we've said earlier, adjust our service delivery depending on demand et cetera. It may well be that horticulture course was driven by other things than product development.

**The CHAIR:** Has there been a problem with the enterprise business system and, if so, how much has it cost to fix it?

**STEPHEN BRADY:** Mr Backley?

**DAVID BACKLEY:** Do you mean EBS?

**The CHAIR:** Yes, EBS, the enterprise business system.

**DAVID BACKLEY:** EBS is the student management system that we are replacing, which I had a question about earlier. In 2020 we consolidated the 11 instances into one to actually streamline the processes, and that has worked. The system is what it is, though. There was an agreement to replace the system because it wasn't as functionally rich as we wanted and so fundamentally it hasn't changed but it hasn't had an outage. The system has not—

**The CHAIR:** I have got a report here that it has cost half a billion dollars to fix it. Is that right?

**DAVID BACKLEY:** Half a million, or half a billion?

**The CHAIR:** It says here half a billion.

**DAVID BACKLEY:** I wish. No.

**The CHAIR:** No?

**DAVID BACKLEY:** It's never been—

**The CHAIR:** Nowhere near that amount? The TAFE Digital Campus record has a flag or ticks on the front of every student's record that should raise with teachers that they are dealing with students who have special needs, such as disabled or Indigenous. Apparently this used to work well prior to TAFE Digital Campus and teachers knew their students' needs. How is it performing under the new arrangements?

**BELINDA MACKINNON:** As far as I know, certainly the TAFE Digital Campus is—whilst it had a few issues in the beginning with our teaching teams and access to training, we did offer quite significant training around that. Certainly, there were a couple of issues, as you have described, but we have other means also of identifying that students have needs. Students don't always disclose the fact that they have a disability or their Aboriginality or a language other than English either. The engagement that our teachers have is also a key identifier where we would offer assistance if those students required.

**The CHAIR:** What is the status of the flag system, then? Has it been discarded when you say there are other means that teachers are using to establish these particular special needs among students?

**BELINDA MACKINNON:** To my knowledge there would still be the flag there, but I would have to take that on notice to check the accuracy of that.

**The CHAIR:** What proportion of students on the system have got flags?

**BELINDA MACKINNON:** I would check on that.

**The Hon. ANTHONY D'ADAM:** Ms Tickle, earlier you advised about the related duties underpayment. I ask a further question about that. How much did that cost in terms of the process of remediation and how much was actually repaid?

**JULIE TICKLE:** Thank you for the question. In terms of remediation, we did that internally, so there's not a cost associated. Our payroll team and our workplace relations team worked together to determine what the backpay needed to be. I would need to take on notice what the actual backpay amount is. I don't have that today.

**The Hon. ANTHONY D'ADAM:** Mr Collins, I'm going to run through these fee-free places programs. There was an announcement in February 2019. The Government announced 70,000 free TAFE and VET courses

for trainees and 30,000 free TAFE places for mature age workers. How many of those were completed? You can take them on notice if you want.

**DAVID COLLINS:** Thank you for the question on that. If I can find the entry, I can tell you how many of the—Ms Read's got it.

**CHLOE READ:** Of the fee-free traineeships—so the 70,000 you mentioned?

**The Hon. ANTHONY D'ADAM:** Yes, the 70,000.

**CHLOE READ:** We're at 59,784 of those.

**The Hon. ANTHONY D'ADAM:** And of the 30,000 for mature age workers?

**CHLOE READ:** I think that's a question that Mr Brady might be able to answer.

**GEORGINA HARRISSON:** Mr D'Adam, some of these were VET provision and some of them were specific TAFE provisions.

**CHLOE READ:** Yes, I think that's the—

**DAVID COLLINS:** While they're looking for that, I can say that with the traineeship commitment, what the commitment is there was that we are meeting the cost of the fee for the enrolment in training. We had already built in the subsidy for the qualification. It's just the student fee that's now being waived as a result of that. The figure that Ms Read raised was the number so far, but we're continuing to work towards that 70,000.

**The Hon. ANTHONY D'ADAM:** I see. So in November 2020 there was a \$320 million announcement to deliver 100,000 fee-free training places across the State. Were these new places?

**DAVID COLLINS:** That's the JobTrainer announcement, a joint Commonwealth and State investment in JobTrainer. We've talked about that.

**The Hon. ANTHONY D'ADAM:** Yes. How many of those were completed, if you could provide that?

**CHLOE READ:** We're over the 100,000.

**The Hon. ANTHONY D'ADAM:** Sorry?

**CHLOE READ:** We're over the 100,000. We're at, I think, 156,000 against that announcement.

**The Hon. ANTHONY D'ADAM:** How do you have 156,000 completions—

**CHLOE READ:** Enrolments.

**The Hon. ANTHONY D'ADAM:** —for 100,000 fee-free places? Doesn't that mean that 56,000 pay fees or are you just—

**CHLOE READ:** No, it's enrolments. It's a little bit how Mr Collins described earlier; it depends particularly on the mix of qualifications. So if there are part qualifications or cheaper qualifications in there, you can fit more fee-free places within a particular envelope. Our target was at least 100,000.

