

**INDEPENDENT PRICING AND REGULATORY TRIBUNAL  
REVIEW OF PRICING OF VET UNDER SMART AND SKILLED**

**Roundtable discussion**

**Tribunal Members:  
Mr Peter Boxall, Chairman  
Mr James Cox  
Mr Simon Draper**

**Secretariat Members:  
Mr Brett Everett  
Ms Steph Biesaga  
Ms Fiona Towers**

**Held at the offices of IPART  
Level 8, 1 Market Street, Sydney**

**Tuesday, 20 August 2013 at 10am**

1 OPENING REMARKS

2  
3 THE CHAIRMAN: Okay. Well, welcome everybody. And  
4 thank you very much for taking the time to come. My name is  
5 Peter Boxall, and I'm Chairman of IPART. On my right is  
6 Jim Cox, and on my left, Simon Draper, my fellow Tribunal  
7 Members. And I'd like to particularly welcome you to this  
8 session, where we're looking at the Tribunal's draft  
9 recommendations on pricing VET under Smart and Skilled.

10  
11 As you know, the Minister for Education requested that  
12 the Tribunal provide advice, and develop a methodology to  
13 determine price and fee arrangements for government-funded  
14 VET under Smart and Skilled. While Smart and Skilled is a  
15 package of reforms, a major change is that government  
16 subsidies for entitlement training will follow the student,  
17 rather than be allocated to a particular RTO.

18  
19 As a result, the Tribunal is considering how to set  
20 base prices to reflect the efficient costs of providing VET  
21 to the required standard, and how to share these costs  
22 between student fees and government subsidies. Following  
23 our recommendations, government will decide on the levels  
24 of base prices and student fees for government-funded VET  
25 under Smart and Skilled.

26  
27 We released an issues paper in April and received  
28 around 40 submissions in response. We were grateful to  
29 everyone who has made a submission to the review.  
30 Submissions are a very important part of our review  
31 process, and we value the efforts that have been made in  
32 this regard.

33  
34 We released our draft report and recommendations at  
35 the end of July. Submissions on the draft report are due  
36 by next Tuesday, 27 August, and I encourage all interested  
37 parties to make a submission. We will finalise our  
38 recommendations and provide a final report to the Minister  
39 next month. Following our advice, the Minister will make a  
40 decision on the level of student fees and government  
41 subsidies.

42  
43 Today's roundtable is being held as part of the  
44 tribunal's consultation process, to hear comments on the  
45 issues of concern to stakeholders, and consider them  
46 through structured discussion. It provides both you and us  
47 with the opportunity to consider issues relating to the

1 review.

2  
3 The roundtable is broken up into three parts, with one  
4 item on base prices, and two items covering student fees.  
5 Firstly, fees for what we would call a standard student,  
6 and then fees for apprentices, trainees and students  
7 eligible for a concession.

8  
9 We are interested in views of stakeholders on all  
10 aspects of the review. In particular, we would like the  
11 roundtable to address three key issues - one, whether our  
12 proposed methodology for setting base prices, loadings and  
13 thin markets, and CSOs, would capture the efficient costs  
14 of providing VET; two, whether our recommendation  
15 regarding student fees appropriately balance the affordability  
16 and availability of VET; three, whether there is any evidence  
17 of differences between apprentices and other VET students  
18 that would justify differential treatment of these  
19 students.

20  
21 For the roundtable process, the IPART Secretariat will  
22 run through some introductory comments at the beginning of  
23 each session, and then we will hear from the people who are  
24 present. Before making a comment, would you please let us  
25 know who you are, and the organisation you represent.

26  
27 Our roundtable is being transcribed to assist us in  
28 further considering comments and areas that are discussed  
29 today. The transcription of today's proceedings will be  
30 posted on our website by the end of this week.

31  
32 Session 1: Methodology for setting base prices, loadings,  
33 thin markets and CSOs

34  
35 THE CHAIRMAN: So, first of all, I'll invite Brett Everett  
36 to make a start with the proposed methodology for setting  
37 base prices, loadings, and thin markets, and CSOs. Brett.

38  
39 MR EVERETT: Thank you, Peter. So as Peter mentioned, the  
40 first session we're going to discuss today is our  
41 methodology for base prices, loading and CSOs.

42  
43 So this first slide I have got here gives an overview  
44 of the approach we're recommending for base prices,  
45 loadings and CSOs, and where the different types of costs  
46 of providing vocational education and training should be  
47 captured in each of these parts of the methodology.

1  
2 So we've looked at the different range of costs that  
3 are involved in providing VET to the required quality  
4 standard, and we found that these costs can vary by factors  
5 such as the course type, for example, the industry group it  
6 relates to, and the qualification level, as well as student  
7 location and student needs, and also whether the market is  
8 a thin market or a robust market.  
9  
10 Our draft recommendation is that the cost driven by  
11 each of these factors should be reflected in one specific  
12 price or fee component of our framework, so that there's no  
13 double counting of costs. So, in particular, that we've  
14 decided that the base prices, which are on the  
15 lefthand-side of this slide here, should apply to the  
16 individual courses or qualifications, and should cover the  
17 efficient cost providing training involved to a standard  
18 student, as opposed to high-cost learners - and I'll come  
19 to what we mean by the definition of "high-cost earners" in  
20 a moment.  
21  
22 This price should reflect the variation in costs that  
23 are driven by the course type and the qualification level.  
24 So to do this, we think that the methodology for setting  
25 base prices should take account of a level of  
26 qualification, and the units of competency that make up  
27 that qualification. So for the units of competency, we  
28 think that they should vary based on the industry that the  
29 unit of competency falls into, and the nominal hours that  
30 are associated with that unit of competency.  
31  
32 The loadings that we're recommending should be added  
33 to the base price when the student enrolled in a relevant  
34 course or qualification is considered to be a high-cost  
35 learner. Specific categories of high-cost learners should  
36 be established, and the loading should reflect the typical  
37 additional costs associated for providing training to  
38 students in that category.  
39  
40 We made a draft recommendation that high-cost learners  
41 should include students who are located in regional or  
42 remote areas of New South Wales, and all students who are  
43 Aboriginal or Torres Strait Islander, have a disability or  
44 are long-term unemployed.  
45  
46 In relation to thin markets, we think that CSOs should  
47 be paid in certain thin markets, based on government

.20/08/20134 SESSION 1

Transcript produced by Merrill Corporation

1 priorities. It's our view that these markets should be  
2 defined as any market that's too costly to supply for the  
3 available base price and loadings. Once these markets are  
4 identified, the government will then need to decide if it  
5 wants them supplied. It could then negotiate with TAFE and  
6 ACE providers.  
7  
8 If the government chooses not to provide a CSO,  
9 students may choose to obtain training by paying the full  
10 commercial price. And in these cases, it's our view that  
11 the government should pay the same government subsidy and  
12 loadings that these students would have received if they  
13 undertook equivalent training robust market.  
14  
15 In terms of our base prices, it's our view that base  
16 prices should reflect the efficient costs of providing  
17 training to a standard student to the required quality  
18 standard. By efficient costs, we mean the type and level  
19 of costs that would be incurred by an RTO operating in a  
20 fully competitive market.  
21  
22 We didn't conduct our own efficiency review to  
23 estimate these costs, but we've used available information  
24 and analysis on the costs incurred by TAFE and private  
25 RTOs. We've excluded costs that would not incurred by an  
26 RTO in a competitive environment.  
27  
28 By "standard student", we mean any student who does  
29 not meet the definition of a "high-cost learner". So,  
30 implicitly, this definition means that students are the  
31 standard students, include all those that are located in  
32 Metropolitan New South Wales, who are not an aboriginal or  
33 Torres Strait Islander, do not have a disability, and are  
34 not long-term unemployed.  
35  
36 The required quality standard is regulated by the  
37 Australian Skills Quality Authority, through the national  
38 VET Regulator Framework, and also by the NSW Department  
39 of Education and Communities, through the Smart and Skilled  
40 quality framework.  
41  
42 So looking at the types of costs that should be  
43 captured through base prices. It's our view that base  
44 prices should include teacher costs - which depend on the  
45 teacher time required to deliver a course. Course specific  
46 costs - such as facilities, equipment, and teaching  
47 supplies. And also shared costs - such as administrative,

.20/08/20135 SESSION 1

Transcript produced by Merrill Corporation

1 staff salaries or utility bills.  
2  
3 These costs should include both operating costs and  
4 capital costs. Capital costs include both depreciation,  
5 which means using up the asset over time, and a return on  
6 the asset and tax, all of which can be captured through a  
7 margin on operating costs. So we've decided to incorporate  
8 an allowance for these capital costs into our methodology,  
9 by applying a margin to the operating costs. In many  
10 industries, this is the way in which these costs are  
11 implicitly incorporated into prices. It avoids having to  
12 have an efficient valuation of the assets used to deliver  
13 vocational education and training.  
14  
15 The final point on this slide is that we've made a  
16 draft recommendation that base prices should not vary by  
17 mode of delivery. So on balance we think that the  
18 methodology shouldn't differentiate between modes of  
19 delivery, because different modes can have similar costs,  
20 and differentiating between modes may encourage RTOs to  
21 use the cheapest option, rather than the mode most suitable  
22 for the student.  
23  
24 As I touched on earlier, we think base prices should  
25 account for both the level of the qualification, and the  
26 units of competency that make up the qualification. We  
27 think that - we've estimated that the fixed costs of  
28 providing a qualification should vary by five different  
29 qualification levels, ranging from \$500 per enrolment for  
30 lower level qualifications at the foundation and skills  
31 level, to \$4,400 per enrollment for enrollments at high  
32 levels of diploma and advanced diploma.  
33  
34 We've also estimated variable costs - so a dollars per  
35 nominal hour for 25 different industry groups - to try and  
36 reflect the different costs of supplying different courses  
37 and qualifications. These range from \$4.25 per hour for  
38 the sport and recreation industry, up to \$11.81 per hour  
39 for vehicle body industry.  
40  
41 Now, in calculating a base price, what you need to do  
42 is add the fixed cost for a qualification level to the  
43 variable costs, or the dollars per nominal hour there,  
44 and it's our view it should be based on a typical  
45 combination of units of competency.  
46  
47 By a typical combination, this assumes that each

1 course is made up of a typical combination of units, rather  
2 than the specific units of competency that are offered by  
3 an RTO. We think that this approach balances cost  
4 reflectivity and simplicity.  
5  
6 With information on the typical combination of units  
7 based on data that's been provided by TAFE, but DEC will be  
8 developing a typical combination of units for all  
9 qualifications.  
10  
11 We have also made the distinction between standard  
12 units of competency and what we're calling high cost units  
13 of competency. So some units of competency within certain  
14 industry groups have very high costs. For example, they  
15 may require expensive equipment, or have higher teacher  
16 costs associated with them.  
17  
18 We've identified a set of high-cost units of  
19 competency, which we consider to have higher costs, but  
20 we're seeking comments on this list of units, and seeking  
21 further information from stakeholders on any additional  
22 units that you consider to be high cost.  
23  
24 In terms of the loading, as I touched on earlier,  
25 loadings should be applied to the base prices to reflect  
26 the average or the typical additional costs associated with  
27 providing training to high-cost learners. We think the  
28 level of the loadings should reflect the typical additional  
29 cost associated with providing training to these students.  
30  
31 We consider that there should be a location loading,  
32 which will be 10% for regional students, 20% for remote  
33 students, and a student needs loadings, which will be 10%  
34 for students that are Aboriginal or Torres Strait  
35 Islanders, students with a disability or long-term  
36 unemployed students.  
37  
38 It's our view that there should be one location  
39 loading, and one needs loading per student. So while there  
40 are additional costs associated with providing training to  
41 students in regional and remote locations, and for students  
42 with additional needs, we consider that the two loadings  
43 should provide sufficient funding to ensure that  
44 appropriate training is provided where students have  
45 multiple needs.  
46  
47 As I touched on earlier, we think the thin market

1 should be defined as any market that is too costly to  
2 supply the available base price and loadings. Once these  
3 markets are identified, the government will then need to  
4 decide whether it wants them supplied.  
5  
6 In markets where government decides that it would like  
7 to provide a CSO, provision of training should initially be  
8 negotiated between DEC and TAFE, or ACE providers,  
9 consistent with current government policy. However, within  
10 several years of Smart and Skilled being implemented, we  
11 would recommend that this be opened up to a competitive  
12 tender.  
13  
14 In terms of the student fees and a subsidy to be paid  
15 in thin markets, where a thin market is identified, and  
16 government decides not to provide a CSO, students may still  
17 choose to obtain training by paying the full commercial  
18 price. In this case we consider it's equitable for the  
19 government to pay the same subsidy and loadings a student  
20 would receive if they undertook equivalent training in a  
21 robust market.  
22  
23 It could also reduce the extent to which higher costs  
24 to students in thin markets influences their decisions to  
25 undertake training in these markets.  
26  
27 So I'd now like to open up the discussion today in  
28 terms of taking comments from people in attendance. So  
29 we've got a few areas here in which we are  
30 specifically seeking comments on in terms of the discussion  
31 at today's roundtable, and then also in terms of  
32 submissions that are made from stakeholders.  
33  
34 So, ultimately, we'll be looking to get feedback on  
35 whether you agree with our draft recommendations on how  
36 efficient costs of trainings should be captured through  
37 base prices, loadings, and thin markets or CSOs. We're  
38 looking at whether you agree with our draft recommendations  
39 on the levels of the dollars per nominal hour by industry,  
40 and the dollars per enrolment by qualification level, as  
41 well as the percentage loadings for student location and  
42 student need.  
43  
44 We're also, as I said earlier, seeking feedback on  
45 other higher cost units of competency that you can  
46 identify, and what premium you consider should be applied  
47 to these units.

