



# **HOUSE OF REPRESENTATIVES**

**STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND TRAINING**

**Reference: Role of institutes of TAFE**

**CANBERRA**

**Thursday, 28 May 1998**

**OFFICIAL HANSARD REPORT**

**CANBERRA**

HOUSE OF REPRESENTATIVES  
STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND TRAINING

Members:

Dr Nelson (Chair)

Mr Barresi	Mr Latham
Mr Bartlett	Mr Marek
Mr Brough	Mr Mossfield
Mr Dargavel	Mr Neville
Mrs Elson	Mr Pyne
Mr Martin Ferguson	Mr Sawford
Mrs Gash	

The Committee is to inquire into and report on:

the appropriate roles of institutes of technical and further education; and

the extent to which those roles should overlap with universities.

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Present

Mr Sawford (Acting Chair)

Mr Barresi

Mr Mossfield

Mr Marek

Committee met at 9.07 a.m.

Mr Sawford took the chair.

**ACTING CHAIR**—I declare open this public hearing for the inquiry into the roles of institutes of TAFE and the extent to which those roles should overlap with universities. The committee has received over 100 submissions and has conducted public hearings in Perth, Adelaide, Melbourne, Sydney, Brisbane and Canberra intended to give business in the wider community, TAFE itself, and the university sector an opportunity to participate directly in the inquiry.

The purpose of the inquiry is to clearly identify the appropriate roles for institutes of TAFE and the extent to which they should overlap with universities. The committee aims to produce recommendations for government action that will enhance TAFE's capacity to meet community expectations in relation to those roles. Matters raised in submissions and at public hearings so far include: the importance of TAFE's community service and vocational education and training roles; TAFE's links with schools; the importance of TAFE's links with industry; the effect of competition on TAFE's traditional activities; the appropriateness of TAFE's current administrative and financial structure; the funding anomalies between TAFE and higher education which both affect students and institutions. This is not meant to be an exhaustive list of the issues to be considered nor an indication of where the committee's final recommendations might lie.

Today in Canberra the committee will hear evidence from the New South Wales TAFE Commission and the New South Wales Department of Education and Training. New South Wales TAFE is the largest VET provider in Australia, and I am pleased that the state of New South Wales has decided to make a presentation to the committee for this inquiry.

[9.07 a.m.]

**BOSTON, Dr Ken, Managing Director, New South Wales TAFE Commission, and Director-General, Department of Education and Training, 35 Bridge Street, Sydney, New South Wales 2000**

**McMORROW, Dr Jim, Deputy Director-General, Policy and Planning, New South Wales TAFE Commission and Department of Education and Training, Bridge Street, Sydney, New South Wales 2000**

**PUFFETT, Mr Robert James, Assistant Director-General, Technical and Further Education, New South Wales TAFE Commission and Department of Education and Training, 35 Bridge Street, Sydney, New South Wales 2000**

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**WRIGHT, Mr Peter Stafford, Director, Manufacturing and Engineering Educational Services Division, New South Wales TAFE Commission, 35 Bridge Street, Sydney, New South Wales 2000**

**YATES, Ms Sandra, Chair, New South Wales TAFE Commission Board, 35 Bridge Street, Sydney, New South Wales 2000**

**ACTING CHAIR**—Thank you and welcome. Do you have an opening statement?

**Ms Yates**—Yes. Thank you for the opportunity. First I just say, because of this committee's focus on the role of institutes that, unsaid in all of those introductions, is the fact that both Bob and Jozefa, just in the last few months have been directors of institutes—Bob at the Sydney Institute of Technology and Jozefa at the South-West Institute of TAFE. So we have here a lot of on-the-hoof experience with institutes.

My purpose in being here as chair of the board is to support my TAFE colleagues and the important submission that they have put in to this committee. But it is also to give you a little insight into the role of the TAFE board and how we try and add value to TAFE, and to tell you a little specifically about the work plan on which we are currently engaged.

Obviously our role is to offer advice to the minister, but we do seek to take a strategic long-term view of the issues facing TAFE and for that reason we have recently formed two subcommittees—one to consider how TAFE interacts with its customers and one to consider the future positioning of TAFE in a competitive training market.

An unrelenting customer focus is of course the key to TAFE's growth in a competitive climate and, as part of our work, we have commissioned through BVET some qualitative research to measure our success in meeting our customers' expectations. We need to know if there are any remaining barriers to achieving the flexibility and innovation that we talk about and are committed to delivering.

The subcommittee on the future positioning of TAFE is considering the implications for the institutes of greater autonomy, and while we support each institute gaining endorsement as a quality endorsed training organisation, we need to ensure that our institute directors have the training and support that they need in a competitive environment.

I know I speak for all the board members when I say that we see our role as being advocates and champions for TAFE in industry. I think all of us on the board are aware of the transformational power of vocational training. I suspect there is hardly a family in Australia without a TAFE story of someone who has had a second chance at education—my own mother did that, and so did I—and so I think we are able to bring a passion to our role and some energies in helping TAFE not only to survive but to flourish. I am very pleased to have the opportunity to be here today and to support Bob who, I believe, is going to speak to our submission.

**Mr Puffett**—We welcome the opportunity as you indicated, Chair, for the New South Wales TAFE to do a presentation, so thank you for that. I am sure many of you would realise that New South Wales TAFE has had a very proud history in the provision of technical and further education in the state of New South Wales—well over 100 years now. The changes that have occurred, probably in more recent times after the Kangan report in 1973, have been fairly dramatic for TAFE where we have embraced further education and expanded our role into greater diversity of programs.

The history of TAFE starts back in 1889 and we have had changes over that time as a result of community and industry's requirements. We have come to grips, we believe, with the role of TAFE institutes over those periods and the many changes. So we have refined our role, and we have been concerned about meeting the needs of industry and the community, and providing that very important second-chance education to many adults in our state and in Australia who, for one reason or another, have not been able to access education and training through normal channels.

The perspective we want to provide today is some of the history of where we have come from, where we believe we should be going, and to set the scene for you to assist your deliberations.

I will briefly outline the structural arrangements in which TAFE fulfils its role. Recently we have become a proud part of the Department of Education and Training. We had been through some corporate changes in the early 1990s and at the end of last year

the New South Wales government decided to bring together the TAFE Commission—which we all represent—and the Department of Education and Training.

This amalgamation has proved to be very beneficial because we have done that on the basis of bringing greater efficiencies to the organisation, being able to use our resources better than we have done in the past, we believe, and at the same time retain the uniqueness that the TAFE has been well-known for.

In this new model, under the single organisation, TAFE institutes retain their high level of delegated authority. At the same time, we have a system coherence that we believe has to be sustained in the statewide policy framework where we provide support services in the area of curriculum, equity and student services.

The amalgamation also brought about reduction in the duplication that we believe existed in the system. That has given us the opportunity for greater efficiency and enhanced the system cohesion and student pathways between the sectors of school going through to TAFE and, ultimately, to university.