**The Hon. ANTHONY D'ADAM:** So that's 156,000 enrolments.

**CHLOE READ:** Yes.

**The Hon. ANTHONY D'ADAM:** My question is about completions.

**CHLOE READ:** I think completions is—

**DAVID COLLINS:** Just one moment. In relation to completions for that, I'm just trying to find the information. But in relation to completions for that, of the enrolments, currently 51 per cent of the enrolments have completed and there is a significant number of those students who are still in training. So we would expect that number to go up.

**CHLOE READ:** I've got the number here. It's just over 78,000.

**The Hon. ANTHONY D'ADAM:** So 78,000 of that 156,000 have completed?

**GEORGINA HARRISSON:** So far, Mr D'Adam. I think Mr Collins was also indicating some of those students are in longer courses or are still in their courses and so their completions will continue to come through.

**The Hon. ANTHONY D'ADAM:** In June 2021 there was a further announcement: 200,000 free training places for veterans and their partners. How many enrolments and how many completions for that program?

**GEORGINA HARRISSON:** Sorry, Mr D'Adam; could you repeat that please?

**The Hon. ANTHONY D'ADAM:** In June 2021 the Government announced 200,000 fee-free training places for veterans and their partners. Of that 200,000—

**CHLOE READ:** I'll have to take that on notice. I don't recognise that figure.

**DAVID COLLINS:** We'll take that on notice. I don't recognise the 200,000 figure. But the Government did make an announcement around fee-free training for veterans. We can come back with the details around that.

**The Hon. ANTHONY D'ADAM:** The enrolments and the completions on notice.

**GEORGINA HARRISSON:** We're very happy to take both the enrolments and completions in relation to, and to confirm the commitment around, the veteran and their partners training.

**The Hon. ANTHONY D'ADAM:** In October 2021 the Government announced a further 103 fee-free training places. We've had some discussion, so on notice can you provide the number of enrolments and the number of completions?

**GEORGINA HARRISSON:** I might just ask if Mr Collins has the enrolments figures with us today for October 2021. If not, yes.

**CHLOE READ:** Yes, I've got them here. So we've had just shy of 70,500 commencements and so far—

**The Hon. ANTHONY D'ADAM:** Seventeen or 70?

**CHLOE READ:** Seventy. Sorry, 70,420 is the exact number, and 17,611 completions so far.

**DAVID COLLINS:** You would understand that the completions for that wave are somewhat lower than the other because people are enrolling in full qualifications. That will be continuing.

**The Hon. ANTHONY D'ADAM:** In the last budget there was an announcement of 70,000 fee-free places. Are these new positions or are they a re-announcement of the previous figures?

**DAVID COLLINS:** That announcement is about filling the gaps with some target groups. With the commitment that's made around JobTrainer, there are other students who are not eligible for JobTrainer but are eligible for subsidised training. The Government has made a commitment to meet the cost of their fees. So the commitment that was made there, again, is about meeting the fees for those students.

**The Hon. ANTHONY D'ADAM:** So they are additional, then?

**GEORGINA HARRISSON:** They are additional in that they're a different cohort. They wouldn't be captured by the JobTrainer commitment. As Ms Read and Mr Collins have sought to explain, the parameters of that commitment are set through the negotiation with the Commonwealth. So that defines what fee-free places are available under JobTrainer. The announcement in the budget was the Government's commitment to extend, in a sense, the access to fee-free training to further cohorts of learners.

**The Hon. ANTHONY D'ADAM:** There was a further announcement for 25,000 fee-free training places for early learning and care workers. Are they part of that 70,000 or are they a separate 25,000?

**DAVID COLLINS:** That's a separate number. Again, that's the Government using its budget to meet the cost of the student fees. We have the cost of the training delivery factored into the budget. Where that is being extended is to meet the cost of the fees for those students. It's a workforce where we've got critical needs and we're trying to attract people to train for—the early childhood education and care roles. So we've committed to meet the fees up until mid-2024.

**GEORGINA HARRISSON:** Mr D'Adam, you'd be aware that there is also work at a national level in relation to that workforce and joint work with the Commonwealth in relation to the childcare and early childhood educator workforce.

**The Hon. ANTHONY D'ADAM:** Can I come to this Committee's report on the future development of the New South Wales tertiary education sector? There was a recommendation in that report around improving transparency and enhancing annual reporting, including data on reliance on international student income, overseas student numbers in each course, staffing job security and staffing balance between teaching and research only. Can I ask what the status of the implementation of that recommendation is? Is that recommendation being implemented?

**GEORGINA HARRISSON:** Mr D'Adam, I don't have information on the Government's response to that report with me, and I am not sure that I can confirm if it has been finalised or not at this stage. Partly that's

certainly not something I've seen, so I'm very happy to come back on notice with any information that we have available.

**The Hon. ANTHONY D'ADAM:** Could you also on notice, then, advise on the status of the implementation of recommendation seven: That the New South Wales Government mandate that universities provide a more detailed report of their staffing profiles, including a requirement that data be provided on permanent, fixed-term and casual staff levels in terms of both head count and full-time equivalents, modelled on the Victorian reporting requirements?

**GEORGINA HARRISSON:** Again, Mr D'Adam, very happy to take on notice and provide what I can in relation to the Government's position in relation to those recommendations and any work that has been progressed to date.