.20/08/20138 SESSION 1

Transcript produced by Merrill Corporation

1  
2 THE CHAIRMAN: Okay. Thank you very much, Brett. Now,  
3 I'm now going to open it up to invite responses to the  
4 questions raised and other points. Initially I'll call on  
5 people around the table, and then move to give people in  
6 the audience an opportunity.  
7  
8 Could you please limit your interventions to 5 minutes  
9 maximum. Okay, first round the table. Anybody like to go  
10 first? Yes.  
11  
12 MS NEWTON: Hi. My name is Jane Newton. I represent  
13 Manufacturing Skills Australia. We've got several concerns  
14 just on what's up there and what Brett's brought up so far.  
15  
16 Starting with base costs - we have some queries about  
17 how the industry areas were identified. In particular --  
18  
19 THE CHAIRMAN: Sorry.  
20  
21 NEW SPEAKER: Sorry, can't hear.  
22  
23 THE CHAIRMAN: No. So maybe, Jane, if you can just point  
24 the mike over. Yes, thank you.  
25  
26 MS NEWTON: Okay. Right. Okay.  
27  
28 THE CHAIRMAN: Is that better?  
29  
30 MS NEWTON: So, starting from the top - Manufacturing  
31 Skills Australia - we've got several concerns, having read  
32 the draft paper in great detail.  
33  
34 Starting with industry areas - we're curious as to how  
35 they were identified, decided. Engineering seems to have  
36 been bundled into nowhere. It's all hidden and very poorly  
37 funded, and from our point of view one of the issues that  
38 industry has raised with us, several times, is that the  
39 technology that is available to students doing  
40 apprenticeships in RTOs is outdated and antiquated, and  
41 when the new material - new, you know, equipment that's  
42 being used in industry is highly technical, highly  
43 computerised, and the students are not getting access to  
44 that sort of equipment within RTOs.  
45  
46 And the cost of replacing equipment that's currently  
47 in RTOs is extremely high, and yet the base rate that's

.20/08/20139 SESSION 1

Transcript produced by Merrill Corporation

1 being recommended for the units of competency for  
2 engineering students, which is in the manufacturing and  
3 mechanical technology area, is considerably lower than what  
4 would cost RTOs to provide the actual equipment.  
5

6 Also, industry wants workplace delivery and  
7 assessment. Has that been factored into the cost to go out  
8 and do workplace delivery and assessment?  
9

10 The mode of delivery - it's all been factored in  
11 together, that there's an increasing demand from industry  
12 that we be able to give flexible delivery - online and  
13 blended learning; workshops, workplace delivery - has this  
14 all been factored in as well? Can't see where that's been  
15 considered.  
16

17 There are no high-cost units in manufacturing at this  
18 stage. High-cost learners - there are three groups  
19 identified, but we know from talking to employers, and to  
20 RTOs that many apprentices have language, literacy and  
21 numeracy issues - they don't fit into those high-cost  
22 learner groups. Is there going to be provision for support  
23 to those, to provide language, literacy and numeracy,  
24 foundation skills support for those learners?  
25

26 And the other one is niche markets. We don't agree  
27 with the way that you've put forward to identify niche  
28 markets, or thin markets. Niche markets aren't going to be  
29 identified by RTOs. RTOs, of course, are going to say,  
30 "No, we can't provide in those areas", and that's the  
31 thing. And then we're going to end up with the situation  
32 that's happening in Victoria, where these demand areas,  
33 which might only have one or two learners in an area, will  
34 not actually be supported, and industry is not going to get  
35 their needs met. And that's basically what I've got to say  
36 about the whole thing.  
37

38 THE CHAIRMAN: Okay. Thanks, Jane. I'll just let Brett  
39 respond to one or two of the specific comments before --  
40

41 MR EVERETT: Okay. Thanks. Thanks for those comments.  
42 In relation to the industry areas that we've identified -  
43 so these were based on TAFE's industry areas that we've  
44 used. So we've collected information from TAFE, and we've  
45 also collected information from other private RTOs. We've  
46 also had information on the base prices that were bid as  
47 part of the strategic skills program in previous years, and

1 looked at the base prices that are produced by our  
2 methodology, and compared it to the outputs from that  
3 tender program. So acknowledge that - and acknowledge your  
4 views on the fact that you consider these rates to be too  
5 low.  
6

7 In terms of where the different units of competency  
8 might be captured. So we've - and where different  
9 industries may be caught within the categories that we've  
10 identified. We have recently published a list on our  
11 website of the units of competency that we can map to  
12 different industry areas. And so it will be useful, I  
13 think, for all stakeholders, if they're unsure about where  
14 a particular unit within a qualification is going to fall,  
15 and what dollars per hour we would recommend for that, to  
16 have a look at that list.  
17

18 In terms of no high cost units of competency have been  
19 recognised within your particular industry area. If  
20 there's information that you are able to provide in  
21 response as part of a submission, we can consider that  
22 information. So we'd be looking for information on why  
23 there are specific units that you consider to be higher  
24 costs - so why they have higher teacher costs compared to  
25 the sort of standard units of competency? Is it because  
26 there's higher equipment costs, is it because there's  
27 higher material costs? Is it because there's a smaller  
28 ratio of supervised teachers to students, compared to the  
29 standard?  
30

31 THE CHAIRMAN: Okay. Thanks, Brett. Someone else  
32 around the table. Yes.  
33

34 MR ARCHER: Cameron Archer, New South Wales DPI  
35 Agriculture.  
36

37 A couple of things I'd like to raise. The issue of  
38 thin markets - there's also the reluctant market, where you  
39 have trouble getting students to fill classes and numbers.  
40 And I think that has to be taken into account in terms of  
41 assessing what we mean by "thin markets" - is just getting  
42 - attracting people to careers and a vocation, and that's a  
43 problem not only just in the rural industry, but it's in  
44 other industries.  
45

46 I have just seen, in 457 visas into the Hunter,  
47 there's a number of cooks. It's high on the priorities of

1 getting cooks, and I've also seen in the paper that VET  
2 classes in hospitality are being closed. So you have a  
3 conundrum there which, I think, is a broad issue in terms  
4 of VET training. So the reluctant market - but important  
5 to have people skilled - is - should be considered.  
6  
7 Second thing is WHS. In the agricultural industry you  
8 have got a general reluctance to do training. You have got  
9 people being regularly killed on quad bikes on farms, and  
10 we, as a provider of that sort of training, do our best to  
11 do something about that. But, again, it's a high-cost area  
12 and a reluctant area, so you got the double whammy. And  
13 that's a great cost to the community.  
14  
15 So VET is seen as a way of the government and the  
16 community addressing issues. I think those areas are  
17 important. You just can't walk away from saying you  
18 shouldn't be training people in some of these things. I  
19 don't think the government can walk away from that, but  
20 it's the easy thing to do.  
21  
22 So I make those few points. They're the sort of -  
23 there's many other issues, I guess, in agricultural, but I  
24 think the thin and reluctant market, and the issues of WHS  
25 on farms. Thanks.  
26  
27 THE CHAIRMAN: Okay. Thanks, Cameron. Somebody else  
28 around the table? Yes.  
29  
30 MS JAY: Katrina Jay from TAFE Western Institute. I  
31 wanted to make a comment also in relation to thin markets  
32 and CSOs. I guess I'm interested in what data will be used  
33 to determine that a market is too costly to supply at the  
34 base price, and where you'll get that information from.  
35  
36 I'm interested in who will advise communities about  
37 thin markets and CSOs, and what will be the consequences of  
38 a market being determined as thin? Will that be thin  
39 forever, or is there some sort of review point at which you  
40 determine that it's now robust and no longer thin?  
41  
42 I'm interested in how the government will negotiate  
43 with ACE and TAFE to provide those CSOs, and who will  
44 they actually negotiate with? I'm a representative from TAFE  
45 Western, but also TAFE New South Wales, so will that  
46 negotiation occur at the TAFE New South Wales level, or at  
47 our institute level, and when will that negotiation take

1 place? Will it be timely, sufficient enough to enable us  
2 to deliver training to those students that they require,  
3 and who's going to tell the students that they're in a thin  
4 market, or that they're entitled or not entitled to be  
5 serviced with a CSO.  
6  
7 I'm not sure how responsive that will all be to  
8 industry and economic need, and who would actually  
9 negotiate that? Is it the government that's going to look  
10 at that, or will industry look at that?  
11  
12 I'm very concerned about the loadings, in terms of I  
13 could live at the back of Lithgow and be entitled to a  
14 remote loading, but it's not really accommodating those  
15 communities at Weilmoringle, or Gulargambone, or Bourke,  
16 or for Brewarrina or Walgett; for many of the communities  
17 that or institute services, so I'm very concerned about that.  
18  
19 And I'm also concerned that you're entitled to one  
20 remote and one needs loading, when we clearly service  
21 communities that have extremely high needs and are probably  
22 some of the most disadvantaged communities in the  
23 communities in the country. To say that you can have 10%  
24 for having generational unemployment, being Aboriginal and  
25 having a disability all at once, and living at Brewarrina,  
26 probably warrants a little bit more than 10%.  
27  
28 So we'd really appreciate some consideration of a  
29 range of loadings for remote situations, so that there  
30 aren't just those two steps of 10%. And that you also  
31 consider in certain circumstances there are people in  
32 extreme disadvantage and who perhaps require more than  
33 just that one loading of each type. Thank you.  
34  
35 THE CHAIRMAN: Okay. Thanks, Katrina. Just on thin  
36 markets - I'll just ask Brett to respond on that.  
37  
38 MS JAY: Thank you.  
39  
40 MR EVERETT: So in response to your question around what  
41 sort of data will be used to identify a thin markets - so  
42 what we are proposing is that that be identified through a  
43 market-testing process. So, effectively, government would  
44 go out to tender with the base prices and loadings that  
45 we're recommending, and then in response to that, RTOs  
46 would come back and say whether or not they could service  
47 that market for that price and that combination of

1 loadings.  
2  
3 If they're unable to, then by definition that would  
4 become a thin market, and that's the point at which there's  
5 then a negotiation between government and the RTO as to  
6 what additional costs they consider is incurred in  
7 delivering to a particular market, and the government could  
8 then make a decision as to whether or not that's a market  
9 they want to service or not.  
10  
11 NEW SPEAKER: Can I just ask a question on that?  
12  
13 THE CHAIRMAN: Sorry, we just want to go around the table  
14 first. I appreciate you might have a question spot on thin  
15 markets.  
16  
17 NEW SPEAKER: It was just in relation to that .  
18  
19 THE CHAIRMAN: But I've got you marked down as the first  
20 person from the audience. Okay. Other people around the  
21 table? Yes. Somebody from TAFE, yes.  
22  
23 MS YOUNG: Pam Young, TAFE New South Wales. And just  
24 following on with, sort of, Katrina's comment. TAFE  
25 New South Wales supports very much the work that IPART  
26 has done, but is concerned that, in fact, for people with  
27 disadvantage - and I think Katrina has described some of  
28 them - two loadings in terms of disadvantage may not be  
29 enough because of the complexity of the problems that face  
30 people.  
31  
32 And we are also concerned that the loadings perhaps do  
33 not actually capture those people who have very low  
34 literacy and numeracy skills, and may, in fact, not be  
35 signed up for employment; but, in fact, very important to  
36 try and work towards getting back into the work place.  
37  
38 And we would like considered a possibly additional  
39 loading about those students who perhaps have not finished  
40 school, which is now, if you like, completed Year 10, as an  
41 indicator of serious risk of not having literacy and  
42 numeracy skills, even to get to the point of perhaps even  
43 signing on or being able to think about getting a job.  
44  
45 So we are concerned very much about that level of  
46 disadvantage.  
47