The minister is advised by the TAFE Commission Board and he has received advice, as our chair has said. Each institute in New South Wales is led by a director and, as indicated, both Jozefa Sobski and I until last Christmas were directors of very significant institutes in New South Wales. Those institute directors are supported by various management teams in their own organisation, and each institute has an advisory council that is appointed from industry. Those advisory councils are there to provide advice to the institute director on how to enhance the role, to focus on industry and to provide a service to our students and customers.

The institutes operate in a very cooperative framework. In fact, we would talk about a collaborative, independent model where institute directors meet on a very regular basis. They exchange ideas, they benchmark off each other and, by doing that, give a very strong, cohesive group to the people of New South Wales.

In the cohesive system of TAFE New South Wales, we believe that we have focused on customers and have become more responsive but, in doing that, we have undertaken to ensure that the uniqueness of the New South Wales TAFE testamur, that we believe is highly regarded in industry, is maintained. To that end, we have central curriculum development processes and institutes—the services of our curriculum people we will hear more about later—provide TAFE testamurs through their institute's delivery arms.

In our current role in 1997 we enrolled 424,450 students in TAFE courses. That is an enormous number. This compares with about one million students in schools and about 198,000 people in higher education. So in New South Wales there is a very significant number of people we are touching. At a national level, certainly as you indicated, Chair,



New South Wales is the largest provider of work force training in Australia and it is a substantial provider of other educational programs. The priorities that we follow are set by the state and Commonwealth. TAFE operates within national policies and practices that flow on from ANTA in more recent times.

The New South Wales TAFE system is governed by charter which requires us to provide 'technical and basic prevocational education'. In responding to the charter, we have to ensure that individuals receive the skills training that they need for the work force. We enable them to reach their full potential. We are on about recognising the changing nature of the work environment and moving to meet those challenges by providing programs that are relevant to the needs of industry, business, students and working groups and by promoting effective and efficient use of resources through our cooperative arrangements with other providers.

In recent times, changes to the TAFE vocational education profile, with growth of the sunrise industries and the mixture that is coming about in our programs, we currently offer 1,400-odd courses in TAFE New South Wales. Many of those are specifically designed to meet industry needs for the work force. The introduction of our new courses in the TAFE portfolio is done through our curriculum arms. Jozefa Sobski is the deputy director-general of development support, and has carriage of organising those through our educational services divisions.

There have certainly been some dramatic increases in recent times in some areas. For example, in information technology, we have had an increase of 18½ per cent in our enrolments. In personal and community services, which include the biological sciences, nurse education, beauty therapy, hairdressing, animal care, et cetera, there has been an increase of some 16.3 per cent. In arts and media—not only the fine arts but the print media and the printing industry—there has been a dramatic increase of 25.5 per cent. More dramatic than that is the increase in the number of students in our full-fee paying courses. They have gone up by 136 per cent for the same period of time. That indicates that there seems to be some value added by undertaking TAFE programs.

The further education part of TAFE in 1991 was transferred to what we call the adult and community education sector. I might talk about that later. That has been taken out, so when you are comparing statistics between states you have to realise that in New South Wales that sector is not part of our TAFE component.

The general education part of TAFE is a very valuable part. As I mentioned earlier, it is an opportunity where many Australians get a second chance at education. This is a very strong presence in New South Wales because of our commitment to access and equity for those students who, for one reason or another, have not been able to access education and training. In those programs we have a wide variety of adults who renew their education or come back and this enables them to develop, to go on and do further education at a higher level or to transfer their skills and embark on new careers.

The commercial activities in TAFE is an area that is fairly new since about the late 1980s and that has been dramatically changing in TAFE New South Wales. We undertake to tailor-make programs for industry and other clients. We do this on a commercial basis. One of the benefits that comes from that is that our teaching staff are now returning to industry more than they did decades ago. In a sense, this is good for our staff because they are being exposed to the latest industry requirements and what is happening in the workplace.

We literally have hundreds of full-fee paying courses, and we provide consultancy services and materials development programs. The fact that they are taken up demonstrates the willingness of individuals and companies to pay for those TAFE services even when there are alternative suppliers.

Because of the changes that are occurring in Australia and the requirement for different forms of delivery, TAFE New South Wales is delivering by satellite training, for example, in State Rail, and we have training via the Internet for fire services organisations. You may be aware that New South Wales proudly won the Olympic training contract in Sydney, and we have been doing training at the Olympic site on the park with the building trades groups. Rather than any of those workers having to come into a TAFE institute, we take the teachers out there and everything is done on the site.

We have had specialised training by individual institutes in a range of custom areas as diverse as McDonald's, the food people; Kent Brewery, ICI, Nortel, AMP, the NRMA, Toyota, Alcatel, MM Cables, Coca-Cola Amatil, and so on. The range of our client base is expanding, with very significant Australian and multinational companies looking to us to provide the skill base that they need. We have also been successful—and we have won some major contracts—in the armed services, for example at Wagga Wagga we are training the RAAF with a major multimillion dollar contract for defence services. We have also been successful in winning the Telstra contract.

In overseas markets we have expanded greatly in the last few years. We are now running programs for students or doing consultancies or providing support in South-East Asia, the Middle East, the Pacific and Central America. In fact, we have globalised TAFE New South Wales by these activities. What is important about that statement is that we have had to compete for that work and we have been able to beat tenders put up by other Australian providers, German, British, Canadians and Americans. This also is an indicator to us that we are meeting benchmarks and in fact providing greater value for service than some of these other competitors.

New South Wales recognises that students are central to our business. We are on about teaching and learning, the business of vocational education and training. What is interesting about TAFE New South Wales is that the more than 400,000 students that we have have enrolled as individuals. Often people talk about an industry being clients, but the greatest number of enrolments in TAFE New South Wales are our TAFE students as

individuals, either undertaking programs because their employment requires it or undertaking programs so that they progress and go on to other areas.

We have been involved in full-time employment programs in the past. It is interesting to note that full-time pre-employment programs do not mean that graduates are job ready immediately they finish their courses. It does take some time for a person to become attuned to industry and to hone up the particular skills that those employers want. Over the last few years we have had increased demand for full-time study programs and we are meeting those challenges there now.

With efficient funding being a very valuable and vital part of the public sector in New South Wales, through funding and ANTA funding the government in New South Wales has sought to increase both the quality and quantum of services delivered through agencies such as TAFE New South Wales, and we are achieving that. There have been some significant funding reductions by the Commonwealth in the last few years. They have had very significant implications for TAFE institutes and they are a concern that we need to challenge. New South Wales TAFE believes that the value for money and effectiveness are really the things that we are on about and that we should proceed with those things.

Earlier this year, the minister in New South Wales announced what we are referring to as the New South Wales training market commitment. I have some copies of that here and there is a copy in our submission. That commitment describes the role of New South Wales that we propose to play in the training market and that we are concerned with delivering quality. We will not be beaten on value for the relevance and the flexibility of our training programs. The principles of service quality in education are things that underpin the New South Wales efforts in TAFE institutes.