**The Hon. ANTHONY D'ADAM:** I might ask about what the status is of the Dapto Access Point. What has happened with Dapto? Mr Brady?

**STEPHEN BRADY:** Thank you, Mr D'Adam. The lease on the Dapto Access Point expired. I believe the landlords were intending to sell the site for redevelopment. As you'd be aware, there were no courses actually being delivered from that site. It was a site where local residents could come and inquire about courses. There are four campuses within 15 kilometres of Dapto. The lease expired. We're now servicing from those campuses.

**The Hon. ANTHONY D'ADAM:** So there is no intention to return any services.

**STEPHEN BRADY:** To be clear, there wasn't any delivery of teaching in Dapto. It was purely somewhere where a local community member could come in and make an inquiry. As I say, there's four locations within 15 kilometres where we can provide that same service.

**The Hon. ANTHONY D'ADAM:** Can you just clarify the services that were provided and where those services are now going to be provided from.

**STEPHEN BRADY:** It's really as an ability for people to come and inquire about courses that they may be interested in. They can now go to our campuses at Wollongong, Wollongong West, Shellharbour and Yallah. They're all within 15 kilometres of Dapto.

**The Hon. ANTHONY D'ADAM:** Can I ask about where we landed on the Bega retail course? I think you were going to come back with some further information.

**BELINDA MACKINNON:** I'm still waiting on those details, Mr D'Adam.

**The Hon. ANTHONY D'ADAM:** Is that likely to be provided today?

**BELINDA MACKINNON:** I'm hoping so.

**The Hon. ANTHONY D'ADAM:** I might then ask about Richmond TAFE. The equine course there was cancelled? Is that correct?

**STEPHEN BRADY:** That's right.

**BELINDA MACKINNON:** There were four equine courses.

**The Hon. ANTHONY D'ADAM:** How many jobs did that cost? How many jobs were lost as a result of the cancellation of that course?

**BELINDA MACKINNON:** It wasn't a cancellation of one course, Mr D'Adam. It resulted in five redundancies and other staff that were reappointed to other activities and teaching duties, and part-time teachers who were offered work at other locations.

**The Hon. ANTHONY D'ADAM:** Is that a Crown site or is it on a lease—Richmond TAFE?

**BELINDA MACKINNON:** That is on a lease.

**The Hon. ANTHONY D'ADAM:** What's the status of the lease?

**BELINDA MACKINNON:** It's an extensive lease period.

**STEPHEN BRADY:** It's a lease from the Western Sydney University. I think it is a 199-year lease, Mr D'Adam. So we're there—

**The Hon. ANTHONY D'ADAM:** There in the long term.

**STEPHEN BRADY:** We're there for a long term.

**The Hon. ANTHONY D'ADAM:** Can I ask about an EOI that's been put out in relation to a scope of works for TAFE NSW's operational transformation business case. Can you explain what that is?

**STEPHEN BRADY:** I will ask Mr Bowes to come up. It's a piece of work we want to do around unit of competency. It's really for us to get a better handle on the way we schedule, the way we allocate teachers to courses, an understanding of the more detailed ability to manage our operations to make sure that we're putting our efforts where they're most needed in terms of learner need. It was something that was provided for in the budget last year. The work is to develop a business case to come back to Treasury for what would be involved and how we could go about it. Mr Bowes?

**DAN BOWES:** I think you've covered it, Mr Brady, actually.

**The Hon. ANTHONY D'ADAM:** But you don't do this internally. You don't develop your own business case?

**STEPHEN BRADY:** This is quite a significant piece where we are engaging consultants because there'll be elements of systems changes, there'll be elements of mapping out the user requirements, there'll be a change management piece. There's a reasonably significant piece of work that's required to be able to go back to Treasury with the amount of information we need to be able to justify a significant investment for this project.

**The Hon. ANTHONY D'ADAM:** If you could elaborate in terms of the type of organisational change that might arise out of a proposal being accepted by Treasury. Where exactly is this proposal likely to take TAFE?

**STEPHEN BRADY:** It's not an organisational change in terms of a restructure or anything of that nature. What it will do is give us much better management information in order to understand what it costs us to run a particular course, what the components of that cost are and, therefore, how we can do things like better schedule facilities and better leverage existing investment in product. There's a range of things it'll enable us to do to better understand our operations and provide a better service.

**The Hon. COURTNEY HOUSSOS:** I just wanted to come back to the tertiary education questions that my colleague started and ask about the NSW Higher Education Strategy and the Government action plan on that. When will the 2022-23 action plan be released?

**GEORGINA HARRISSON:** I'll ask Ms Read to provide some information on that.

**CHLOE READ:** It should be in the second half of this year, in the next couple of months, I think.

**The Hon. COURTNEY HOUSSOS:** Are you able to give us any updates on the action under the five priority areas in the Higher Education Strategy?

**GEORGINA HARRISSON:** As Ms Read has indicated, there is a commitment to annually update on progress. That's due in the next couple of months, so we'll be able to provide that. It will be in the public domain at that point.

**The Hon. COURTNEY HOUSSOS:** You can't give us anything before then? You need to wait for the Minister to approve the release of the—

**CHLOE READ:** The strategy was released, and then an initial action plan, and then there'll be a refresh of the strategy that will come out. I think it's in October, but I'll confirm if that's the case.