.20/08/201314 SESSION 1

Transcript produced by Merrill Corporation

1 We're also concerned about the point that was made  
2 from the manufacturing ISC, around the literacy and  
3 numeracy skills of apprentices, unless it has actually been  
4 identified in some work that was done with electrician  
5 apprentices, where significant numbers of them managed to  
6 achieve no marks in the entry test for numeracy. So  
7 there's obviously quite a considerable concern.  
8  
9 And also a concern about how the cost of those  
10 courses, those co-enrolments, should actually be funded.  
11 And I do acknowledge that those are courses which have  
12 previously been exempt in TAFE, will not be in the future,  
13 but that the fee should be extremely low, and possibly a  
14 very small payment, perhaps something like \$50, is actually  
15 charged for the first co-enrolment in literacy and  
16 numeracy.  
17  
18 It's really important that people do get these skills.  
19 We are, on the whole, talking about the most disadvantaged  
20 people because they haven't got these basic skills, and  
21 what do we do to encourage them to do that co-enrolment.  
22  
23 THE CHAIRMAN: Thanks. I think we have covered off a bit  
24 on literacy and numeracy. Could you just address that,  
25 Brett.  
26  
27 MR EVERETT: Yes. So there is a question, I suppose, of  
28 how - I presume you're talking about students in the  
29 apprentice example, where there's particular additional  
30 units that they're enrolled in to provide them with  
31 additional support as part of the --  
32  
33 MS YOUNG: Yes, outside their course.  
34  
35 MR EVERETT: -- outside of the course, yes. So what IPART  
36 has looked at is the - how base prices and student fees  
37 should be set for foundation courses in their entirety. I  
38 suppose the issue of how we deal with these - sort of  
39 whether just choosing one unit as opposed to a full  
40 foundation's skills course itself, is something that I  
41 think we'll have to look at further, and based on comments  
42 from stakeholders on this issue.  
43  
44 MS YOUNG: Thank you.  
45  
46 THE CHAIRMAN: Okay. Thanks, Brett. Anybody else?  
47 Yes.

.20/08/201315 SESSION 1

Transcript produced by Merrill Corporation



1 MR CALLAGHAN: First of all I'd like to say I think it's a  
2 very credible piece of work, an extensive and very useful  
3 piece of work. Due credit to what you've done.  
4  
5 THE CHAIRMAN: Could you just identify yourself, please,  
6 Bruce.  
7  
8 MR CALLAGHAN: Thin markets --  
9  
10 THE CHAIRMAN: Sorry, just identify yourself.  
11  
12 MR CALLAGHAN: Sorry. Bruce Callaghan from BCA,  
13 National Training Group. I'm sorry.  
14  
15 The thin market issue does concern me a bit. We,  
16 amongst others, specialise in trying to serve remote and  
17 regional Australia, across Australia - not specifically in  
18 New South Wales - and it's my impression - perhaps not  
19 soundly enough based - that the subsidies for remote  
20 delivery in other States seem to be greater than the ones  
21 that are offered here. But I think that needs to be  
22 carefully looked at, and perhaps you have, but it doesn't  
23 seem you have.  
24  
25 The other issue that kind of bothers me about this -  
26 and I think it's outside your terms of reference - is how  
27 this thing is going to be managed. It does need nimble and  
28 responsive management, and objective management, as far as  
29 possible. That comes from the evidence. And that won't  
30 necessarily happen if one of the main arbitrators is one of  
31 the main players in the market. I just think that has to  
32 be seriously and thoughtfully addressed so that we get a  
33 market system that will work and respond when issues arise.  
34 Thank you.  
35  
36 THE CHAIRMAN: Thank you, Bruce. On that note I'll ask  
37 Ian from DEC to make a few comments.  
38  
39 MR BALCOMB: Just really noting that point and certainly -  
40 sorry.  
41  
42 THE CHAIRMAN: And can you identify --  
43  
44 MR BALCOMB: Sorry, Ian Baulkham from State Training  
45 Services in the skills reform area.  
46  
47 Certainly the role of the market manager in the Smart

1 and Skilled Program is something that is clearly identified  
2 as a separate function from provider functions, and  
3 certainly take on board and acknowledge those comments  
4 around the need for the nimble and responsive management of  
5 the market.  
6  
7 THE CHAIRMAN: Okay. Thanks, Ian. Just anybody else.  
8 Yes, Douglas.  
9  
10 MR NAYLOR: Sorry, it's Paul Naylor. I'm the CEO of  
11 Master Plumbers Association and Master Plumbers Training.  
12 We would support generally some of the comments made  
13 earlier today, especially by Jane, who is sitting besides  
14 me from Manufacturing Skills Australia, and the issue about  
15 the overall training methodologies, and the problems with  
16 some of the information that's in the paper itself.  
17  
18 Our concerns would go to we don't have a problem with  
19 community service obligations and the discussion that takes  
20 place there. We want to go the other end of the market,  
21 and the other end of the market is not identified in this  
22 paper, and that is the compulsory licence end of the  
23 training regime. In this State, and in this report, there  
24 is no - in this State there is requirements for people who  
25 are plumbers and in airconditioning and refrigeration  
26 mechanics and electricians, to be licenced. You cannot  
27 practice without that licence. This report makes no  
28 reference to that requirement, in respect of how that fits  
29 into the training mode.  
30  
31 Now, plumbing and gasfitting, for instance, is in the  
32 first tranche of the national licensing system, so there's  
33 a major report currently out in consideration by all  
34 governments in relation to national licensing, and that has  
35 enormous impact on the training delivery mode, and the  
36 training requirements. There is also the heavy regulatory  
37 control that comes under the issue of the training of  
38 plumbers and gasfitters et cetera, yet the report does not  
39 make that training a high cost item.  
40  
41 So that is a difficulty for us, and because of the  
42 fact that the trades of plumbing, gasfitting,  
43 airconditioning, mechanical service, et cetera, are in that  
44 licensed category which is mandatory in New South Wales  
45 under the Home Building Act, we would think there should  
46 have been some identification of this as an ongoing issue,  
47 because at that end, when you look at the loadings concept,

1 whether - we are having troubles coming to grips with why  
2 there is a loading concept when they are delivered  
3 throughout the 11 institutes of New South Wales of TAFE,  
4 yet they will be costed in a different methodology,  
5 presumably by a location.

6  
7 Now, if it's a mandatory course that has got to be  
8 undertaken, it should be a fixed price across the whole of  
9 the State, and there should be no differentiation. There  
10 is no differentiation between a plumber who has trained in  
11 Tamworth, and a plumber who has trained in Sydney.

12  
13 THE CHAIRMAN: Okay. Thanks, Paul. I might move  
14 around the table now. So Kirana, Service Skills, ACPET and  
15 the teachers.

16  
17 MR PASFIELD: Yes, Steve Pasfield from Kirana. We're a  
18 private RTO. So a lot of the concerns are similar, but  
19 I'll just touch on a few points. Certainly, how the  
20 nominal hours - the dollar per nominal hour was - came  
21 about in certain industries. We have a very big focus  
22 within the community services sector, which has a fairly  
23 low hourly rate, and as far as its delivery is concerned.

24  
25 In fact, one particular Certificate III qualification  
26 looks like it will - the fees for it would be less than the  
27 actual enrolment fees, which are fixed costs of that, and  
28 we go, "Well, how can that be so as such." We're not sure  
29 how that was established.

30  
31 CPI increases over the next three years. Our concern  
32 there is that often in our industry that there are extra  
33 costs put on at moment's notice, or very short notice, or  
34 things like that, and we've seen some examples with the  
35 recent change with ASQA fees - as how would things be  
36 varied, if at all, over the following three years, if there  
37 are significant changes in costs for delivery across the  
38 industry. And the ASQA fees just recently were seen as a  
39 significant change.

40  
41 The other one is the payment ratios that you have  
42 while looking sort of all right at a 20:40:40. If for  
43 whatever reason a client base requires high valued units to  
44 be delivered first - and I'll use the example of transport  
45 and logistics, where it might be the client requires - and  
46 when I say "client", the students or student group may  
47 require things like forklift licensing - and the licensing

.20/08/201318 SESSION 1

Transcript produced by Merrill Corporation

1 issue is added to this - but the forklift training or truck  
2 driving training at the front-end - that's a high value  
3 unit, and there's a number of high-valued units, and if  
4 they're done at the front end, that 20% is a bit  
5 questionable. Yes.

6  
7 THE CHAIRMAN: Thanks, Steve. Melinda.

8  
9 MS LARKIN: Melinda Larkin, Service Skills  
10 New South Wales.

11  
12 While this report is, you know, quite credible and  
13 there's a lot of work being done - congratulations to Brett  
14 and his team - I'm concerned at a number of levels. First  
15 of all, starting with the nominal hours. I believe they  
16 were ascertained from the Victorian Purchasing Guide, and  
17 through TAFE. I don't think some of those nominal hours  
18 actually for some of the units of competency don't reflect  
19 particularly with our electives, the true hours. That  
20 concerns me in the first place about the nominal hours.

21  
22 And then the base prices worry me. Also, for example,  
23 sport and recreation have a base funding of \$4.51, which is  
24 totally unrealistic, and there is no loadings for  
25 electives, or for the higher cost units. There are quite a  
26 number of industries that I believe that haven't been given  
27 what I think good base prices, let alone any loadings for  
28 electives.

29  
30 Many of the Service Skills qualifications have been  
31 put under business, which is, again, we have to go looking  
32 for exactly what units - particularly, doesn't matter -  
33 funeral services, retail, community pharmacy. Community  
34 pharmacy is another qualification that is totally unique to  
35 retail, and it has quite expensive technical units of  
36 competency that, again, aren't going to be realised through  
37 being put under business. So I am concerned about those.

38  
39 I'm also concerned about the thin markets. Again, the  
40 service sectors - and also when I say thin markets, I'm  
41 also concerned with the concept of flexible - there's no  
42 flexible - sorry, base prices should not vary but for mode  
43 of delivery. I'm concerned about that particularly in  
44 regional or remote parts of New South Wales, where we know  
45 whether it's private providers or TAFE - and I use, again,  
46 community pharmacy example - a lot of this training is done  
47 on the job. In remote parts of New South Wales we're

.20/08/201319 SESSION 1

Transcript produced by Merrill Corporation

1 getting trainers and assessors actually leave the TAFE  
2 campuses, or the private providers, and travel in their  
3 cars to actually train and assess people in remote parts of  
4 New South Wales. Coffs Harbour - I use an example, for  
5 community pharmacy, where they'll go to places like Moree  
6 to train. That costs money. It's not done under bricks  
7 and mortar and institutions. It's actually done in the  
8 work places, and particularly for trainees and apprentices.

9  
10 All of that must be taken into consideration,  
11 otherwise we're not going to have any training and  
12 assessment done in regional and remote parts of New South  
13 Wales. Thank you.

14  
15 THE CHAIRMAN: Okay. Thank you, Melinda. ACPET.

16  
17 MR PARSONSON: ACPET.

18  
19 THE CHAIRMAN: ACPET, sorry.

20  
21 MR PARSONSON: Robert Parsonson from ACPET.  
22 Generally, after consulting with quite a few members - and a  
23 couple have here today covered off on a few issues - we're  
24 satisfied with the direction that it's going with the IPART  
25 review.

26  
27 The only concerns of this area - here is Claire here  
28 now - were in terms of the thin markets, in terms of the  
29 market base model, we believe that there could be some  
30 earlier piloting for providers to access the CSO areas in  
31 there. We also believe in the first few years this is a  
32 very big change; that there should be annual reviews - as  
33 Bruce pointed out, things can change very quickly - the  
34 ASQA fees, et cetera, have really shaken some of our  
35 providers, and that we should actually review each year in  
36 the first three years, especially that these prices are  
37 working, and working well.

38  
39 There's also some concerns, of course, around impacts  
40 for fee for service areas, as the current market stands.  
41 And, again, we should be looking at activity levels, and  
42 how the fees are affecting the full fee for service market,  
43 and not impacting too negatively in there, but I think my  
44 colleagues from the private RTOs have covered off on the  
45 other areas. Thank you.

46  
47 THE CHAIRMAN: Okay. Thanks very much Robert.  
Maxine.