In more recent times, I am sure you have heard that our managing director, Dr Boston, delivered a landmark paper in New South Wales concerning vocational education and training in schools. We see this as a very dramatic step. It is one that provides greater pathways, utilises our resources much better than we have been able to do in the past and, for the first time, I think, provides a true pathway between school, TAFE, work and university.

Under the new Department of Education and Training, we now provide one single management structure whereas in the past this had been duplicated. That single management structure brings about greater efficiencies and at the same time we are able to increase our capacity for delivery of programs. School and TAFE facilities, staff, curriculum resources and expertise are now an integrated part of the training sector, and we are able to use those resources in New South Wales through our institute and school structures.

We hope that through the New South Wales government's white paper, 'Securing

their future: recommendations for the reform of the higher school certificate', that higher school certificate students will be able to undertake at least the first year of a traineeship as part of their studies. That will automatically follow on into and reduce the time of training and they will be more productive in the workplace at an earlier time.

Our new organisation of the Department of Education and Training allows us to reposition the government schools and TAFE in a partnership to be able to be more responsive. We believe the pathways that I mentioned before are real. They have increased access to programs. Where we have in the past provided what we call joint secondary schools-TAFE programs—the JSST programs—they will be replaced in the near future with AQF models and training packages as they become available.

**ACTING CHAIR**—Can I hurry you a little. If you can do the next half of your submission a little quicker then we will rely on questions.

**Mr Puffett**—Certainly. Regarding regional cooperation, we are working with our border neighbours in Victoria—in the Albury-Wodonga area—and on the north coast, and we have got some programs there.

The future roles of institutes is an important issue. There are 11 institutes in New South Wales. Currently, three of those are institutes of technology and the other eight are institutes of TAFE. We are ensuring that each of the institutes under the Australian qualifications framework will embrace QETO status, or registered training organisation status, in their own right, so that they are more competitive, but at the same time provide a collaborative independent model.

Those institutes will be accountable on an annual basis for outcomes, and they will have to report on those. We see that with the future development of those institutes system cohesion will still be provided by using the centrally developed curriculum support materials, the curriculum and the support areas for teaching and learning.

We are meeting the needs of the emerging industries with new programs. New South Wales TAFE is a partner in the Australian Technology Park, so that we are able to anticipate skill needs of the future and start to bring those into our courses. You will see in our submission that we have been conducting customer satisfaction surveys—and we believe with great success—and our institute is getting 94 to 95 per cent customer satisfaction from our students and industry.

**ACTING CHAIR**—I would love to find out how you did that.

**Mr Puffett**—You should enrol in New South Wales, and you will be one of those people.

**ACTING CHAIR**—Sorry, I did not mean to interrupt, Bob.

**Mr Puffett**—But when we compared the research, which was over 26 institutes, we were able to demonstrate that we are certainly the highest in customer satisfaction.

The second reference is the overlap with universities and, certainly, we have been involved in curriculum development and articulation pathways for our students. We are continuing to do that. In some areas we are sharing resources, for example, at the central coast campus at Ourimbah, at the Coffs Harbour educational campus, and at the Nirimba educational precinct with the University of Western Sydney—these are examples in New South Wales of cooperation between the higher education sector of universities and TAFE, and they bring about some strategic benefits of cooperation.

What is interesting in New South Wales is the number of university graduates who are coming back to enrol in our programs. That figure is going up—recently it was reported to be in the vicinity of 16 per cent. Those graduates are undertaking not only graduate certificate programs but also other TAFE programs that better equip them for work, and that has been a significant shift.

We have been working with universities on credit transfer. We have prepared a booklet so that in New South Wales people know, before they enrol in courses, what sorts of credits they will get if they complete a TAFE course and then go on to university.

Under the Australian qualifications framework, we are contributing to the national objectives of the training reform. We believe that is how we should go, and we will explore merits of furthering TAFE offerings in that capacity. In conclusion, we believe that TAFE institutes are providing a very valuable service in New South Wales to the work force, to the community and to industry. Our programs are industry driven. We consult well with industry, and the presence of our chair here today and the opportunity for institute councils to give advice is bringing us closer together. The future of TAFE institutes is one of a collaborative independent model, where institutes will be QETOs—quality endorsed training organisations—but will not be undersold on value for money.

**ACTING CHAIR**—Thank you very much, Bob. I will ask Mr Mossfield to begin his questions. I know he has some questions for his colleagues in New South Wales.

**Mr MOSSFIELD**—I have a question relating to TAFE's role in educating early school leavers in the context of this report that we were briefed on a couple of weeks ago, *Youth, reality and risk* by the Dusseldorf skills forum. They draw attention to the problem relating to early school leavers, and the fact that the school retention rates have not kept up with the Finn requirements. That would indicate that there are a lot of young people out there looking for that second-chance education. In view of what you have said on page 7 of your submission that 'further education is no longer a priority', how are you responding to the demand of those early school leavers who will be seeking that bridging form of education prior to probably going into an apprenticeship or some other career?

**Dr McMorrow**—Could I just comment on the figures there. New South Wales has always had a very strong pathway from the end of compulsory schooling—year 10—directly into TAFE. Ten to 15 per cent of that age group in New South Wales have historically chosen TAFE. TAFE has significant image and credibility as a valid pathway beyond year 10 and it is part of the reason why apparent school retention rates in New South Wales appear to be lower than other states. When you add together the numbers who enrol in TAFE in the equivalent of years 11 and 12 with those who go on to the higher school certificate the figure is about the same as other states. It is true, as in every state, that in the last couple of years the New South Wales school retention rates have dropped, although in the last year they have stabilised, whereas there continues to be an ongoing pathway into TAFE.

I think, as Bob mentioned earlier, we have now got the potential over the next four to five years, with the new management arrangements and organisational arrangements in New South Wales, of providing even better and more integrated pathways beyond year 10 through both schools and TAFE. But I think it would be wrong to say that New South Wales has a particular problem in this regard. You do need to have in mind that no other state has quite the record that New South Wales has in providing post-year 10 pathways directly into TAFE.

**Mr MOSSFIELD**—Obviously you are aware of that particular problem and are responding to it.

**Dr McMorrow**—Yes, we are.

**Mr MOSSFIELD**—While we are on that same section of your submission, over the page you refer to the specialised training that is being provided by individual institutes for a range of those customers. Could you give us some facts and figures on the number of people being trained, where they are being trained and so on?

**Mr Puffett**—The McDonald's food chain was done from the western institute headquartered at Orange. We are doing food technology and retail program for the McDonald's chain. My understanding is that there are several hundred McDonald's employees being trained through that program.

The Kent Brewery has an agreement with the Sydney Institute of Technology. That arrangement came out of an enterprise agreement that the Kent Brewery workers established whereby they required training to be an integral part of the agreement. There were approximately 100 Kent Brewery workers involved in that.

We started with ICI some time ago. We did cross-trade training: we took instrument fitters and trained them to be electricians and the electricians got trained in instrument fitting. That program has been ongoing for a number of years and, to my knowledge—and Peter might be able to add to this—I understand that all of the

classifications of trades in those two areas were trained on site, not in TAFE institutes.