**The Hon. COURTNEY HOUSSOS:** Yes, sure. If you want to take that one on notice, that's fine.

**CHLOE READ:** Yes.

**The Hon. ANTHONY D'ADAM:** Can I ask about the TAFE asset renewal program? What was the initial cost of this project at the time of announcement?

**STEPHEN BRADY:** The asset renewal program is \$139 million for this financial year.

**The Hon. ANTHONY D'ADAM:** That was the amount at the time of announcement?

**STEPHEN BRADY:** That's for the financial year 2023 budget, yes.

**The Hon. ANTHONY D'ADAM:** And how much has been spent on the project to date?

**STEPHEN BRADY:** We actually are in market for quite a number of packages of work. This program will do things like look at the flooring across our estate. We've got 159 campuses and 1,752 buildings—looking at the flooring and the state of condition of the painting. It's really a refurbishment program right across. There are also packages of work which will relate to teacher materials—things like lathes or other equipment that's a critical part of being able to deliver the teaching. That's something on which we work with our teaching sections

to get their input into the priorities. We are in market at the moment. Mr Bowes may be able to add some more detail.

**DAN BOWES:** I think that's right, Mr Brady. We're still in market but we've released most of the tenders now.

**The Hon. ANTHONY D'ADAM:** How much is allocated for this year's budget?

**STEPHEN BRADY:** It's \$139 million.

**The Hon. ANTHONY D'ADAM:** That's the total cost of the package? It's only a one-year package, is it?

**STEPHEN BRADY:** That's right. Well, we have a maintenance budget as well. This sits on top of our maintenance budget, which I think, Mr Bowes, is \$40 million this year?

**DAN BOWES:** Yes, it's \$41.8 million.

**STEPHEN BRADY:** Thank you. It's an injection of money to—

**The Hon. ANTHONY D'ADAM:** Spruce things up?

**STEPHEN BRADY:** Well, last year we had a top-up of money as well for accelerating our maintenance. This is another piece of money which goes to uplifting our campus conditions but also, as I said earlier, upgrading some of our teaching equipment, and it sits on top of our regular maintenance program.

**The Hon. ANTHONY D'ADAM:** And it will be completed this financial year, will it?

**STEPHEN BRADY:** It will.

**The Hon. ANTHONY D'ADAM:** What about Coffs Harbour optimisation? What was the initial cost of that project at the time of announcement?

**DAN BOWES:** Coffs Harbour is \$29.6 million over three years.

**The Hon. ANTHONY D'ADAM:** And how much has been spent to date?

**DAN BOWES:** I haven't got that. I'll have to take that on notice.

**The Hon. ANTHONY D'ADAM:** What's the allocation for this budget year?

**STEPHEN BRADY:** I think it's around about \$10 million, Dan, isn't it?

**DAN BOWES:** Exactly.

**STEPHEN BRADY:** If you just give us a moment, we'll get the exact detail for you.

**The Hon. ANTHONY D'ADAM:** If it's a three-year program, could you provide the budget figure for each of the three years?

**STEPHEN BRADY:** We'll take that on notice.

**The Hon. ANTHONY D'ADAM:** It's estimated to be completed in three years; is that right?

**STEPHEN BRADY:** Yes.

**DAN BOWES:** Yes.

**The Hon. ANTHONY D'ADAM:** What about Kingscliff campus expansion? What was the initial cost of that project at the time of announcement?

**STEPHEN BRADY:** Kingscliff is a total budget of \$32.7 million. The budget for this financial year is \$3.2 million.

**The Hon. ANTHONY D'ADAM:** How much has been spent so far?

**STEPHEN BRADY:** We'll have to take that on notice. You'll appreciate that the first step in these programs and why it's only \$3.2 million out of \$32.7 million is there's a fair bit of planning work that needs to go into the first year. You'll expect to see a profile where planning work occurs and then the expenditure starts to ramp up as you step into delivery. We'll come back with any detail.

**The Hon. ANTHONY D'ADAM:** The completion date for that one?

**STEPHEN BRADY:** It's a three-year program as well.

**DAN BOWES:** I've got the information about Coffs Harbour for this year. Its planned spend is \$2.9 million.

**The Hon. ANTHONY D'ADAM:** What about Northern Rivers Education, Training and Research Hub?

**STEPHEN BRADY:** This is associated with the new hospital in Kingscliff. We're working in partnership with other organisations to invest in a combined training facility and our contribution to that program is \$2.5 million. The total investment there is \$10 million, with the other partners contributing the balance of the amount.