1  
2 MS SHARKEY: Thanks. Maxine Sharkey from the Teachers'  
3 Federation. Look, there has been some great points made  
4 and questions asked, and some haven't been answered. And  
5 we certainly have concerns also about the thin market -  
6 what actually constitutes a thin market? If a TAFE  
7 institute puts their hand up to train, and no private  
8 provider does, is that a thin market, or vice versa? If no  
9 TAFE institute puts their hands up, is it then a thin  
10 market? And, of course, does it remain a thin market for  
11 some time, and that's the thin market.

12  
13 There are two other points that I have concerns about  
14 - well, obviously more than two, but I'll just stick to the  
15 three now. Foundation skills is a great concern. There is  
16 a foundation framework course that isn't a part of a  
17 training package that is widely used in TAFE colleges for  
18 language, literacy and numeracy, and particularly for those  
19 people who haven't completed Year 10, or even - I don't see  
20 any reference to people from a language background other  
21 than English, who are big users of the foundation skills  
22 frameworks, that aren't part of the training package.

23  
24 And, of course, the big issue amongst the Teachers'  
25 Federation members is the base price is excessively lower  
26 than what people are now, at a stretch, able to budget  
27 within. The concern being that a low-base price will  
28 create a thin market, and then what happens?

29  
30 And, also, with the thin markets, being the only way a  
31 CSO is determined, this seems to be, you know, a government  
32 of the day can decide even if it's a thin market, whether  
33 to - there's a community service obligation. I can't  
34 understand that. If you could explain that, please.

35  
36 THE CHAIRMAN: Thanks, Maxine. Why don't we ask the  
37 member from the audience who wants to ask a question on  
38 thin markets, and then Brett can respond.

39  
40 MS WORTMAN: Hi, Melissa Wortman from the AgriFood  
41 New South Wales ITAB. Obviously thin markets are a really  
42 important issue for people in the bush, in rural and  
43 regional New South Wales.

44  
45 Firstly, I'd like to ask is when you're taking into  
46 account the idea of thin markets, what's the mode of  
47 delivery taken into account as far as when you're

.20/08/201321 SESSION 1

Transcript produced by Merrill Corporation

.20/08/201320 SESSION 1

Transcript produced by Merrill Corporation

1 delivering those particular areas of thin markets?  
2  
3 I also note you said you were talking about  
4 nominal hours. Often nominal hours, as far as I'm aware,  
5 is done based on a face-to-face mode of delivery, so you  
6 have got to think about the differential costs on the  
7 different modes of delivery. The other question - can I --  
8  
9 THE CHAIRMAN: Yes.  
10  
11 MS WORTMAN: Okay. That was particularly for thin  
12 markets.  
13  
14 THE CHAIRMAN: Go ahead, yes.  
15  
16 MS WORTMAN: Okay, so that's a couple of thin market  
17 questions.  
18  
19 The other question I have is have you also taken into  
20 account the fact that there's a new - the National Skills  
21 Standard Council is also under the streamlining of training  
22 packages, is asking Industry Skills Councils to streamline  
23 the training packages, which will have an impact on  
24 assessment requirements within the training packages; and,  
25 therefore, the potential mode of delivery. And that will  
26 have an impact on the base price and the cost of that unit  
27 of competency as well.  
28  
29 So that, as we speak, various units of competency are  
30 changing on what is required to be delivered and assessed.  
31 And many of those units of competency are being tightened.  
32 So, therefore, the RTOs will not have, in some areas, as  
33 much of a choice on the assessment requirements within  
34 that. So that will have an impact on the base price.  
35  
36 The other question I have is taking into consideration  
37 - I know this is probably outside your scope, but I put  
38 this to the department, Ian - that taking into account that  
39 the issue of thin markets and its impact on further other  
40 supply chain - like, for instance, other areas that haven't  
41 a requirement from that particular thin market, such as  
42 within the agrifood supply chain, and what impact if we do  
43 not have skilled people in the particular thin market and  
44 the potential impacts along the supply chain that might  
45 have?  
46  
47 THE CHAIRMAN: Okay. Thank you very much. Brett.

.20/08/201322 SESSION 1

Transcript produced by Merrill Corporation

1  
2 MR EVERETT: Okay. Thank you, sir. Just in response to a  
3 couple of questions around thin markets.  
4  
5 So in terms of the timing around when a thin market  
6 will be identified, we think that that will be done as part  
7 of the tender process that happens each year, in terms of  
8 the government going out to the market and saying, "Here is  
9 the base price and loadings for a qualification", and then  
10 getting RTOs - both TAFE and private RTOs, to respond and  
11 say whether or not they're able to provide training for  
12 within those base prices and loadings.  
13  
14 As I touched on earlier, we have made a draft  
15 recommendation not to distinguish between the mode of  
16 delivery, and so therefore we think that the price that's  
17 been made available will give people the flexibility to  
18 decide what is the most appropriate way to deliver training  
19 to that student, as opposed to having one price for online  
20 learning, one price for face-to-face learning, one price  
21 for work-base learning.  
22  
23 We also understand as well that there's different ways  
24 of delivering a qualification, so sometimes there's a  
25 combination of all of those three different ways of  
26 delivering, delivering training, and so you also would have  
27 additional complexity if you were to have - trying to  
28 differentiate between each of those.  
29  
30 I'm going to take on board the comments you've made in  
31 relation to foundation skills, and there's particular  
32 qualifications that may be outside of a training package.  
33 So the methodology that we've been asked to come up with is  
34 a methodology that would apply to any qualification or part  
35 qualification or skill set that government decides to  
36 include on the skills list. So in terms of that specific  
37 qualification I'm just going to have to take that one on  
38 notice, and that also there is, you know, government will  
39 ultimately be deciding on the courses and qualifications  
40 that are included on the skills list.  
41  
42 THE CHAIRMAN: Okay. Any burning comments from  
43 around the table before we - yes, Jane.  
44  
45 MS NEWTON: You'll get sick of me by the end of the day.  
46 The thin market stuff really concerns us, and we're all  
47 looking - I'm looking at people in the audience, and here

.20/08/201323 SESSION 1

Transcript produced by Merrill Corporation

1 around the table and seeing people nod and agree with  
2 certain comments that have been made.  
3  
4 There's no provision for discussion with industry, or  
5 consultation with industry around thin markets. And I  
6 don't think you can define a thin market without talking to  
7 industry, because they're the people that identify where  
8 the needs are. And if there's a thin market, if there's  
9 somebody in Bourke that needs somebody with a certain  
10 qualification - one person - and there is no provision for  
11 training for that person, and no ability for that person to  
12 train anywhere in New South Wales, then that constitutes a  
13 thin market, but how are you going to address that need?  
14  
15 There are areas in - that I can bring up that I can  
16 talk about. Australian Glass and Glazing - I've been  
17 talking to them over the last couple of days around what  
18 constitutes a thin market. They've got - I've got some  
19 statistics from them that I received this morning. 90% of  
20 their members are saying that they can't get appropriately  
21 skilled staff, and most of those people are in regional and  
22 rural areas, and there's only one institute in  
23 New South Wales that's delivering the glass and glazing,  
24 and they will not deliver it in a blended learning online  
25 or any other format other than classroom delivery. And so  
26 does that constitute a thin market?  
27  
28 You've got a demand out there that cannot be met, and  
29 yet nobody is talking to industry about their thin markets,  
30 and I think we need to go there.  
31  
32 THE CHAIRMAN: Okay. Thank you. Other questions?  
33  
34 MS LARKIN: Sorry, I was just going to continue on with  
35 what you were saying. I'm concerned - again, we've got  
36 massive unemployment in some of the regional areas, and  
37 we've got 22,000 people currently in New South Wales on  
38 457s. So we need to address this.  
39  
40 THE CHAIRMAN: Okay. Thanks, Melinda. Now, questions  
41 from the floor? Sorry, questions from the floor. You've  
42 nominated as first, good. Yes. After you, yes.  
43  
44 MR WILSON: I'm Rodney Wilson. I'm representing the  
45 Student Association from Blue Mountains College of TAFE.  
46  
47 I have got particular concerns with the location

.20/08/201324 SESSION 1

Transcript produced by Merrill Corporation

1 loadings and the needs loadings. Your own research in the  
2 draft report indicated that location loading could range  
3 from 10 to 40%, and the needs loading could be up to 15%.  
4 I just wonder why you set it at the very bottom end of  
5 those figures, at the 10% range.  
6  
7 Once again, to reiterate Katrina's point also doesn't  
8 take in students that are low literacy and numeracy skills.  
9 And also to once again to go with Katrina's point about  
10 limiting it to one location loading, one needs loading.  
11 It's only going to exclude ATSE students from remote areas  
12 especially. Why should we discriminate against an ATSE  
13 student from a remote area, who is long-term unemployed,  
14 has a disability and has low literacy and numeracy skills?  
15 It's only going to create greater pressure on those  
16 regional trainers, and ultimately exclude those students  
17 from study. Thanks.  
18  
19 THE CHAIRMAN: OK. Thanks very much, Rodney. Next?  
20  
21 MS SOBSKI: Thank you, Mr Chair. My name is Jozefa  
22 Sobski, and I'm here --  
23  
24 THE CHAIRMAN: Sorry, I just missed your first name.  
25  
26 MS SOBSKI: Jozefa Sobski.  
27  
28 THE CHAIRMAN: Thank you.  
29  
30 MS SOBSKI: And I'm here representing the TAFE  
31 Community Alliance, which is a loose network of community  
32 organisations, very concerned about the impact on TAFE as  
33 the major public provider, and it goes without saying that  
34 we are extremely supportive of the survival of TAFE, and  
35 are very, very suspicious of the so-called contestable  
36 training market, and all the ideology attendant on it.  
37  
38 Generally we would say, though, that the report  
39 provides a good start, but very much more work needs to be  
40 done. And, generally, I'd also say that we support the  
41 concerns raised around the table - both from industry and  
42 students and community and providers.  
43  
44 My first question - and we have 20 here which I will  
45 table for the information of the secretariat. I'm not  
46 going to ask all 20 questions because some of those have  
47 been covered in a slightly different way by others.

.20/08/201325 SESSION 1

Transcript produced by Merrill Corporation

1  
2 Why are students with needs so narrowly defined? How  
3 is this practical? And how is it efficient to define them  
4 so narrowly and to exclude so many categories of  
5 disadvantage when it may lead to a diminished level of  
6 provider support, and could result in student failure and,  
7 therefore, resource wasted?  
8  
9 Two, what definition of "disability" is going to be  
10 applied? I don't believe that term is sufficiently  
11 unpacked in the draft report.  
12  
13 Again, reiterating what the student from Blue  
14 Mountains College has raised - what is the rationale for  
15 the two categories of loadings - needs and location? What  
16 were the assumptions underlying the 10-20% for location  
17 regional and remote? What variables, or what inputs were  
18 used to arrive at these percentages? There is insufficient  
19 information in the report.  
20  
21 What is the dollar value or price of a community  
22 service obligation? How will it be calculated? What is  
23 its relationship to the base price? What is to be included  
24 as part of the community service obligation? Will  
25 counselling, special support and coordination be included  
26 in the calculation? That is the wraparound services that  
27 currently many students in TAFE enjoy.  
28  
29 And, finally, why are apprentices and trainees treated  
30 differently from other students facing huge fee increases  
31 under these recommendations? Why are the arguments used  
32 for transition to the new fee structure for these students  
33 not equally applicable to most other students. Thanks very  
34 much. And I will table the list of questions.  
35  
36 THE CHAIRMAN: Thank you very much. Yes.  
37  
38 MR STEVENS: Kevin Stevens, Auswide Colleges. Just a  
39 couple of quick questions.  
40  
41 With your variable costs for your units of competency  
42 and for your training packages, I'm assuming that's based  
43 on 60% of their costs, and 40% student costs - 40% for the  
44 students paying the cost. So if that's --  
45  
46 THE CHAIRMAN: Just a second, Kevin.  
47

1 MR STEVENS: Yes.  
2  
3 MR EVERETT: Sorry, if I could just correct that. So when  
4 we're talking about the fixed cost, the fixed cost get  
5 added to the variable costs to build up the price of a  
6 qualification. It's then a sort of separate part of the  
7 methodology as to how much of that full base price students  
8 should pay versus government.  
9  
10 MR STEVENS: So on page 38 of your document, you've got  
11 the variable cost by industry per nominal hour.  
12  
13 MR EVERETT: Yes.  
14  
15 MR STEVENS: That's the 60% --  
16  
17 MR PASFIELD: No, that's the full. That's the full.  
18  
19 MR STEVENS: That's the full fee?  
20  
21 THE CHAIRMAN: Just to clarify - the first we do is work  
22 out what the base price is --  
23  
24 MR STEVENS: Okay.  
25  
26 THE CHAIRMAN: -- which is what we're discussing now.  
27  
28 MR STEVENS: Okay.  
29  
30 THE CHAIRMAN: And then the question is what should the  
31 student contribute as for the base price, and what should  
32 the government contribute. And that's where the 40:60  
33 comes in.  
34  
35 MR STEVENS: Okay. Well, based on that, those figures are  
36 way too low. So currently private colleges like Auswide,  
37 doing SSP, get a lot more under our current guidelines than  
38 what's listed there, and that's with the students not  
39 paying those fees. So they are way too low. So I concur  
40 with our TAFE people that those prices are way too low.  
41  
42 And my second --  
43  
44 THE CHAIRMAN: I'm sorry, Kevin, just to clarify - you're  
45 saying that the base price is too low?  
46  
47 MR STEVENS: Absolutely.