We are doing training with the Toyota group in the mechanical area. That is being done all over the state. The intention there is that all service personnel will have some training. Again in the food technology area, the Western Sydney Institute is training probably about 50 people from Coca-Cola Amatil.

**Mr MOSSFIELD**—That is good. I just want to come back to the first question but before I do, and while we are on that page, you refer to the overseas students coming from the Middle East and Asia. Can you give us some facts and figures on the courses they are doing and the numbers involved?

**Mr Puffett**—Currently, in TAFE New South Wales, we have approximately 2,000 full-fee paying overseas students. The majority of those students come from South-East Asia. Of that group, the majority would be from Hong Kong, and going down, the remainder would come from Indonesia, Malaysia, PRC and Thailand. The most common courses that those students undertake are in the business studies and information technology areas.

**ACTING CHAIR**—With what is happening in South-East Asia, are there any indications that you are losing some of these students?

**Mr Puffett**—Certainly the number of students who undertake English language programs at our English language centres, or ELICOS centres, has dropped in the last few months because of that.

**ACTING CHAIR**—By how much?

**Ms Sobski**—I think we might take that on notice and table the details.

**ACTING CHAIR**—Yes, that would be fine.

**Ms Sobski**—We are flying by the seat of our pants here with that one.

**Mr MOSSFIELD**—On that first point I raised I have a specific question. How many school aged young people are enrolling at TAFE in preference to, say, going on to regular high school? Have you any idea of numbers or percentages?

**Dr McMorrow**—I flag that it has traditionally been 10 to 15 per cent. But we can provide you with the precise figures; we will do that.

**Ms Sobski**—One of the things we are finding which has been a trend over the last nearly five to 10 years is that many 17- and 18-year-olds have gone through their schooling and have not achieved the TER score under the higher school certificate that

they have desired, and they have returned to the TAFE day matriculation program. They are undertaking that in preference to returning to school.

With the amalgamation of the two departments, one of the things we believe will be advantageous for us is to benefit from the sort of adult training approach that our teachers have, in contrast with what might be their traditional school approach. It is a different environment. Obviously those students who come to us appreciate the difference in the environment; there is more autonomy and independence for them within the institution. We believe that those features of the TAFE system which have demonstrated that we get positive outcomes and greater retention rates and achievement from those students are probably ones that we will be able to incorporate into the latter part of secondary schools.

**Mr MOSSFIELD**—Would these people be going on and simply doing their straight-out higher school certificate, or are they looking at the tertiary preparation certificate? There are two separate courses.

**Ms Sobski**—There are two separate courses: there is the day matric, and the tertiary preparation certificate. The TPC is largely focused on year 10 leavers as well as the students, to give an example I am thinking of, who are men and women in their early to late 20s, say—it is variable, and we will provide the figures—who return after having failed at school and not achieving what they would have liked to at school, or perhaps have been disaffected for other reasons. They do the TPC to prepare themselves for university entry.

But it is also fair to say that their exposure to the TAFE environment then often results in them taking a vocational pathway rather than university. They come in with that notion and then decide there is probably more practical training they could undertake to make themselves employable far more quickly. It is just through exposure to the environment. They are often ignorant of what is available. So it is variable. In the matric area, sometimes they are looking simply for the HSC for perhaps the possibility of entry to university. But, in many cases, they just simply undertake a TAFE program after it.

**Mr Puffett**—I can add from a statistics sheet which I have containing detail on the question that you asked, Mr Mossfield. With enrolments by age group, the largest enrolment group is the 15- to 19-year-olds. I will offer those and you can table them.

**Mr BARRESI**—Of course, coming from Victoria, I am not as familiar with the New South Wales system as is Frank. But just in general, I draw your attention to what has happened in Victoria in the last couple of years with some of the amalgamations that have taken place and some of the very strong links that have emerged between the university, the tertiary education sector and TAFE. I have one in my electorate with the Swinburne Institute taking over eastern TAFE and all the ramifications that go with that.



**ACTING CHAIR**—You are using the words ‘taking over’ deliberately.

**Mr BARRESI**—They came to see me within days of our public hearing in Melbourne. Is there a similar sort of move taking place or mooted in New South Wales; and, if not, why not? Would it be because it is all running well?

**Mr Puffett**—There can be some improvement in all systems—there is no doubt about that. But the New South Wales system of institutes and universities is a well established one. Interestingly enough, there are two major universities in the metropolitan area that grew out of a TAFE institute: the University of New South Wales and the University of Technology Sydney. So there is a respectful relationship between those universities and TAFE.

To my knowledge, the TAFE institutes in New South Wales compared with our Victorian colleagues are quite different in size and complexion. As I indicated before, we have already arranged for articulation between the TAFE qualifications to universities in places like the University of Western Sydney and Western Sydney Institute. The Sydney Institute of Technology and UTS have developed arrangements where they can do some more work together. In fact, the cooperative arrangements between, I would say, all of our institutes and their neighbouring universities have strengthened in the last few years, so that there is an understanding of the pathways.

The opportunity that arose in Victoria with amalgamations I do not think has eventuated in New South Wales, and I would think it has a way to go. The student numbers are quite different and how we have been operating. In Victoria you had autonomous institutes. We have had a cooperative collection, a confederation of institutes that have operated quite differently.

**Mr BARRESI**—So in New South Wales, if I understand it, it is more a sharing of resources and, as you say, articulation of courses, whereas in Victoria I have noticed that it even differs from institute to institute. I think we heard from RMIT that they have two separate structures; in Swinburne they have one overriding organisational management structure over the two. So quite a bit of difference has taken place.

**Ms Sobski**—One of the advantages of our system—and I think this was stressed in what Bob said in reading the submission—is that we actually achieve economies of scale and efficiencies in having some statewide services. With the evolution of greater autonomy over time in Victoria, what has happened is that they have had to replicate what would have been a statewide service in each institute. I think more recently probably what has been shown up is that their proportion of effort versus their infrastructure—the amount of resource invested in their infrastructure—is becoming a little unbalanced.

Of course, governments in these times are going to look to find efficiencies and amalgamation; that is, of course, a classic efficiency move. We ourselves have just

experienced one centrally. We do not envisage in the future the possibility of amalgamating with universities because of the geographical dispersion of our system and the uniqueness of it in the sense of its evolution over time. In Victoria there has been a history of some provision from universities of TAFE places; I think it dates back even to the 1980s. So they are two very different systems which have grown or evolved very differently over time.

**Mr BARRESI**—One of the other points you make is that New South Wales TAFE will not be beaten on value and price—it sounds like a commercial for it. But you obviously are looking at New South Wales as being the centre, and you talk about it being an area of regional prominence. How much have the Olympics contributed to that; and, if they have not, do the Olympics themselves provide opportunities for New South Wales TAFE which other states do not have? I am talking more in terms of the range of courses—not necessarily the number of people—and the types of programs that you can offer which others cannot. Are there new technologies and skills required which put you in that pre-eminent position?