**The Hon. ANTHONY D'ADAM:** It's \$10 million in total. How long is the project for?

**STEPHEN BRADY:** Our investment will be made this year.

**The Hon. ANTHONY D'ADAM:** This year?

**STEPHEN BRADY:** That's right.

**The Hon. ANTHONY D'ADAM:** So the \$2.5 million is all—

**STEPHEN BRADY:** The \$2.5 million is our total investment.

**The Hon. ANTHONY D'ADAM:** —you're contributing?

**STEPHEN BRADY:** That's right.

**The Hon. ANTHONY D'ADAM:** How much of that's actually been paid to date?

**STEPHEN BRADY:** I don't believe we would have made the payment at this stage, but we can confirm.

**The Hon. ANTHONY D'ADAM:** What about Ryde building A upgrade?

**STEPHEN BRADY:** Ryde building upgrade is a \$4 million program and \$2 million of that will be invested this year.

**The Hon. ANTHONY D'ADAM:** How long is the project?

**STEPHEN BRADY:** Two years.

**The Hon. ANTHONY D'ADAM:** What about Wyong animal studies?

**STEPHEN BRADY:** It's a \$4.9 million program, with \$2 million to be invested this year.

**The Hon. ANTHONY D'ADAM:** And how many years?

**STEPHEN BRADY:** Estimated completion, June 2024.

**The Hon. ANTHONY D'ADAM:** For each of these projects, could you provide the allocation for each of the years of the forward estimates for as long as the project is running?

**STEPHEN BRADY:** We'll take that on notice.

**The Hon. COURTNEY HOUSSOS:** If you can take on notice for each of those projects provide us with the month and the year that you're projecting to complete it in. I noticed some of them you said "in two years". We're just interested in the exact month that you're expecting—

**STEPHEN BRADY:** We'll take that on notice.

**The Hon. ANTHONY D'ADAM:** What about the ICT asset refresh program to enhance student experience? What was the initial cost of that project?

**STEPHEN BRADY:** I might ask Mr Backley to respond.

**DAVID BACKLEY:** I don't have the information in front of me but I do know most of it. We have an allocation of \$5 million a year just to keep maintaining rooms and we spent another \$10 million on asset refresh and we're considering another tranche. One of the issues we have had has been with supply chain, so we actually haven't been able to get as many computers as we've wanted. But where we can, we have refreshed. There's at least a \$10 million investment this year.

**The Hon. ANTHONY D'ADAM:** So \$10 million this year?

**STEPHEN BRADY:** The total amount for the ICT systems and ICT infrastructure—so there's a combination of things in there—is \$27.2 million for this year.

**DAVID BACKLEY:** I was just talking specifically to that—

**The Hon. ANTHONY D'ADAM:** That first program that I mentioned, the ICT asset refresh program to enhance student experience, that's \$5 million per year for how long?

**DAN BOWES:** The underlying maintenance to keep things running in that space is \$5 million a year in capital. But we have extra programs because of the—

**The Hon. ANTHONY D'ADAM:** That'll just be recurrent forever; is that right?

**DAN BOWES:** The \$5 million is recurrent. The \$10 million is not.

**The Hon. ANTHONY D'ADAM:** So \$10 million is the total cost of the program?

**DAVID BACKLEY:** No. There's \$5 million recurrent and this year an extra 10.

**The Hon. ANTHONY D'ADAM:** And just one year?

**DAVID BACKLEY:** Depending on where we get to and how the changes in technology go. It can be quite dynamic. As we move towards virtualised environments, we need less and less hardware.

**The Hon. ANTHONY D'ADAM:** I see. So the total current estimated cost is \$10 million but you're not sure that that's actually going to be the final figure because there's a fair degree of—

**DAVID BACKLEY:** It's 10.7.

**The Hon. ANTHONY D'ADAM:** And that will be completed when?

**DAVID BACKLEY:** The end of this financial year, depending on supply chain. The reason I put that caveat is we've got the money but we can't necessarily get the equipment because there's a global shortage of some equipment.

**The Hon. ANTHONY D'ADAM:** What about the asset management solution? What was the initial cost of that project when it was announced?

**DAVID BACKLEY:** It was \$8 million.

**The Hon. ANTHONY D'ADAM:** How much of that program has been spent to date?

**STEPHEN BRADY:** I think we'll have to take that on notice.

**DAVID BACKLEY:** I'll have to take that on notice, sorry.

**The Hon. ANTHONY D'ADAM:** How long is the project for?

**DAN BOWES:** Two years.

**DAVID BACKLEY:** It's a two-year program.

**The Hon. ANTHONY D'ADAM:** Can you provide that budget allocation for this year and the next year?

**DAVID BACKLEY:** Yes.

**The Hon. ANTHONY D'ADAM:** And the specific completion date—the month and year?

**DAVID BACKLEY:** Yes.

**The Hon. ANTHONY D'ADAM:** What about connected learning centres program stage three?

**STEPHEN BRADY:** Mr Bowes?

**The Hon. ANTHONY D'ADAM:** What was the initial project cost at the time of announcement?

**DAN BOWES:** I don't think I've got that information with me, Mr Brady. One moment, please. Sorry, we do have it. Connected centres program stage three, the estimated total cost is \$57,094,000.

**The Hon. ANTHONY D'ADAM:** What's the current estimated total cost of the project? That's \$57,094,000, did you say?

**DAN BOWES:** So \$57,094,000 is the total cost. So far, to the end of June 2022, we've spent \$40,578,000. The allocation for this year is \$16,516,000.