1  
2 THE CHAIRMAN: Okay.  
3  
4 MR STEVENS: Yes. Really clearly, yes. And the second  
5 question is to do with the nominal hours. So in the  
6 document you're talking about, that RTO should report to  
7 DEC on a number of actual hours, or supervised training  
8 delivery for a qualification to try and keep some standard  
9 there, but you also say that the nominal hours in practice  
10 will vary, based on factors such as student's aptitude and  
11 ability. And we're also talking about mixed mode of  
12 delivery.  
13  
14 So I'm not quite sure how you're going to manage, or  
15 DEC is going to manage those hours, and what RTOs are  
16 delivering as a good quality product, considering the  
17 different mixed modes and student ability. So if an RTO is  
18 delivering a 400 hour course, but they might be doing it in  
19 300 hour face to face and some on the job, how are you  
20 going to manage that process to make it fair and equitable.  
21 Thank you.  
22  
23 THE CHAIRMAN: Okay. Thanks, Kevin. Other questions  
24 from the floor? Yes.  
25  
26 MR DRURY: Good morning. Leonard Drury, Manufacturing  
27 Skills Australia. I'm the New South Wales ITAB Executive  
28 Officer.  
29  
30 I've got two concerns, I guess. First of all is  
31 primarily about the significant increases to student fees,  
32 and what affect that my have on the take up of  
33 qualifications, particularly around those sort of  
34 qualifications that relate to industries that have low  
35 financial returns, as far as wages. That will  
36 significantly reduce --  
37  
38 THE CHAIRMAN: Sorry, can you just hold that one for the  
39 second session.  
40  
41 MR DRURY: Sure.  
42  
43 THE CHAIRMAN: That's about whether it's affordable and  
44 whether it's reasonable, yes.  
45  
46 MR DRURY: Okay. The other is about a cap on pricing, and  
47 the affect that may have on quality. I have significant

1 concerns that we will see a shortcutting of the quality  
2 outcomes. I know there are other regimes to try and  
3 control that. However, I think the pricing regime will  
4 start to drive certain RTOs to take certain measures. And  
5 also a significant push towards a full fee for service  
6 track around certain industries.  
7  
8 And we need to have a focus on competency for skills.  
9 Particularly around - you know, and as Paul had said  
10 earlier about the licensing requirements, the significant  
11 need for competency there, but just generally on  
12 qualification, we need significant competency recognition,  
13 and I have concerns that this regime may start to affect  
14 that.  
15  
16 THE CHAIRMAN: Okay. Thank you very much. Yes, from  
17 down the back.  
18  
19 MS BOYDON: Hi, my name is Michelle Boydon. I'm from  
20 Sydney Institute, TAFE.  
21  
22 My question's around the CSO around, around thin  
23 market definition. And I think it's been discussed quite a  
24 lot throughout the IPART report about what a thin market  
25 definition is, and I was reasonably clear on it, but when I  
26 got to page 42, it states:  
27  
28 The TAFE New South Wales costs associated  
29 with CSOs have also been identified as part  
30 of this work.  
31  
32 And it goes on to say that:  
33  
34 This would include support for students  
35 with a disability, including disability  
36 coordinators; support for ATSE students, as  
37 well as coordinators and counsellors;  
38 outreach coordinators and counsellors.  
39  
40 And then it goes on to say - and I think I've got this  
41 right - the costs associated with providing these types of  
42 support should be captured through the CSO.  
43  
44 Now, this is in regards to supporting disadvantaged  
45 students, and yet my understanding of what a CSO was - yes?  
46  
47 THE CHAIRMAN: Correct.

1  
2 MS BOYDON: Was about a thin market, which was where we  
3 - you know, if the supply didn't necessarily - I'm confused  
4 with that statement.

5  
6 MR EVERETT: Okay. What that statement is talking about  
7 there is that you don't want to have double counting of  
8 different types of costs providing to different types of  
9 students. So within the base price we're saying that  
10 because this is going to be captured through a CSO, so the  
11 base prices that we set, we don't expect we'll be able to  
12 provide training to - sorry, let me - the base prices that  
13 we are setting are for a standard student.

14  
15 MS BOYDON: That's right.

16  
17 MR EVERETT: There are additional types of students that  
18 have higher costs associated with them. So we've  
19 identified some groups of students that are there. There  
20 are additional students that will be identified through the  
21 thin market CSO process, whereby, you know, RTOs will  
22 come back and say, "There needs to be additional funding  
23 provided above and beyond the base price in any loading for  
24 those students.

25  
26 THE CHAIRMAN: So there's two - in a sense, there's two  
27 types of CSO.

28  
29 MS BOYDON: Okay. That's what I'm getting at, and that's  
30 what I'm unclear about.

31  
32 THE CHAIRMAN: So my understanding - and I'm happy to  
33 be corrected by the Secretariat - is that there's this  
34 community service obligation for, say, special - for  
35 students with disabilities, and other people like that, and  
36 loadings. Then there's the issue of the thin market.

37  
38 So let's say, for example, the base price is \$15,000.  
39 That's put out in a market such as Bourke, for example -  
40 somebody's used that - and no RTO and no TAFE bids for it.  
41 But they might say, "We can't possibly supply that service  
42 in Bourke for \$15,000; there are not enough students, the  
43 distances are too long" - all sorts of reasons which people  
44 in this room are familiar, "but we could supply it at  
45 \$20,000."

46  
47 So then somebody has to make up the difference from 15

1 to 20. So that's the CSO for that thin market. Now,  
2 that's for a standard student. Aboriginal and Torres  
3 Strait Islanders, disabilities is over on top of that. Now  
4 then, alternatively, the government might say, "Well,  
5 nobody is prepared to provide the service, we just are not  
6 going to have the service in that area", right. And that's  
7 a call that the government will make.

8  
9 So the government needs to make a call. Sorry, under  
10 this draft proposal, the government would need to make that  
11 call. Yes. Does that help?

12  
13 MS BOYDON: It does. So in the sense of a - and I  
14 understand the implications for the regional and remote  
15 areas. But in the metropolitan area, where we would define  
16 that as a standard student thing, then the 10% loading that  
17 would be given to either an ATSE or a disability student  
18 would be then to cover all of these costs within a  
19 metropolitan college. Is that - or contribute to these  
20 costs in a metropolitan college.

21  
22 THE CHAIRMAN: Yes. Well, the 10% loading for, say, for  
23 Aboriginal and Torres Strait Islander students - that  
24 applies for students in the Metro area, so that would go on  
25 the base price. It would also apply for students in a  
26 remote area, or a regional area.

27  
28 MS BOYDON: Okay. I have - that's fine, I just didn't  
29 really understand that part of the document. I have one  
30 more point in this particular area, and that was around the  
31 LR&N, and I know that a number of people have raised this.  
32 TAFE provides a lot of language literacy numeracy support,  
33 and also to SOL students as well through our framework  
34 courses, which, as you've heard earlier, aren't part of a  
35 training package and therefore wouldn't come under this  
36 sort of pricing arrangement.

37  
38 Even if we could, there would be a co-enrolment under  
39 this framework being required. Now, that would incur an  
40 additional fee and would be very discouraging to students  
41 who need it most. So where those people are usually from a  
42 low socio-economic background and could barely afford the  
43 first vocational fee, to be able to pay an additional fee  
44 for language, literacy, and numeracy support - I think that  
45 would be a discouragement to the co-enrolment and really  
46 quite a necessary part of a successful outcome for those  
47 students. So I think another model, or something further,



1 is required for that particular area.  
2  
3 THE CHAIRMAN: Okay. Thanks, Michelle. Now, a couple  
4 more from the floor. Yes, front row.  
5  
6 MR GREENING: Thank you, Chairman. Douglas Greening  
7 from the MPA Group - that's the Association, and RTO and a  
8 GTO.  
9  
10 Last Thursday the unit of competency list was published. We  
11 have a concern there that there are a large number of  
12 redundant units from training packages which have  
13 disappeared many years ago on that list, and it needs a bit of  
14 tidying up to make it current, make it much less confusing.  
15  
16 The other thing is those units of competency, and the  
17 nominal hours associated with them, as previously being  
18 set, is done in a face-to-face classroom basis. It doesn't  
19 reflect competency based training, progression and  
20 completion. So it doesn't include the requirement for  
21 training plans as required at the moment for trainees and  
22 apprentices, where the RTO has to go out, negotiate the  
23 training plan, and has to collect workplace evidence. They  
24 are all additional hours which are absolutely outside those  
25 nominal hours and the units of competency that are there at  
26 the moment.  
27  
28 The second point I'd make in relation to base price -  
29 we are concerned as to how a qualification is going to be  
30 packaged. At the moment there's a fundamental difference  
31 between ourselves, through the RTO, MPA training and  
32 TAFE, in that TAFE takes the minimal approach, and delivers  
33 the absolute minimum allowed by qualification in the training  
34 package. MPA training is continuing to deliver the  
35 traditional, which a difference of quite some hours.  
36  
37 We're a bit concerned that there would be opportunity  
38 here to dumb down the trade and reduce the quality of the  
39 outcome. We would like to have serious discussions about  
40 how a qualification is put together.  
41  
42 THE CHAIRMAN: Okay. Thank you. Thanks, Douglas.  
43 Anybody else from the floor? Yes.  
44  
45 MR GULLI: Good morning. Ralph Gulli from TAFE, Sydney  
46 Institute.  
47

.20/08/201332 SESSION 1

Transcript produced by Merrill Corporation

1 A question related to this gentleman's question. It's  
2 in relation to the methodology used for calculating the  
3 base prices. I wonder if IPART could publish a definition  
4 of what you mean by the typical unit of  
5 competency composition of courses, how that was calculated,  
6 so that we can use it for scenario planning? Simply a  
7 definition of how it was worked out.  
8  
9 MR EVERETT: So our approach to determining a typical  
10 combination of units, as I said, is ultimately we are  
11 recommending that the Department of Education should build  
12 up a typical combination of units.  
13  
14 Another way of describing a typical combination would  
15 also be the average combination of units. So we've got  
16 some information from TAFE, on the average units that are  
17 delivered across institutes across New South Wales, in  
18 particular qualification areas. And so what it sort of  
19 effectively represents is an average of those units that  
20 are being combined together.  
21  
22 As I've sort of noted before, there can be different  
23 ways of delivering a qualification. And so sometimes they  
24 may deviate away from that average, but we're  
25 recommending that the DEC collect information on that, so  
26 they can monitor and over time in terms of which units being  
27 delivered, compared to those that are captured within a  
28 particular combination.  
29  
30 THE CHAIRMAN: Okay. Thanks, Ralph. Paul.  
31  
32 MR NAYLOR: Mr Chairman, I just want to go back to the  
33 thin market issue before, because - and I'm thinking about  
34 the discussion today. There is a fine example that IPART  
35 might like to look at, and that is from the Royal Melbourne  
36 Institute of Technology. It goes to the fire protection  
37 course that was previously only delivered in Victoria, out  
38 of RMIT.  
39  
40 Fire protection is a non-specialist trade in  
41 New South Wales, but I understand similarly classified in  
42 Victoria. So it is not a compulsory program that has to be  
43 there from a legislative and licensing point of view.  
44  
45 In November last year, overnight RMIT advised the  
46 industry that it would no longer deliver that course. It  
47 was the only provider in Victoria, and it said it would no