**Mr Puffett**—Sydney winning the Olympics is certainly grand news for Sydneysiders. The programs we are running at the Olympic site are traditional TAFE courses; they have not been especially designed for the Olympics. So in the building trades groups—the bricklaying, the carpenters, the formwork, the riggers, the scaffolders, et cetera—there are regular programs. What we are doing differently with the Olympics is delivering them on site rather than in an institute. That is the first point. When we won the Olympic training contract, it was for training the volunteers; there will probably be 50,000 volunteers. But the amount of training is relatively small, and that is in customer service areas.

The other major training for the Olympics is training for 2,500 management type people for SOCOG, the Sydney Organising Committee for the Olympic Games. They will be regular management type programs. In our tender, we did not design special programs for the Olympics. So what New South Wales TAFE is doing is just capitalising on the building boom that has occurred because of that and this other training. The great benefits from the Olympics will be the other infrastructure that has supportive training—and that is generally in the preparation of food, retail, and those sorts of things. But we have been providing those programs for a long time.

**ACTING CHAIR**—I think the latter part, in terms of your relationships and collaborative models with higher education institutions, is very much in sync with how this committee has been thinking. I do not want to avoid that, but I do not want to go into it because, basically, I think the majority of our committee agree with what you have stated.

One thing that is not there is your relationship with sandstone universities. I ask this question in particular because, throughout our submissions across Australia, we have

looked at amalgamations and collaborative models with former teachers colleges—former CAEs, like the Edith Cowans of the world—and we have noted that the relationships they have developed are very positive and in regional areas are, I think, quite outstanding.

Yet, when we come to see those relationships with the sandstone universities throughout Australia, there is a continuing pattern of—Phil used the word—‘takeover’ rather than anything in terms of a joint undertaking. Would anyone like to make a comment on what is happening in New South Wales with sandstone universities? The universities you are mentioning here are, in fact, the ones that you would expect to get a more collaborative model out of.

**Dr McMorrow**—I am just trying to think of sandstone universities in New South Wales. Bob mentioned that one of them would claim to be sandstone, the University of New South Wales. Of course, it has a history of a relationship with TAFE that it is not shaking off. The University of Sydney has a range of programs that do not readily articulate with TAFE. I do not see any sense of either TAFE New South Wales or the University of Sydney wanting to take over each other.

**ACTING CHAIR**—Has the University of Sydney made any initiatives at all?

**Dr McMorrow**—I am not aware of any. There may be some relationships in some programs. But I am not aware of any major initiatives from the University of Sydney.

**Ms Sobski**—I think probably it would be fair to say that it is not from want of us trying. I think the sandstone universities, as you kindly refer to them—I have some other names for them—have a problem relating to the others as well. So this is an issue of esteem and status which is extremely difficult to break down. I think some of those universities, or some academics in some of those universities, would regard partnerships with TAFE as somehow diminishing their status—the status of their qualifications, their work or their graduates.

I think that is a most unfortunate feature of the system itself. It will need to be broken down. Bearing in mind those aspects of the West review that refer to a need for universities to be more responsive to industries and communities and for there to be a greater customer focus, it will need to be broken down. I think, on reflection, they might see the enormous benefits of such partnerships because they bring credibility to training and they bring theoretical study to a plane that is different from what is the traditional model. But I do not think it is a question of just being a problem for us; it is a problem for other universities as well.

**Mr MOSSFELD**—I could observe around the University of Sydney that its closest institute is the very strong Sydney Institute of Technology which, of course, has historical relationships with its neighbour, the University of Technology Sydney. So I think in many ways it is not in a strong position to mount what you might call a takeover.

I think what Jozefa said is the more serious issue across the board. But it is a different story in different universities and different institutes.

**Mr Puffett**—I guess one example of a cooperative arrangement with a sandstone university is our relationship with the Australian Technology Park in Sydney. That started off the arrangement with three major universities: Sydney, New South Wales and UTS. Now TAFE New South Wales is part of that; we are on the park. We have no trouble working with those three major universities. In fact, we have a staff member on the park whose job it is to work with the clients, consider the research and anticipate skill needs of the future. We are doing that in cooperation with the universities on their research.

There is an interesting point on page 19 of our submission. There you will see some work that refers to the fact that TAFE students perform at university equal to or, in most cases, better than other students because of their study program and the rigour that they have been through. That is an interesting factor. That does not say ‘with the exception of sandstone universities’; it includes all the universities from the research.

**Dr McMorrow**—There is a major question for all universities, including the sandstone ones, which perhaps we have not addressed: the role of universities in preparing teachers of vocational education and training, including teachers in schools. As there is an increase in vocational education programs in schools, many of which will be delivered either through or by TAFE, there will be an increasing claim on the proper preparation of those teachers in the same way as universities and others prepare other teachers. A major question for us is whether universities are where that is done and, if so, whether they have the skills and experience to do it.

**ACTING CHAIR**—A dramatic future will occur in schools, because I think the average age of teachers is about 53—I think I am in the age cohort. That is a big problem arising that all states in Australia will have to face.

**Dr McMorrow**—Agreed.

**ACTING CHAIR**—You get the impression in my state that the age cohort in TAFE, in fact, is a little older. Maybe that is not the case, but I think it is. Anyway, that is getting beside the point. I have an issue that some of my colleagues would have raised if they had been here: the issue of TAFE having degrees. Would you like to comment on that?

**Dr McMorrow**—It takes a long time to answer that question but, as you have time constraints, we will get through some salient points. I have a couple of points. The West report correctly predicts that the current institutional barriers between higher education and VET will melt, as we have an almost infinite range of providers and modes of study across the global market. Although the prognosis might be right, New South Wales has very severe reservations about the prescription—which we could go into but will not. I

think we are actually forced to look at the issue of that relationship, as we have done in this report.

As new delivery models for vocational education develop, whether on-line, highly customised or international, it will make current modes increasingly archaic very quickly. As a consequence, any artificial construct that you may have affecting a choice of program—whether in TAFE, private providers or universities—will become inefficient and dysfunctional. Choice of programs, I think you would agree, should arise from your consideration and assessment of the needs and the quality of the programs, and not from differences in the nature of the certificates or the credentials.

Currently, for good or ill, universities could have a market advantage in their being able to offer degrees for courses that might otherwise be, or are largely, provided in TAFE, and TAFE must respond to this. In the absence of regulations preventing universities from encroaching on TAFE—and I would suggest that that will be impossible to do in the future as education and training becomes even more flexible in a global market—TAFE must find ways of making access available to highly valued credentials, and making these more widely available through its vast network of colleges; and I think that is particularly true in New South Wales.

This, I think, could and perhaps should be done through enhancing the integration of TAFE programs with universities, as set out in the bulk of the submission. That will need to be expanded and will need to be supported by the universities more generally. I think you have touched on some aspects of that in your question.

If it is not, TAFE would need to think very hard about offering innovative awards, including degrees, in conjunction with universities or, if that fails, separately. Currently we are looking at that. The preferred model is the one that is set out in the submission, but it is an increasingly problematical world about that and I do not think TAFE can afford to sit on its hands and wait for decisions to be made by others about that. Of course, to do that, you would need to crack through some very important structural issues about federal and state funding of all of education and training, and maybe your committee can help solve some of those matters in your recommendations.