**The Hon. ANTHONY D'ADAM:** What's the completion date?

**DAN BOWES:** It is 2023. I think the final one is June-July 2023.

**The Hon. ANTHONY D'ADAM:** What about the IT security enhancement program?

**The Hon. COURTNEY HOUSSOS:** Before you move on, can you give us a breakdown on notice of the total cost by CLC?

**DAN BOWES:** Yes, of course.

**The Hon. COURTNEY HOUSSOS:** And when is the projected end date for the ones that haven't been completed?

**DAN BOWES:** I think there are only two left.

**STEPHEN BRADY:** That's right.

**DAN BOWES:** Jindabyne and Byron Bay.

**The Hon. ANTHONY D'ADAM:** The IT security enhancement program?

**DAVID BACKLEY:** The total cost is \$1.819 million.

**The Hon. ANTHONY D'ADAM:** Did you say \$1.819 million?

**DAVID BACKLEY:** Yes, 1.819, and \$820,000 to be spent this financial year.

**The Hon. ANTHONY D'ADAM:** How much to date?

**DAVID BACKLEY:** It is 799,000—I should get my glasses. I'm getting old; I'm struggling.

**The Hon. ANTHONY D'ADAM:** How many years is the project running for?

**DAVID BACKLEY:** It's a two-year project.

**The Hon. ANTHONY D'ADAM:** Can you provide the budget for our next financial year as well?

**DAVID BACKLEY:** No, sorry, this is the last year of it.

**The Hon. ANTHONY D'ADAM:** I see. What was the initial cost of the project when it was announced?

**DAVID BACKLEY:** That's what I said to begin with.

**The Hon. ANTHONY D'ADAM:** So that's remained the same? There's been no variation to that?

**DAVID BACKLEY:** No.

**The Hon. ANTHONY D'ADAM:** What's the date of completion for that?

**DAVID BACKLEY:** It's this financial year, but I don't have a month. I can give you that on notice.

**The Hon. ANTHONY D'ADAM:** What about the Institute of Applied Technology pilot program?

**STEPHEN BRADY:** I might ask Mr Naidoo to provide that detail.

**VIK NAIDOO:** Absolutely. Thank you, Mr Brady. For the Meadowbank program it is \$157.2 million.

**The Hon. ANTHONY D'ADAM:** So 857—

**VIK NAIDOO:** It's 157.2, and that's over four years. And for Kingswood it's 80.4.

**The Hon. ANTHONY D'ADAM:** Sorry, what was that?

**VIK NAIDOO:** It was 80.4.

**The Hon. ANTHONY D'ADAM:** For what?

**VIK NAIDOO:** For Kingswood IAT Construction.

**The Hon. ANTHONY D'ADAM:** IAT Construction—

**VIK NAIDOO:** So, the Institute of Applied Technology. You've got Digital Tech and Construction.

**The Hon. ANTHONY D'ADAM:** Right. Sorry, just to clarify, I've got the Institute of Applied Technology pilot program, the Institute of Applied Technology—IAT—for Construction, and Institute of Applied Technology for Digital Tech?

**VIK NAIDOO:** That's correct.

**The Hon. ANTHONY D'ADAM:** They're all separate projects. Is Kingswood—can you just explain the relationship? I don't have the detail on that.

**VIK NAIDOO:** The Institute of Applied Technology we have two sites: Meadowbank, which is the digital tech campus; and Kingswood, which is the construction campus. So I think what you're referring to in terms of just the Institutes of Applied Technology, it's additional capital that we've been—I have provided on top of the \$157.2 million for Meadowbank and the \$80.4 million for Kingswood. So what you're probably referring to is the \$13.2 million that was provided in the 2021-22 budget.

**The Hon. ANTHONY D'ADAM:** Right. Okay. So, what's the spend to date on that—so is that two projects?

**VIK NAIDOO:** That's one project with two sites.

**The Hon. ANTHONY D'ADAM:** One project with two components?

**VIK NAIDOO:** Correct.

**The Hon. ANTHONY D'ADAM:** Were they announced at the same time or separately?

**VIK NAIDOO:** They were announced in March 2021, as an outcome of the VET sector review.

**The Hon. ANTHONY D'ADAM:** Is that figure the same? There's been no deviance from that?

**VIK NAIDOO:** It is currently underway. There's been no deviance. It's a four-year pilot.

**The Hon. ANTHONY D'ADAM:** For each of the years of that project, can you provide the budget allocation and the spend?

**VIK NAIDOO:** I will have to provide that on notice.

**The Hon. ANTHONY D'ADAM:** Okay. What's the completion date?

**VIK NAIDOO:** The completion date—the opening will be early next year and the completion date will be four years from then.

**The Hon. ANTHONY D'ADAM:** Four years from then. Do you have a specific month?

**VIK NAIDOO:** I don't have a specific month, but from memory it might be 2024-25. But I'll come back to you on notice.

**The Hon. ANTHONY D'ADAM:** Okay. So the Institute for Applied Technology for Construction—that's a separate project, yes?

**VIK NAIDOO:** A separate site under the Institutes of Applied Technology.

**The Hon. ANTHONY D'ADAM:** Right. What's the initial cost of that project?

**VIK NAIDOO:** It was \$80.4 million of capital.

**The Hon. ANTHONY D'ADAM:** When was that announced?

**VIK NAIDOO:** That will be announced—so that was an outcome in March 2021 and the partnerships involved in that will be announced next month.