.20/08/201333 SESSION 1

Transcript produced by Merrill Corporation

1 longer deliver that course. There had to be a lot of work  
2 done by industry organisations in fire in Victoria, and  
3 what's called the Plumbing Industry Climate Action Centre  
4 in Victoria, and they actually established the RTO in about  
5 three months to deliver that program.  
6  
7 Now, is that where we're going? Is that where someone  
8 is going to make an administrative decision that there's  
9 something too expensive to deliver, so therefore they will  
10 no longer deliver it? Now, from the perspective where I  
11 come from, the CEO of Master Plumbers Australia, we made  
12 the decision that we would go into training of plumbing and  
13 gasfitting in New South Wales some years ago. So we are in  
14 that market, but if there is no market, there is no  
15 industry player there to participate and take up the role,  
16 what happens to that?  
17  
18 Now, if you think about where this fits in  
19 New South Wales in relation to fire protection - we've had  
20 a coronial inquest into the fire at Quakers Hill  
21 some months ago. An outcome of that is the government's  
22 made a decision that 400 nursing homes have to be  
23 retro-fitted for fire protection. And who's going to do it  
24 when you actually have an ability for someone to close down  
25 the delivery of the training, to be able to deliver that?  
26 So that's an issue that you may like to look at.  
27  
28 THE CHAIRMAN: Sure. Thank you, Paul. Okay. Katrina.  
29  
30 MS JAY: Katrina Jay, again, from TAFE Western - and I'm  
31 sorry to go on about thin markets, but I did want to give  
32 you a scenario where you've explained that for a thin  
33 market, no body puts their hand up to actually deliver and  
34 be part of the tender. And we're really concerned, and it  
35 gives us great dilemma to perhaps have to seemingly  
36 withdraw from our traditional delivery market and say,  
37 "Okay. Well, we're not going to deliver in that reason,  
38 and we won't tender for it", because unfortunately our  
39 institute is one of the most expensive institutes in TAFE  
40 New South Wales for delivery.  
41  
42 So if we withdraw, perhaps there's a gung-ho new  
43 training provider who decides they'll deliver online into  
44 Weilmoringle or wherever it happens to be, but they're not  
45 able to sustain that, or they go under, or whatever  
46 happens, and that community is left, or perhaps then just  
47 nobody delivers.

.20/08/201334 SESSION 1

Transcript produced by Merrill Corporation

1  
2 I guess that your definition of nobody putting their  
3 hand up to deliver because it's too expensive, creates  
4 tremendous tension in terms or we know it's expensive, but  
5 we also have a mandate to provide a vocational education  
6 and training for the people of New South Wales, and it's  
7 that tension of trying to disregard our mandate, and yet  
8 not put our hand up because we're holding out that you  
9 might give us the opportunity for some additional funds  
10 through a community service obligation.

11  
12 So I'm not sure if you actually appreciate how very  
13 difficult it is to come to that point for providers. Thank  
14 you.

15  
16 THE CHAIRMAN: Thanks, Katrina. Okay. I just want to  
17 move on to the second item. Is this quick, Jane?

18  
19 MS NEWTON: This is quick. About Katrina's points - I  
20 think if you look at what's happened in Victoria, and the  
21 number of RTOs that have stopped delivering in areas  
22 because it's too expensive, then we've got a real issue.  
23 So you need to consider that.

24  
25 The other point that I want to make quickly is around  
26 what is a typical qualification. MSA has had lots and lots  
27 of their feedback from industry about typical  
28 qualifications. What is delivered is what a standard  
29 qualification is, is not always meeting what is needed by  
30 industry in a particular area. And if we go by funding  
31 standard qualifications or typical qualifications, then  
32 industry's needs are not going to be met, and as far as  
33 being a Smart and Skilled State, New South Wales ain't  
34 going to cut it.

35  
36 THE CHAIRMAN: Okay. Thank you. So I think that is - we  
37 can move to the end of the first session.

38  
39 Session 2: Approach to determining student fees and  
40 Government subsidies

41  
42 THE CHAIRMAN: Session 2 is the approach to determining  
43 student fees and government subsidies. So this session is  
44 concerned with how we propose to share the base prices,  
45 once we've established the base prices, between student  
46 fees and government subsidy for a standard student.

47

.20/08/201335 SESSION 2

Transcript produced by Merrill Corporation

1 By "a standard student" we are referring to someone  
2 who is not eligible for a concession, and is not  
3 undertaking either an apprenticeship or a new entrant  
4 trainee. We plan to deal with students who are  
5 nonstandard, so to speak, or eligible for concessions, or  
6 are on an apprenticeship in the third session. So this is  
7 the session where we would specifically like to focus on  
8 the standard student, the amount that the student should  
9 pay, compared with what the government would pay.  
10  
11 So I'll ask Steph to discuss our proposed approach to  
12 determining student fees and government subsidies. Thank  
13 you.  
14  
15 MS BIESAGA: Thanks, Peter. Sorry about that. Slight  
16 technical difficulties. I just plan on recapping our draft  
17 recommendations before we open the session up for  
18 discussion.  
19  
20 As well as responding to what's in the draft report,  
21 there are a couple of additional questions or issues we'd  
22 like to raise today. We may not be able to consider them  
23 today, but they're things we'd certainly like people to  
24 take on notice, and perhaps think about responding to them  
25 in their submissions.  
26  
27 So once we have our base prices, we need to think  
28 about the appropriate way of recovering these. And what  
29 we've tried to do in making our recommendations is balance  
30 affordability and availability of VET within a defined  
31 budget envelope. We think that both students and the  
32 government should pay for VET, because both parties benefit  
33 when a student gains a qualification. Students get better  
34 employment outcomes, they're more likely to be employed,  
35 they're likely to earn higher incomes. The government in  
36 turn receives more in taxes.  
37  
38 We estimated the financial benefits that accrue when a  
39 student gains a VET qualification, and by and large we  
40 think that parties should contribute in proportion to the  
41 benefits they gain. That said, we haven't attempted to  
42 estimate all the non-financial benefits associated with  
43 VET, and we wouldn't just rely on financial benefits alone.  
44  
45 We also looked at how students and the government  
46 contribute to university, particularly in those areas where  
47 a VET qualification can be used to gain credit towards a

.20/08/201336 SESSION 2

Transcript produced by Merrill Corporation

1 Bachelor Degree.  
2  
3 We understand that university generates greater  
4 returns than VET. What we're trying to do here is not  
5 distort student's choices between VET and university. In  
6 particular, we don't want a student to choose uni, when it  
7 might be more appropriate for them to undertake VET at  
8 least in the first instance.  
9  
10 So for a student's first post-school qualification -  
11 that's the standard student, we'll get on to students  
12 eligible for a concession and apprentices and trainees in  
13 the next session. For standard students we've recommended  
14 that the contribution through fees is 40% of the base  
15 price, and that the government contributes the remainder,  
16 60%, in the form of subsidy.  
17  
18 Just running through our other draft recommendations. On  
19 fees for subsequent qualifications, we have suggested that  
20 these be set at 45% of the base price, with the government  
21 contributing the remainder. We've gone for a small  
22 difference between the initial fee and the subsequent fee,  
23 in recognition of the fact that there are pathways through  
24 VET, so students might need to undertake several courses to  
25 reach their ultimate vocational or occupational outcome,  
26 and also because VET provides a platform for skill  
27 deepening and reskilling.  
28  
29 On foundation skills, which we have talked a little  
30 bit about already, we have recommended that for foundation  
31 skills courses, students pay 10% of the base price.  
32  
33 Just picking up on some of the comments of Maxine and  
34 Pam - so obviously the regime we're working within is for  
35 full qualifications and courses. We'd certainly be  
36 interested in stakeholder views on how additional learner  
37 support should be supported, accommodated and funded  
38 throughout a student's vocational training.  
39  
40 And, finally, we've recommended that for part quals,  
41 the same approach be applied - that is, that a student  
42 would pay 40% of the cost of these.  
43  
44 In terms of the impacts of our draft recommendations,  
45 one thing I would just point out is that our review doesn't  
46 cover the fees and the impacts on those students who are  
47 going to find themselves in the commercial or full fee for

.20/08/201337 SESSION 2

Transcript produced by Merrill Corporation

1 service market, either because they opt to choose something  
2 that is not on the skills list, or because of prior  
3 qualifications they find themselves ineligible for the  
4 entitlement.  
5

6 For those students who can receive government funding,  
7 under the draft recommendations, 16% of those would see a  
8 fee decrease, but for the overwhelming majority we are  
9 talking about fee increases. As you can see, it's 24% will  
10 face an increase of up to \$500 per qualification, or \$250 a  
11 year if they were to take two years. Another 37% are  
12 looking at increases of between \$500 to \$1,500, and there's  
13 22% of students who pay more than \$1,500 additional.  
14

15 We know that stakeholders are concerned about fee  
16 increases. That's been obvious in the response and  
17 reaction to the draft report we have seen in the press, and  
18 we know that in particular, stakeholders are concerned  
19 about those students who, while they may not be eligible  
20 for a concession, they're going to have a limited capacity  
21 to pay more, either because they, you know, don't earn a  
22 lot to start with, or there are other responsibilities or  
23 issues that restrict their ability to work.  
24

25 What we'd like to hear from stakeholders - and, again,  
26 we may not be able to do this today, it may need to be  
27 something that comes in through submissions - what we'd  
28 like to hear is if you don't agree with 40:60, with the  
29 same level of government funding, what else would you  
30 prefer? Is it a lower contribution for the initial  
31 qualification, and higher contributions for subsequent  
32 quals? Is it a limit on the fee increase, and just a  
33 recognition that that comes at the expense of limiting  
34 access to government funding for students? Is it  
35 potentially prioritising within the skills list, or are  
36 there other options?  
37

38 I've got a couple of other specific points I wanted to  
39 come back to, but if we could maybe start with these and  
40 any other responses to the draft report, that would be  
41 great.  
42

43 THE CHAIRMAN: Thank you, Steph. Comments. Who'd  
44 like to start around the table?  
45

46 MR PASFIELD: I've got just a question on it first, with  
47 regard to income contingent loans - and it may be for DEC

1 actually. Income contingent loans applying to student  
2 fees. Will there be a set level that the student fee has  
3 to be before a person can have the income contingent loan?  
4 Will we actually see income contingent loans?  
5

6 MR BALCOMB: We certainly will see income contingent  
7 loans, my understanding - and, again, I stand corrected and  
8 take on notice is that the income contingent loans would be  
9 available for diploma and advanced diploma qualifications.  
10

11 There is also a trial between the State and  
12 Commonwealth governments about income contingent loans  
13 for some limited number of lower level qualifications, but I'll  
14 take that on notice and perhaps get some more information.  
15 Thanks, Peter.  
16

17 THE CHAIRMAN: Thank you, Ian.  
18

19 MR PASFIELD: So if I could just follow up. My reason for  
20 that is the ability for a person to access an  
21 income contingent loan - let's just say the Certificate  
22 III, Certificate IV level, where they do have problems  
23 paying the student fee, if they have access to the income  
24 contingent loan, that may alleviate some of that  
25 individual's problems in being able to afford the student  
26 fee.  
27

28 THE CHAIRMAN: Thanks, Stephen. Other comments?  
29

30 MS JAY: Yes. Katrina Jay from TAFE Western Institute.  
31 We have similar concerns, and thank you if you could  
32 explore a greater offering of income contingent loans that  
33 will be beneficial certainly to the people in our region,  
34 because we've got a lot of people who I would classify as  
35 almost working poor. They are people who are working, but  
36 they are on very low incomes, and they simply would not be  
37 able to afford the sort of fee increases that we're talking  
38 of now, because some of our students can't afford the  
39 concessional fee rates that we currently charge them, which  
40 are considerably lower than what you're proposing. Thank  
41 you.  
42

43 THE CHAIRMAN: Thanks, Katrina. Other comments. Yes.  
44

45 MR ARCHER: Yes, I think - Cameron Archer, DPI. I think  
46 it's important we look at some other form of financing in  
47 this area. Income contingent loan is obviously a very good