**ACTING CHAIR**—I do not write the draft, but it will be interesting how the committee will deal with it because I think we expect to table this at the end of June. There is the possibility, of course, that this might be our last session of parliament. Who knows? So it will be interesting. But I found your comments on that very incisive and I thank you for them.

Can I just focus in on schools? Bob, you mentioned the Kangan report in terms of TAFE. I was going back the other day and having a flip through dear old Karmel. Karmel got a lot of things right; of course, he got a lot of things wrong, too.

**Mr Mc Morrow**—Which Karmel is this?

**ACTING CHAIR**—The Karmel report.

**Ms Yates**—Of 1972.

**ACTING CHAIR**—Yes, 1971-72.

**Dr Mc Morrow**—*Schools in Australia*.

**ACTING CHAIR**—Yes, *Schools in Australia*. I refer also to page 11 of your submission where you say that you believe that there is no respectable case to be made in learning or educational theory, but separate general education and VET packages at the school level. That seems to be straight out of Karmel; not the exact words but the concept. Whereas I have always believed that 833D in Karmel was more accurate in terms of having a single comprehensive high school system in this country rather than a choice of various schools. Frank mentioned in a question earlier the Dusseldorf skills forum and their report, *Youth, reality and risk*, discussing the increasing number—in fact, I think it was over 20 per cent—of that 15 to 19-year-old age cohort who are at great risk. We were talking about choices that secondary education offers Australian students. When we had technical high schools—in South Australia—we had girls technical highs; we had boys technical highs; we had comprehensive high schools—a whole range of things. In South Australia at the moment, for example, you have one model of a high school. Often, we get the feeling that parents and students are voting with their feet. That choice that the secondary comprehensive high school offers is simply not appropriate. When you go back to 833D—and I do not expect you to know what 833D is—but to me—

**Dr Mc Morrow**—Some of us can remember.

**ACTING CHAIR**—You can remember what 833D is. Can you tell me what it is, Jim? You probably do know. Tell me what it is. Basically, I think the real reason we lost our technical high schools was often political—some professional envy in terms of what technical schools were getting in comparison to what high schools were getting. I will read this to you because I think it is important. In South Australia it was an interesting sort of comment. Technical high schools were getting \$3.65 per pupil in 1968 and \$2.95 per pupil in high schools. I just want to range that question with the point about amalgamations. Bob, you mentioned that in amalgamations there are pluses: efficiencies, elimination of duplication and so on.

We have seen other amalgamations occur in education over the last 20 or 30 years. We have seen primary have their separate department—where they had advocacy for them—amalgamated into joint. We have seen, basically, primary schools, in terms of their share of resources, be diminished in the last 20 years. We have a problem with literacy and numeracy in this country which many people try to resist, all for the wrong reasons in

my view. We have continuing evidence of a cohort of young people in this country who have been served very badly by governments, state and federal, of all political persuasions, and that has been confirmed by more and more groups in society. We have situations of where, even in technical education, there is a little bit of a fear that academia will take over and in those amalgamations there is always a loss. In the comprehensive high school you had technical teachers on staff always being outvoted when it came to divvying up the budget. We had those people being demoralised and some of them—very able people—going out into industry and going off into other forms and they have been lost over the last 20 years.

Can you make some general comments, because I am conscious of time, about some of the losses of amalgamations and some of the problems we have had with amalgamations. For example, we would like to know—on a minor sort of point—why did New South Wales in 1991 separate the further education programs from VET and transfer them from TAFE to adult and community education? There is a whole range of things in there.

**Dr Boston**—I will start on some aspects of that. I am glad we have come back to this point, because I think Frank's point about the drop-off in school retention is critical. Certainly in New South Wales we have always had a strong general education stream in TAFE. But the fact that we are not going to hit the Finn targets and that we have dropped back, as Dusseldorf shows, the 71, 72 per cent nationally of retention, is a real problem. What we are trying to do in New South Wales is pertinent to all of this. The amalgamation of schools and TAFE in New South Wales is not essentially driven by any notion of efficiency, administratively or bureaucratically, it is driven essentially by curriculum. We believe that there needs to be a new notion of comprehensive secondary education. We believe that VET in schools to the present stage has failed. Although 38,000 young people have been taking VET in schools, it has not been a curriculum that has been driven essentially by industry or contributed to by industry. The great number of young people taking that course have not counted it towards an HSC. The drop-out rate has been very high. It has been taught in facilities which do not have an industry standard and it has often been taught by teachers from say, an industrial arts area, or some area of over-supply who have been retrained to take VET. It has been unsatisfactory from that point of view.

In the context of the white paper in New South Wales following the McGaw review, what we want to do is to allow all young people the potential to take both vocational education and general secondary education within their HSC and finish their year 12 not only with a higher school certificate but with the first year of a traineeship, or an apprenticeship, if they want it. We have the capacity, through amalgamating the two departments—and setting aside for the moment the big industrial issues we know we are going to have to face—to have industry trained people from TAFE working in schools, taking VET programs. We have the capacity to have general secondary education—humanities, science teachers and so on—working in TAFE, taking adult education

programs. We have the capacity now to use schools and TAFE facilities interchangeably so that the workshops, the kitchens and so on of industrial standard, in a nearby TAFE, often side by side to a high school, can be used by the high school for those programs. What we are reaching for is that sort of change: essentially a curriculum view where comprehensive secondary education means that you can go into a comprehensive high school and you can take both vocational education programs and general secondary education programs. They will all be accredited towards your HSC. They will all articulate with the Australian qualifications framework. They will not be dead-end programs, they will use industry training packages where they are available and they will articulate with employment and with further and higher education. That is, if you like, the vision. I think we have taken a very big step towards making that happen.

Comprehensive education—frankly, some of the unions talk about it being the ‘dear old days’ of comprehensive education—now means, basically, all young people doing all the same sorts of subjects in all the same ways in schools which are virtually identical. We want to see schools now having the capacity to offer a much greater breadth. Frankly, down the track that will mean some reorganisation of the structure of secondary schooling.

Take, for example, Adelaide. In Adelaide, although considerable progress has been made, there are still high schools which were erected in response to a demand of 30 years ago; they are all now relatively small, relatively close together and unable really to deliver the breadth of secondary curriculum, including what we need, unless they are amalgamated in some way to form a bigger base of resource. What they fundamentally need is a larger student population to generate the breadth of curriculum, which means having fewer of them.

Frankly, that is repeated in Melbourne where considerable steps have been taken. In Sydney, Brisbane, Perth and elsewhere the same problem is being faced. As the strategy alters to have more VET in schools and to articulate it with national developments, so in fact the structure of secondary schooling will change.

On the specific question about the reasons behind further education being taken from TAFE and put elsewhere in 1991, perhaps Bob would be the best person to comment. But I think I could go so far as to say that we do not believe that is necessarily a satisfactory situation. It may well be that down the track we will need to look at whether that is the best way to continue in the future.