**The Hon. ANTHONY D'ADAM:** I see. So that hasn't started, that project?

**VIK NAIDOO:** Yes, construction has started.

**The Hon. ANTHONY D'ADAM:** Construction has started? So how much has been spent to date?

**VIK NAIDOO:** Again, I'll have to provide that to you on notice.

**The Hon. ANTHONY D'ADAM:** All right. And for the duration of the project if can you provide the projected budget for each of the years and the expected completion date for that one.

**VIK NAIDOO:** The same thing—four years from next year.

**STEPHEN BRADY:** I might just clarify, Mr D'Adam, the construction is anticipated to be completed.

**VIK NAIDOO:** It is expected to be completed. The construction had been impacted by weather delays. It was meant to be completed early next year, February-March. It has now been delayed to May.

**STEPHEN BRADY:** And then the operation will be the pilot for the four years while we assess the performance of the IAT.

**The Hon. ANTHONY D'ADAM:** Right, I see. So the Institute of Applied Technology for Digital Tech?

**VIK NAIDOO:** That's opening in early next year.

**The Hon. ANTHONY D'ADAM:** What was the cost of that project when it was announced?

**VIK NAIDOO:** It was \$157.2 million in capital work.

**The Hon. ANTHONY D'ADAM:** Is that still—

**VIK NAIDOO:** That's still underway. That's still within budget.

**The Hon. ANTHONY D'ADAM:** Still within budget?

**VIK NAIDOO:** But, again, we will provide you those details on notice.

**The Hon. ANTHONY D'ADAM:** And how much has been spent to date?

**VIK NAIDOO:** Yes, on notice.

**The Hon. ANTHONY D'ADAM:** And the allocation for each year of the project?

**VIK NAIDOO:** It's a four-year project as well.

**The Hon. ANTHONY D'ADAM:** And the actual spend? And the completion date?

**VIK NAIDOO:** A four-year project from next year.

**The Hon. ANTHONY D'ADAM:** Four years from next year. Okay. You don't have a specific month?

**VIK NAIDOO:** It will be in line with the financial year.

**The Hon. ANTHONY D'ADAM:** At the end of the financial year. Okay, thank you. What about Scone Multi Trades Hub, when was that one announced?

**STEPHEN BRADY:** I might come back to you on the date of the announcement. The estimated total cost is \$3 million, with a current year budget allocation of \$1.8 million.

**The Hon. ANTHONY D'ADAM:** That's for this year's budget, 1.8 million?

**STEPHEN BRADY:** That's right. In last year, we invested \$1.2 million. So it will be completed this year within the \$3 million budget.

**The Hon. ANTHONY D'ADAM:** Two-year project?

**STEPHEN BRADY:** Two-year project.

**The Hon. ANTHONY D'ADAM:** Announced last year?

**STEPHEN BRADY:** That's right, completing this year.

**The Hon. ANTHONY D'ADAM:** Completing what month this year?

**STEPHEN BRADY:** I'll have to take that on notice.

**DAN BOWES:** Mr Brady, I think Scone is scheduled to be completed in December 2022.

**STEPHEN BRADY:** Thank you.

**The Hon. ANTHONY D'ADAM:** December this year, is it?

**STEPHEN BRADY:** That's right.

**The Hon. ANTHONY D'ADAM:** The shared services centre, what was the initial cost of that project when it was announced? When was it announced, by the way?

**STEPHEN BRADY:** Dan, have you got the date of the announcement?

**DAN BOWES:** I don't know.

**STEPHEN BRADY:** We will take that on notice, but it's a \$4 million project. We've got an allocation this financial year of \$1.4 million. In last year, we invested \$2.6 million. We're currently on track for its

completion. We're currently just finalising fit-outs, so it is actually in operation now, with some final works just occurring to finish off.

**The Hon. ANTHONY D'ADAM:** So it's complete, is it?

**STEPHEN BRADY:** Very, very close to complete, but it is actually in operation.

**The Hon. ANTHONY D'ADAM:** I see. That's come in on budget, has it?

**STEPHEN BRADY:** Yes.

**The Hon. ANTHONY D'ADAM:** And the student management services?

**DAVID BACKLEY:** That's the SMS program, which we spoke about this morning.

**The Hon. ANTHONY D'ADAM:** We discussed earlier. That's right. Are you able to, on notice, provide the specific details of the initial cost on—when it was announced, the current estimated total cost of the project?

**DAVID BACKLEY:** We can, but I think we provided it this morning.

**The Hon. ANTHONY D'ADAM:** It has all been provided?

**STEPHEN BRADY:** Yes.

**The Hon. COURTNEY HOUSSOS:** I have two final questions. In budget estimates in March, we asked about the tranche two restructuring. I was just wondering how many jobs had been lost as a result of that restructure.

**STEPHEN BRADY:** Tranche two for student services?

**The Hon. COURTNEY HOUSSOS:** Yes, that's right.

**STEPHEN BRADY:** I will get Ms Tickle to give you the detail but, in fact, we increased the staffing under that organisational change.

**The Hon. COURTNEY HOUSSOS:** Okay.

**STEPHEN BRADY:** It was actually designed to improve the service outcomes and ensure that we had a complete coverage across the State for all of our students. Ms Tickle?

**JULIE TICKLE:** Tranche two student services is actually in progress. The proposed change is planned to result in an additional 52 FTE employees across student services tranche two, which was our counselling, disability, librarians, all of those roles that support our students.