1 way. It seems anomalous that you can do any sort of degree  
2 in higher education without stumping up very much cash at  
3 all, but when it comes to VET you have to stump up some  
4 cash. And families, when their children, the adolescent,  
5 the late adolescent stage, it's a very difficult time  
6 financially. So to find that sort of money, I think will  
7 be a great disincentive to people taking on VET courses,  
8 regardless of the field, compared to just wandering off to  
9 university and putting it on the slate.  
10  
11 So I think there's - it's a wider issue than you've  
12 got at IPART. It's a State, it's a Federal issue, but I  
13 think it's a really big issue and it concerns me the  
14 families - it's hard enough anyway to raise adolescents.  
15 It's a very expensive time in a family's sort of life, and  
16 to stump up with that cash is a big disincentive.  
17  
18 THE CHAIRMAN: Thank you, Cameron. Other comments  
19 around the table? Yes, Claire.  
20  
21 MS FIELD: Thank you. Claire Field from ACPET. My  
22 apologies, I was delayed this morning.  
23  
24 Two comments - one, we are concerned that your  
25 modelling of the financial benefits of VET starts at  
26 Certificate Level III, and yet the fees that are being  
27 posited are for Certificate I and II courses as well. We  
28 don't believe that the research shows nearly such strong  
29 returns to individuals who complete qualifications below  
30 Certificate Level III, and therefore we think it is  
31 important to consider whether it's appropriate to be asking  
32 learners doing qualifications below Certificate III where  
33 the financial returns are not so strong, to contribute such  
34 an amount.  
35  
36 And we have grave concerns about the ability for  
37 providers to not charge any student fee - that it is up to  
38 40%. There are issues in relation to the quality and being  
39 able to deliver an appropriate course, and what we've seen  
40 in both Victoria and South Australia is that there's a -  
41 there's an important transition for a sector to make when  
42 it introduces contestability, and a market, and choice.  
43  
44 And providers who go in with good intentions to offer  
45 courses with a combination of the government support and a  
46 student contribution can see their ability to deliver a  
47 high quality course undercut by a competitor, and while

.20/08/201340 SESSION 2

Transcript produced by Merrill Corporation

1 it's been talked about that there are other quality  
2 mechanisms, the financial contribution that a provider  
3 receives to deliver a course is a key component of it.  
4  
5 And the second equally important point is all of our  
6 experience in other States as well as here, is that learners  
7 make much better choices when they have to make some  
8 contribution themselves. So we don't believe the ability  
9 to charge nothing to the student is helpful ultimately to  
10 students, even if that were a transition arrangement while  
11 people get used to having more choice - and having  
12 an entitlement and thinking about what that means for them.  
13  
14 THE CHAIRMAN: Thanks, Claire. I'll ask Steph to address  
15 one of issues.  
16  
17 MS BIESAGA: Thanks, Claire. Just two things. So one of  
18 the recs that I didn't mention was that we have recommended  
19 that the student fee be set as a maximum, with the ability  
20 of RTOs to go under, and you're saying that that's a  
21 concern at this point in time. Thank you, that's good  
22 feedback. If other stakeholders have that feedback, they  
23 should definitely put that in submissions.  
24  
25 With respect to the lower level certs, that was an  
26 additional issue that I wanted to get to - and, again, this  
27 is something we might not be able to thrash out today, but  
28 we'd certainly be interested in people's submissions on  
29 this.  
30  
31 Cert IIs - large numbers of enrolments, and in  
32 previous years, almost as many as Cert IVs and above  
33 combined. Much lower levels of completions. And as Claire  
34 has said, there's little evidence that on their own they  
35 deliver improved employment outcomes. What we'd really  
36 like to understand is how important they are in a pathway  
37 context - like, to what extent do you need to work through  
38 every single cert level in your field to come out with a  
39 full vocational outcome.  
40  
41 Or is it - can we sort of have people go through  
42 foundation skills courses and then into a Cert III or  
43 above, provided that they've got the appropriate learner  
44 support. Again, something for stakeholders to take on  
45 notice, and give us feedback in submissions.  
46  
47 MS FIELD: Could I just --

.20/08/201341 SESSION 2

Transcript produced by Merrill Corporation

1  
2 THE CHAIRMAN: Yes.  
3  
4 MS FIELD: Thank you. Just to clarify one point. It's  
5 not that - thank you for your explanation. In regards to  
6 the first part and the amount of the student fee, we don't  
7 support it, that there is no flexibility within that. We  
8 do think it's useful that providers can set differences in  
9 terms of the student contribution. Our concern is that it  
10 can be dropped under your current proposal down to zero.  
11 That's the area of concern to us.  
12  
13 THE CHAIRMAN: Okay. Thank you, Claire. Bruce.  
14  
15 MR CALLAGHAN: Just a very brief comment. I actually  
16 think you do have the balance about right. I'm being  
17 particularly nice today - it's a strange experience. But I  
18 want to reiterate the importance of having an  
19 administrative body that can respond quickly - after your  
20 encouraging comment about a nimble responsive  
21 New South Wales organisation - which is a most inspiring  
22 concept.  
23  
24 And I went to page 106. I see the review process  
25 marches out to 2022 in a very leisurely fashion, without  
26 any reference much to nimbleness or responsiveness. I just  
27 think the whole scheme can fall down unless there is a  
28 capacity here to pick up the changes and respond, and I  
29 would love to see something like that reflected, if not in  
30 the diagram, somewhere close to it. So that's the other  
31 issue.  
32  
33 And I think, if I can say it - it's a very parsonic  
34 thing to say - I think we're here today, and some of us -  
35 including me - tend to look back on a golden age of TAFE  
36 and RTO achievement. The statistics are not saying that to  
37 us or me. I think we've got a lot of change to create  
38 between us, and we can't rely on IPART alone to do it. I  
39 think there's big challenges ahead in this industry, and  
40 with completion rates of 28, 30% and the like, none of us  
41 can be comfortable. I think we should seize an opportunity  
42 to look at change and make the most of it as we go through.  
43 Thank you.  
44  
45 THE CHAIRMAN: Thank you very much, Bruce. Pam.  
46  
47 MS YOUNG: Pam Young, TAFE New South Wales.

1  
2 TAFE would like it to be considered that there is  
3 actually a fee per qualification level, rather like  
4 university - when you do a degree, there's three bands, but  
5 it's very simple. At the moment the proposal is that every  
6 student will have a different fee. It's an extremely  
7 complex system and, in fact, there's some perverse risks in  
8 this, that we need a lot of people, and it's been talked  
9 about, with technical skills, high engineering skills.  
10 These qualifications are going to cost a lot more than  
11 perhaps a course in business administration.  
12  
13 But when you actually look at what does the economy  
14 need - because it's not just about what the student pays.  
15 I think there are other dimensions, especially around what  
16 are the skill needs for the economy, and often as somebody  
17 also spoke about the difficulty of getting people to go  
18 into some of those courses - if they're also now going to  
19 cost a lot more money, this could be a great difficulty.  
20  
21 So we are - in terms of looking at another option,  
22 could it be considered that we have a weighted average fee.  
23 It would be very simple - the student would know what the  
24 fee was for Cert III, Cert IV, diploma, advance diploma,  
25 and then the funding would be weighted slightly differently  
26 to how the RTO is paid for it.  
27  
28 We also support that there is a regulated fee in the  
29 first instance, and because we think at the time, there's  
30 so much change, this allows the individual to make a  
31 decision based on quality. Thank you.  
32  
33 THE CHAIRMAN: Thanks, Pam. Jane.  
34  
35 MS NEWTON: I've just got something to bring up around the  
36 subsequent qualifications fees. Looking at the economy in  
37 Australia and in New South Wales, increasingly people are  
38 needing to upskill, reskill to maintain jobs, to find jobs.  
39 To disadvantage them by expecting them to contribute higher  
40 when the subsequent qualifications are being required for  
41 them to actually stay in employment is actually  
42 disadvantaging people, and it's actually disadvantaging the  
43 economy as well.  
44  
45 People are increasingly requiring higher level skills,  
46 and that's been shown in so many documents and research  
47 reports and things that have come out from organisations

1 like ARPA and from different governments and things right  
2 around Australia, and from industry bodies, that stay this,  
3 and yet the way the structure is happening, these people  
4 are the people that we need most in the economy, are the  
5 ones that are going to be disadvantaged the most by the fee  
6 structures.

7  
8 THE CHAIRMAN: Okay. Thank you, Jane. Anybody else  
9 around the table?

10  
11 MS SHARKEY: Yes, Maxine Sharkey, from the Teachers  
12 Federation.

13  
14 Look, I would have to agree with Jane. There are a  
15 number of qualifications that even ASQA sees as suspect or  
16 high risk. I've concerns - you know, if we just use, for  
17 example, the Certificate IV Training and Assessing. People  
18 have that qualification. That's a qualification  
19 apparently. And then people require - you know, people  
20 require a qualification for their current employment, that  
21 they then are undertaking a second qualification.

22  
23 I have concerns about the changing nature of industry,  
24 in that there are new and emerging industry areas. There  
25 are unfortunately areas of redundancies in the workforce,  
26 and those people aren't always covered by government  
27 schemes to encourage them to retrain. And we are seeing  
28 increasing levels of youth unemployment, particularly in  
29 areas like, you know, the Illawarra and Central Coast. Some  
30 of those people have suspect qualifications, require other  
31 qualifications.

32  
33 I think it's a great concern to unilaterally decide  
34 that a second qualification needs to be paid at a higher  
35 rate. And I also have a concern that there should be  
36 available, the option, for training providers to have no  
37 cost to the student. I take the point that you don't have  
38 to stump up money to go to university to do a university  
39 course, but at some point you stump up money, and at some  
40 point you are saddled with a debt, and realistically most  
41 people who are university trained earn more than people who  
42 are VET trained. So we need to keep that in mind when we  
43 talk about costs.

44  
45 THE CHAIRMAN: Okay. Thanks, Maxine. Ian, would you  
46 like to say something?

47

1 MR BALCOMB: No.

2

3 THE CHAIRMAN: Anybody else around the table? Yes, Jane.

4

5 MS NEWTON: I'd just like to talk about the Certificate  
6 IIs. They are a pathway qualification. They are also a  
7 very useful qualification for people who have no  
8 qualifications, and may come from a disadvantaged  
9 background where they may have dropped out of school early  
10 - particularly women that have dropped out of school at,  
11 say, 15 to have children early and things like this, are  
12 now being forced into the workforce, needing  
13 qualifications; feel that they've come through school, and  
14 school has let them go and they don't have the skills to  
15 complete a qualification. This is a good way to get them  
16 into VET, and build their confidence.

17

18 Also, looking at the enrolments - you said you looked  
19 at the enrolments, but what you need to look at is where  
20 are those Certificate IIs being delivered. I think you'll  
21 find a lot of Certificate IIs are delivered as VET in  
22 schools, which counts for why you have a really low  
23 completion rate. Those people doing Certificate IIs in  
24 VET in schools qualifications are quite often using them  
25 to get - to bump up their ATAR so they can get into  
26 university.

27

28 So you need to look at why those qualifications are  
29 being delivered, where they're being delivered, and what  
30 the outcomes are that they're being used for.

31

32 THE CHAIRMAN: Okay, thanks, Jane.

33

34 ROBERT: Just briefly.

35

36 THE CHAIRMAN: Yes, Robert.

37

38 MR WILSON: Yes, just to take up on Jane and others with  
39 the low level quals. Some concerns from our members are  
40 that any fee for foundation skill or the literacy, numeracy  
41 skills et cetera, represents a barrier too high. So a lot  
42 of community college colleagues and others have said even  
43 the 10% that has been mooted - that will prove a barrier to  
44 a lot of students. And that we should be encouraging  
45 people to take those first steps. And that these fees will  
46 inevitably stop a lot of people.

47

1 THE CHAIRMAN: Thank you, Robert. Steph.  
2  
3 MS BIESAGA: Just taking that a bit further - so what  
4 would we do as an alternative? Would we think of that  
5 additional learners support as another loading, or just - I  
6 mean, I guess that's sort of something on notice for  
7 everyone. Again, we're interested in what stakeholders  
8 think about how we do, indeed, fund and support that  
9 additional learners support.

10  
11 THE CHAIRMAN: Okay. Yes.

12  
13 MS CHRISTIE: Pam Christie, TAFE New South Wales. I  
14 guess my point in reflecting on the comments that have been  
15 made is about the complexity of the fee arrangement that we  
16 are talking about here, and not just from an RTO perspective  
17 in terms of having to manage such a complex fee arrangement,  
18 but from the learners point of view is understanding why  
19 they might have to pay such a high fee and why - I mean,  
20 taking your point, Steph, about the language and literacy -  
21 I would say no student should be having to pay a higher fee  
22 because they have a particular barrier to learning. That's  
23 a principle that I would hope that our fee regime was able  
24 to manage.

25  
26 So absolutely I would say a language and literacy  
27 loading would be a good way of dealing with that need in an  
28 equitable sort of way.

29  
30 I would want to back up Pam's point though, about a  
31 different cost per qualification. There's also going to be  
32 a very difficult thing for students to understand why  
33 they're having to pay a higher fee, particularly when we're  
34 trying to encourage more enrolment in the skill shortage  
35 areas, which inevitably are higher cost because they  
36 require a more higher level of technical and trade skills that  
37 tend to cost more in delivering.