**Mr Puffett**—Certainly one of the reasons it occurred in 1991 was a requirement on TAFE to focus all of its resources on vocational education and training. We had come through a period with references to the hobby type classes, the mickey mouse classes; this was rife throughout the whole of Australia. In New South Wales, the government of the day decided that that should not happen, that our resources were meant for preparing people for the work force. So it was decided that those elements of personal enrichment



type programs that were not directly related to work placement should be hived off and become community based.

The strength of the ACE—adult community education—program is that it is a community based program. Since this has occurred, one of the things that has happened is that TAFE now certainly has all of its resources on vocational programs. But ACE has started to duplicate some of those so-called vocational programs. As Dr Boston has said, we do not believe that that is the way it should go. But it certainly has provided an avenue of education and training for a large number of people in the community. Having been community driven—the lecturers, teachers, and instructors came from the community base—many of their programs are in the true sense of personal enrichment: wine-tasting and hobby type programs.

We believe that we were better using our resources for the hard line of technical education and training. We did not want, and we could not afford to allow, valuable government resources being used for that purpose when they should be used for preparing for the flow-on from the report, *Australia reconstructed*, in the 1980s.

**Dr Boston**—I guess the only thing to add is that now they are part of the new department, we do need to look at whether this duplication should continue in that way. That is simply what I am alluding to—that down the track we probably need to take a second look at all of that.

**ACTING CHAIR**—Sometimes duplication is an easy allegation to make when, in actual fact, there is some wisdom in having some things separate. I would certainly like to see in Australia the 5- to 12-year-old education sector being separated out. I think it actually gets drowned and has been served very badly by departments—including our own, Ken, in South Australia for a large number of years.

To give him a bit of praise, Ken came too late to South Australia, in my personal view, and left too early. That is a compliment and it is meant sincerely. But when you look at what has happened in education, I think sometimes the separateness had its own qualities—and it was not duplication or efficiencies. I am pleased to hear you say, Ken, that the driving force was the quality of the education program, albeit the curriculum rather than some other thing. But it can finish up being dollars and not necessarily the educational program.

**Dr McMorrow**—I would just comment quickly on a couple of those points. As Ken has intimated, we do need to re-think what we mean by ‘comprehensive education’ to provide for this broader range.

**ACTING CHAIR**—I totally agree. In fact, Harry Quick, who is the member for Franklin, and I have exactly that on private members business for a couple of weeks.

**Dr McMorrow**—I would comment quickly, though, on the findings of the Dusseldorf report, which is one of the best set of collections of participation across all the education and training, and the like.

**ACTING CHAIR**—It describes the ‘what’ very well, but not the ‘why’ and the ‘how’ very well.

**Dr McMorrow**—To be fair, that is all it was meant to do at this stage, and we do need to look very seriously at that 20 per cent of students. There are some arguments about the data. I have here the figures for school retention rates for New South Wales, and Australia. They show: in 1990, 56 per cent going to year 12; and in 1997, 67 per cent. That is a very significant upward trend. In the middle, 1992 and 1993, there was a very significant increase from 56 to 70 per cent, and it has declined and plateaued since then in New South Wales.

But the point I need to make is that, if you look at participation rates—which, of course, is the way the Finn targets were constructed—in New South Wales there has been a significant upward trend for 15- to 19-year-olds across all of education and training from 70 per cent in 1990 to close to 80 per cent in 1997. There are technical and other reasons why that is the case. But a much better representation is to look at participation rates across all education and training rather than simply focusing on the particular statistic of school retention rate, which has two pages of qualifications in the ABS catalogue.

**ACTING CHAIR**—That is a fair point.

**Mr BARRESI**—On page 10 you talk of your concerns about the VET system; that few progress much beyond the AQF level 1; that the drop-out rates are high; and that the performance in the HSC is below the norm. Firstly, do you have some statistics to share with us, either now or down the track, to vary those drop-out rates? Secondly, in the new system that you are envisaging—and I like the words that you are using, Ken—do you expect that to turn around, or is this something which is just part of the nature of a VET program—that you will have people trying out a course, then saying, ‘It’s not for me,’ and then moving on to something else? I am not sure that kids dropping out really is such a bad thing. There is an element of experimentation that kids may take on in years 11 and 12 until they have worked out exactly what they want to do.

**Dr Boston**—We would expect to turn around the drop-out rate in completion, the year 12. We find that figure of 71 or 72 per cent unsatisfactory, even given the particular circumstances that we have more in general secondary education in TAFE than in other states.

There may well continue to be a significant drop-out rate in particular vocational subjects. I would agree that there is an element of experimentation and tasting, and that should continue to be. There will also continue to be—for many students who do find

their rewards in VET—drop-out rates from some of the more general secondary education subjects. We are after increasing the total retention rates and offering young people, through to the end of year 12, genuine pathways into university education, or into further training in TAFE or into employment. At the end of year 12, we want to give young people a genuine ticket in vocational education that has taken them further than they had ever been and, at the same time, having that subject accredited by the Board of Studies in New South Wales towards the higher school certificate, which has not been the case in the past.

The board, as you would aware, grew out of fundamentally a university entrance process. What we want instead is a certificate of completion of secondary education in its own right—which is what the McGaw review, the white paper, is reaching for—but giving genuine pathways that are nationally recognised and that are using the national training packages and other curriculum material that are coming forward as part of the national training market.

**Mr BARRESI**—But that is the current aim, isn't it?

**Dr Boston**—That is the aim.

**Mr BARRESI**—I seem to recall either Senator Ellison or Dr Kemp talking about it in those terms as well.

**Dr Boston**—Yes, it is the aim but we feel that we have been realising it unsatisfactorily up to this point. Despite the large numbers taking joint secondary schools-TAFE, it has virtually been a dead-end course for a large number of children.

**Mr BARRESI**—And with the poor performance or the performance below norm, how much of that is due—these may sound harsh words—to the actual target audience themselves who are attracted to the VET course to begin with? In other words, it is perhaps not your academically oriented student who is attracted to VET. Is there an element of that?

**Dr McMorrow**—I think of those who remain in VET programs in year 12, on balance, that is probably right. Some would also say that is true for those workplace programs that require very significant absences from school to attend the workplace, but it is a very small number. There are two things I would say about your very important comment. One is that about two-thirds of the current year 12 candidature have aspirations for university, so they still do not value VET enough to have that as their first choice. The fear of prejudicing their chances of entry to university, because the more in-depth VET programs are not currently counted in the tertiary entrance ranking system, has been the simple reason why most have dropped out in year 12. They have not wanted to prejudice that chance.

We must find ways of getting increased value for VET in school in year 12 and still providing for significant numbers of young people who want to leave their options open for university entry. We can do that if we can crack the universities on that one. Otherwise, you will not get kids giving themselves a chance to go on to a vocational certificate or a real pathway into further training.

**ACTING CHAIR**—Acknowledging what you have just said, Jim, just as an aside, and this is again from Karmel, it is interesting that in South Australia the technical high schools had the whole range of IQ scores—and I know the limitations of IQ scores—and they were doing very well.