**The Hon. COURTNEY HOUSSOS:** Was anyone displaced under the restructure?

**JULIE TICKLE:** The restructure is in progress. There have been no employees declared excess at all at the moment.

**The Hon. COURTNEY HOUSSOS:** There was one that we were talking about, though, in March—I can't recall—that was underway. Is that the same one?

**JULIE TICKLE:** It may have been student services tranche one.

**The Hon. COURTNEY HOUSSOS:** Is that it?

**JULIE TICKLE:** That has concluded.

**The Hon. COURTNEY HOUSSOS:** Yes.

**JULIE TICKLE:** A net reduction of seven employees in the student services tranche one, which is all of our administration, enrolment support services. Actually, may I clarify a question that I had before—not clarify; just give some more information that you asked, Chair?

**The Hon. COURTNEY HOUSSOS:** Sorry, before you do that, can I just ask about this tranche one?

**JULIE TICKLE:** Yes.

**The Hon. COURTNEY HOUSSOS:** You said that there were seven jobs that were lost, in net. How many actual people were retrenched or made redundant as a result of it?

**JULIE TICKLE:** I'll have to take that on notice. We look at net reduction as—that's what we always look at in terms of change. What I can tell you about both student services tranche one and student services tranche two was that there was a really high rate of mapping. From memory, I think they're both over 90 per cent. Mapping

means that the current employees are mapped to new roles because it's really important to remember that change doesn't necessarily mean redundancies or, as you called them, retrenched employees. It means that the jobs are changing, we're streamlining the roles, some people are reappointed into a new team, some people have their position description changed. So that's what change actually means. It's not just about redundancies.

**The Hon. COURTNEY HOUSSOS:** Yes, and I understand that in changing those roles some people might not be able to transition across, so they are made redundant. But then someone comes in and gets filled, and so overall there has been a net reduction of seven. I'm interested then in also, if you can provide, how many people left as a result of it. If you want to say there were new people hired, I'm comfortable with that but if you can just give us the full picture, that would be helpful.

**JULIE TICKLE:** Yes, certainly, I can take that on notice, Ms Houssos. May I come back to—

**The Hon. COURTNEY HOUSSOS:** Yes, of course.

**JULIE TICKLE:** Just to save people doing unnecessary work, you asked me about the student services centre or customer service centre in Port Macquarie and my recollection was that it had been there for some time. That was correct. The student services hub in Port Macquarie has been in place from around December 2015 to January 2016. I don't have the exact time. And the student services tranche one change that you were just referring to, that stood up in 2021. So I don't see that there's a relationship between Port Macquarie and that change, just to clarify.

**The Hon. COURTNEY HOUSSOS:** I have just one final question. Mr Brady, it's probably one for you. A group called the Committee for the Hunter, which is a group that's based in the Hunter, has come up with a hydrogen plan and I understand that part of that hydrogen plan is based around the need for local skills. Has TAFE engaged with them or are you engaging with either—I understand that there's also obviously similar proposals around the Illawarra. How have you engaged with these organisations about the future skills that are going to be required and will TAFE be providing those skills?

**STEPHEN BRADY:** Thank you for the question. We are doing work in the renewable energy space. We've been working with a number of major manufacturers of equipment. For instance, we've just formed a partnership with Volvo Buses around electric vehicles. We have also launched some new courses in renewable energy, but I might ask Ms Mackinnon any specifics around the Hunter.

**BELINDA MACKINNON:** I haven't had any specifics on the Hunter as such, but, as Mr Brady said, the engagement with industry is absolutely critical to the success of that renewable energy.

**STEPHEN BRADY:** We'll follow up, Ms Houssos, and speak to our colleagues up in the Hunter and make sure we have reached out. I'd be surprised if we haven't, but that's a priority area for us as you'd imagine. We're very keen to develop the skills base for hydrogen and renewables.

**The Hon. COURTNEY HOUSSOS:** If you could just provide anything on notice, that would be quite helpful. Thanks very much.

**STEPHEN BRADY:** Will do.

**The CHAIR:** There being no further questions, no Government questions?

**The Hon. SCOTT FARLOW:** No.

**The CHAIR:** That concludes our budget estimates for this Committee for this term of Parliament. We thank everyone for their participation. We'll see you in another iteration if we all survive the election, and so on and so forth. Thank you for being here today and we look forward to the answers being provided on notice. We appreciate your involvement. Thank you.

**STEPHEN BRADY:** Chair, might I just say one last thing. It's Mr Backley's second-last day of service with TAFE NSW. I'd like to thank him for his service to the organisation over many years and the hard work he's done for us.

**The CHAIR:** Thank you very much. You can only have a better day tomorrow, your final day. I wish you all the best for that.

**The Hon. SCOTT FARLOW:** He had a pretty good day today, I think.

**The CHAIR:** Go out with your knees up.

**The Hon. COURTNEY HOUSSOS:** He's got to draft his answers to questions taken on notice.

**The Hon. SCOTT FARLOW:** That's why he took so many on notice; he knew he wouldn't have to.

**The CHAIR:** Thanks everyone.

**(The witnesses withdrew.)**

**The Committee proceeded to deliberate.**