**Dr McMorrow**—That is right.

**ACTING CHAIR**—And they were competing extremely well with the academic high schools. In fact, they were winning the physics and the chemistry prizes, which got up the noses of the high schools mightily. This is at the time when the great moves came. To me, great innovations in this country have stalled over the last 20 years and, often in the past, those innovations came out of technical education and they came out of primary schools—they did not come out of the comprehensive high schools.

When you put the question to people as to what great innovations have occurred in education in the last 10 or 20 years, we all have great difficulty actually specifying what they have been. Sometimes those separate departments had a freshness and a challenge—and maybe some competition too in terms of funds—and they marketed themselves a little separately. I have to go to the Main Committee where I am on duty so I will just ask a number of quick questions. The first one is on fee paying. Bob, I think you mentioned fee paying students have gone up by 136 per cent.

**Mr Puffett**—Yes, they have.

**ACTING CHAIR**—All of us on this committee have learned while going around Australia that there are many TAFEs having a huge subsidy problem with students from deprived financial areas. Many TAFEs have mentioned to us that they are subsidising the fees for those students by amounts of half a million dollars, or even millions of dollars. What is the situation in New South Wales?

**Mr Puffett**—I have got the message. Our exemptions—we call them exemptions—for those who are in receipt of a benefit card as a sole parent or as an unemployed person, et cetera, amount to \$17 million, which is approximately one-third of what we would collect in New South Wales. New South Wales students pay an administrative charge of \$150 per year of study up to a certificate 4 level. For a diploma level course it is higher than that—it is about \$550. But if a person is in receipt of a benefit, then they are entitled under our access and equity program to an exemption and, as I said, those exemptions amount to \$17 million, or about one-third of our revenue.

**ACTING CHAIR**—I think the chairman—and I hope I am being fair to him—is very keen to make a recommendation in this area. What recommendation would you make?

**Mr Puffett**—The commitment of the New South Wales government to access and equity is a very valuable one and if everybody had to contribute to that then you would have to question where they do come from. Not only are individuals exempt from the fee but some courses are exempt courses because of the nature of the course and the target that it is meeting. There has to be balance in all of that, otherwise we would be shooting ourselves in the foot.

**Dr Boston**—We are happy to send you a draft, if you like.

**ACTING CHAIR**—Please do. Turning to new programs, I read in your submission something about the Optus program. Are there any other programs that are new and which would be of interest to this committee?

**Mr Puffett**—The Optus one would be. It is being built right beside our Lidcombe College of TAFE, which is a high-tech area, and you have read their submission. Other new program areas—probably up at the Nirimba site where we will be bringing—

**ACTING CHAIR**—I am not sure of the geography, where is that?

**Mr Puffett**—Western Sydney.

**Mr MOSSFIELD**—It is in my electorate.

**Mr Puffett**—But the innovation is not always with industry. It is part of the education innovation which we talked about before where you see the university, TAFE, schools and Catholic education sectors all coming together to share resources and do things. We are confident that out of that you will get this innovation and you will get a bit of competition between the sectors on the one site. There is the innovation up at Ourimbah, again with the University of Newcastle, the Hunter Institute of Technology—it is a community based operation up at Ourimbah, which is another important issue—and then there is the innovation up at Coffs Harbour, which is the Coffs Harbour Educational Campus. That is with the Southern Cross University, the North Coast Institute and again with the Coffs Harbour community group.

**Ms Sobski**—I think what you might have been looking for partially is whether we are addressing new and emerging industries and how we are addressing those with new programs. Perhaps, Peter, you might like to say something about that.

**Mr Wright**—Yes. I represent one unit of seven in the TAFE system which develop programs for the institutes across the state, and the Optus program, which is an

interesting concept for telecommunications training, is in my area. It is difficult to say exactly what the catalyst for that was and where it came from, because nationally we were looking at standards for the industries right across the board—not just for telecommunications. The industries were grappling with how they were going to train people for the technology changes in their local community.

The Optus program grew from that. At one stage we were accrediting telecommunications programs within our system and looking at where they were going to be delivered. Optus came along and said, ‘We run in-house training that needs to lead towards a vocational outcome, not just in-house training. How do we get this working well?’ I guess if you want to use an analogy with a technology high school, Lidcombe College is really a technically focused TAFE college within our system. It is a very costly campus to operate because the college does not have a lot of general education. Most of the courses are technically focused. The Optus program fitted right into the profile of that college. So we set up a joint arrangement with Optus. We are also quite conscious of not locking in with the one industry. We were very open with them in saying, ‘We’re in the business of telecommunications training for the industry as a whole.’ Part of that building gives access to others to use that equipment.

That is a good example of the sorts of things that have happened within the state and, as Bob went through, there are a lot of other examples around. Most of it is emerging around the introduction of standards, training packages at a national level, and how we as a provider for the VET sector will actually address those needs and work with industries to make it work better.

**Mr MOSSFIELD**—I want to ask a couple of questions regarding the demand side. I am interested to know whether you can tell us now about the advisory bodies or whether you would like to give us some information later on. I say that because I was on a community advisory body for many years with the Blacktown College. Do they still function; are they very valuable; do you have community and local industry input into individual colleges; and what flexibility do individual colleges have to respond to those community and industry needs in their own particular location?

**Mr Puffett**—The advisory bodies that we talk about now are institute based, not college based, so that the Western Sydney Institute would have an advisory body. The advisory body, in most cases, would be about 14 members strong and those members would be from industry and the community. There would be no other members on it. The advisory bodies are now endorsed by the minister. They are appointed for periods between one and three years and they rotate. They are there to keep the institute director informed of what is happening in the community with local industry. It is through their regular meetings that they can help shape the profile and delivery of programs. They are involved in advice on the profile over the management of the institute and on the programs that are being offered.

**Ms Sobski**—What I supplemented that with over the five years that I was the director of the South-Western Sydney Institute was to join as many regional economic advisory bodies and other sorts of community bodies as possible to enhance my own knowledge and the knowledge of my staff about local community needs. It has to be both ways; it cannot simply be a one-way street. In some senses, the advisory bodies can become captive to the institution. You might not have been, but they can become captive to the institution. It is very important to balance off an institute council with advice from the community that you directly seek out through various other forums that exist in the community. And in western Sydney you have a legion of such organisations.

**ACTING CHAIR**—I do not want to call a halt here but I have to go. Since there will no longer be three of us here, we unfortunately have to stop. On behalf of my colleagues, can I thank all of you—Sandra, Bob, Jozefa, Peter, Ken and Jim—for your participation this morning. It is good to see you again, Ken. I have found this session very enlightening and I am sure Frank and Phil have as well. We thank you for your contribution. We may get back to you on a number of things and I am sure that you will be able to take those on notice.

**Dr McMorrow**—We will table this additional information.

**ACTING CHAIR**—Just as a final postscript, it is normal for the committees of this type to send copies of the report after it is tabled to all participants in the public inquiry. Thank you very much for your attendance today.

Resolved (on motion by **Mr Mossfield**):

That this committee authorises publication, including publication on the electronic parliamentary database, of the proof transcript of the evidence given before it at public hearing this day.

**Committee adjourned at 10.34 a.m.**