38  
39 But at every point of the discussion is another level  
40 of complexity that will be very hard to communicate in a  
41 system we've got that's already pretty complex. Thank you.

42  
43 THE CHAIRMAN: Thank you. Pam. Okay. Open it to the  
44 floor. I think four rows back. Liam, is it? Yes. Do you  
45 want to ask your question now?

46  
47 MR DRURY: It was primarily a concern about the raising of

1 the fees for students and what impact that will have,  
2 particularly on students that are from maybe industries  
3 that are not as high paying. So return on investment of  
4 actually purchasing that training for themselves as an  
5 investment in their future is not as inviting as it may  
6 well be.

7  
8 And also where someone who is maybe going down the  
9 track of something that is not covered under an entitlement  
10 model in New South Wales going forward - you know,  
11 particularly Cert IVs. And as most people in this room  
12 would be aware, not all qualifications are equal. And  
13 although it may be a Cert IV and seen as something as a  
14 leading or a management-type level qualification, it might  
15 have significantly less returns than other Cert IVs, and  
16 therefore the investment be very poor. And that had a huge  
17 impact on the take up of these qualifications, and also  
18 perhaps - and this may be the intended purpose, perhaps,  
19 about driving of a fee for service in that area, and it  
20 will significantly disadvantage people in those industries.

21  
22 THE CHAIRMAN: Okay. Thank you very much. Douglas.

23  
24 MR GREENING: Thank you, Chairman. Douglas Greening,  
25 MPA Group.

26  
27 The discussion we had on income contingent loans is a  
28 moot point for a large sector of VET. A cursory review of  
29 a number of industrial awards will show that none of these  
30 are student fees - they're, in fact, a cost on the  
31 employer. The industrial awards require the employer to  
32 reimburse or pay all the costs associated with training.  
33 So it's quite a different aspect.

34  
35 The second point is has any research been done on the  
36 potential employment impact of the changes? Because we're  
37 talking about it on the first round, going from, for  
38 apprentices, \$478 to \$1,000, and then increasing over the  
39 following years. I know for my group training company,  
40 that's just over \$35,000 in the first year. So it has a  
41 dramatic impact on what's going on.

42  
43 The third point is purely a mechanical one. In the  
44 first year the apprentice fees are tagged at \$1,000. Is  
45 DEC going to contribute the difference of the 40%, because  
46 \$1,000 may equate to 40% contribution. In the first year,  
47 are they going to pay 60%?



1  
2 THE CHAIRMAN: So just on that, my understanding is that  
3 if it's capped at \$1,000, then that means that the  
4 government would contribute more. If the total amount is  
5 "X", and the apprentice or the apprentice employer pays  
6 \$1,000, then the government pays "X" minus \$1,000.  
7  
8 MR GREENING: Okay. That's not covered in the paper.  
9 Thank you.  
10  
11 THE CHAIRMAN: Anybody else from the audience? Yes.  
12  
13 MR O'DONNELL: Good morning. Brian O'Donnell,  
14 Bannister Technical. We're a private RTO servicing the  
15 manufacturing food processing, aged care and health care  
16 industries. So my comments are based, coming from that  
17 perspective.  
18  
19 We work with employers to provide structured training  
20 programs with their workers existing and new entrants, to  
21 develop the - recognise the skills of the workers, to develop  
22 the workers, to improve productivity of the business, and to  
23 create a training environment, and hopefully to enable people,  
24 through that experience, to go on to further work.  
25  
26 We've been in business for over 12 years, we're  
27 reasonably successful, and we have some relationships with  
28 various skills councils and so on. We are on the  
29 New South Wales APL, we're a New South Wales RTO. We  
30 use the Strategic Skills Program, we use the ATP, we use the  
31 User Choice programs. We promote in the industry the use  
32 of the Commonwealth incentives for traineeships, and you'll  
33 note that just last week, or two weeks ago, the Federal  
34 Government removed the \$3,000 incentive for existing worker  
35 trainees.  
36  
37 So the amount of money available for industry to  
38 provide training to their people is dwindling rapidly. So  
39 I just want to make a couple of observations. In relation  
40 to the terms of reference in the work that IPART has done -  
41 I've read the terms of reference, I've read the document,  
42 and you've done exactly what you've been asked to do by the  
43 government. I agree with that totally. The student fee,  
44 the contribution was part of your terms of reference, the  
45 determination of the value of that as a percentage or  
46 whatever - you've achieved that, the base funding, the base  
47 cost. How you've gone about that is a reasonable way.

.20/08/201348 SESSION 2

Transcript produced by Merrill Corporation

1 There's no easy way, but it makes sense to me how you've  
2 come up with your cost.  
3  
4 I don't necessarily agree with the percentage of student  
5 contribution. I really think it will be detrimental to the  
6 uptake of training and skilling in the workforce, but just  
7 in reading the document, I just need to raise a couple of  
8 points that occurred to me in your deliberations. Firstly,  
9 the terms of reference - there was no mention - the  
10 government didn't ask you to do any sort of work in  
11 determining the value of outcomes, it was merely on price -  
12 how much you were going to charge, as opposed to what  
13 value industry or the individual would actually gain out of  
14 that training, or the economy or the community as a whole.  
15 So that's my understanding. I've read the terms of reference.  
16 I can't see where you've been asked to do that.  
17  
18 Secondly, the government objectives at 7.2 clearly  
19 outline that it was a \$1.8 billion reduction in funding  
20 over the next 6 years for VET from the State level, and the  
21 Gonski reforms are going to be funded in part from a  
22 reduction in the current VET spend. So that was given to  
23 you as part of your brief, to come up with a pricing regime  
24 and student contribution, based on those two facts.  
25  
26 Thirdly, the State target which appears at Attachment  
27 D - the State target signed off by COAG, was there would be  
28 a 50% increase in the number of people in the State with  
29 Cert III qualifications by 2020 or whatever it is. That  
30 was taken into account, but the impost of a student fee at  
31 such a high level may actually impact gaining that outcome.  
32  
33 And, fourthly, there's a discussion in your document,  
34 at 8.5, about allowed maximum:  
35  
36 The RTO may offer a fee lower than the  
37 maximum student contribution.  
38  
39 Which would then indicate to me that the student would pay  
40 - say if the fee was \$3,000, and the RTO offered it for  
41 \$2,500, the student would pay the whole \$2,500 - so the  
42 government wouldn't pay anything. That's my reading of it.  
43  
44 THE CHAIRMAN: No. Let's say the base fee is \$3,000, and  
45 under the 40:60, if that's adopted, the student pays 40% of  
46 \$3,000, and the government pays \$60%. Then let's say that  
47 the RTO offers the course at \$2,800, then actually the

.20/08/201349 SESSION 2

Transcript produced by Merrill Corporation

1 student pays 40% minus the 200. In other words, the  
2 student would get to take advantage of the RTO being  
3 prepared to offer the course for less.  
4  
5 MR O'DONNELL: Okay. Well, I didn't quite under that.  
6 Sorry.  
7  
8 THE CHAIRMAN: That's fine.  
9  
10 MR O'DONNELL: That's okay. So they're just my points.  
11 Just finally, I'd like to agree with Robert. I agree that  
12 a fee at the Cert III level will be a barrier for people  
13 taking up the opportunity to get that Cert III  
14 qualification, and finally to agree with the previous  
15 speakers, Kevin Douglas. In relation to the reporting  
16 suggested in the document, whereby RTOs are going to be  
17 expected, or you're recommending there may be some way  
18 which RTOs will report on the actual face-to-face time  
19 based on nominal hours. That's an additional load of  
20 bureaucracy, red tape - it's difficult to do.  
21  
22 We have a lot of reporting to do now, but then in the  
23 same breath you say there's no differentiation between  
24 online, blended learning. You can't - it's a difficult  
25 thing to do to make a report on how much face to face, and  
26 if you need to be able to report back to the government, or  
27 give the government some sort of a view in relation to what  
28 they're getting for their money - the outcomes, the quality  
29 of the training, and the outcomes achieved based on  
30 completions and maybe audits in the workplace of how  
31 people are progressing.  
32  
33 THE CHAIRMAN: Okay. Thanks, Brian. Just, sorry, you  
34 made this point about we looked at the value of the  
35 outcomes and it wasn't in our terms of reference. Could  
36 you clarify that?  
37  
38 MR O'DONNELL: Well, I read the terms of reference a  
39 number of times, and I didn't pick up where - I know that  
40 you're talking in the document about the value to the  
41 government that a person with a VET qualification may  
42 generate an extra \$123,000 in their lifetime, and that the  
43 government would only get 48% or \$48,000 in additional  
44 taxation, but that's not really the point, because there  
45 are other aspects about the value that that person will  
46 contribute to the work place.  
47

1 If they're training in competitive systems and  
2 processes, if they're applying lean principles in their  
3 workplace, they're value adding to that workplace, they're  
4 value adding to their own skills base, and they can perform  
5 better and that, in turn, doesn't just generate additional  
6 income for them, it improves the productivity of the  
7 community and the industry at large. And that - it's a  
8 difficult thing to quantify, but that's not sort of in the  
9 mix.  
10  
11 THE CHAIRMAN: Okay. Thank you. Okay. Yes, Jozefa,  
12 and then down the back and then over to the left.  
13  
14 MS SOBSKI: Thank you very much, Mr Chair. And I think  
15 that was a very good advertisement - who was that gentleman  
16 who did that advertisement?  
17  
18 Look, I also have a problem about the content of the  
19 report in relation to community and public benefit. And I  
20 know that there hasn't been much work done - just thinking  
21 nationally - research work done on measuring that community  
22 or public benefit.  
23  
24 There's also a question for me about private benefit,  
25 because the private benefit is often calculated on what the  
26 return will be to government in either tax dollars or the  
27 private benefit of a salary that a person might receive, or  
28 a wage they might receive as a result of getting a job  
29 after completing training. But that private benefit really  
30 needs to be amortised. It can't continue to be counted  
31 forever at a given rate.  
32  
33 The private benefit that the person earns is really  
34 because of their labour in a workplace. They are paid for  
35 work they're doing. They become a citizen, a contributing  
36 citizen in a society. They may be supporting a family,  
37 they may be supporting elderly parents, they could be doing  
38 a number of things. That is, to me, a public and a social  
39 benefit that is contributed to by the training they have  
40 received, by becoming positive and contributing citizens.  
41 And I think that that is a factor that in this sort of  
42 economic metric model, or this sort of financial or, you  
43 know, bean counting exercise that this has to be - and I  
44 respect that - don't get me wrong, I'm not even using bean  
45 counting disparagingly, because the government - the  
46 biggest elephant in the room is the limit on VET funding,  
47 and that elephant, blessedly, has been brought in a couple

1 of times here now.  
2  
3 Because, really, in a way, we - all of us around the  
4 tables here and seated in the rows behind me - have a duty  
5 to make that clear to government. It can't be a zero sum  
6 game in the end because this will, I have no doubt, act as  
7 a disincentive. The 40:60, or even if you go to 30:70, it  
8 will be a disincentive for many disadvantaged people in  
9 this community, in this State, to take up training. And  
10 we've got to actually acknowledge that we have a social  
11 responsibility to deal with that, all of us, because it  
12 leads to dislocation. And disadvantage itself is a cost on  
13 the community.  
14  
15 There are two things from the terms of reference that  
16 I kind of don't know how you did it. The market testing  
17 and the determining of the socially optimal - the most  
18 socially optimal answer to the questions that you've been  
19 asked to provide answers to.  
20  
21 Where - how has this been market tested? Where? The  
22 evidence isn't really there in the report, and how is it  
23 socially optimal? I'd like to understand how you have  
24 defined those in your thinking, in arriving at the 40:60,  
25 in the way you've, you know, sort of arrived at the  
26 calculation by really making a comparison with the higher  
27 education sector, when really the comparisons ought to be  
28 elsewhere. And that is what happens if the person does not  
29 take up training ever in their lives? What happens to that  
30 individual in our community?  
31  
32 And there are many in our community that are currently  
33 disadvantaged even under the existing arrangements, who  
34 have had no access to training, and had very little  
35 opportunity and, in fact, are disenfranchised and  
36 marginalised now. How will this - how is it potentially  
37 going to worsen this situation? And we from the TAFE  
38 Community Alliance are very, very concerned about that  
39 impact, and I think that impact you have a duty to actually  
40 identify and measure in some way.  
41  
42 The other issue is the pathways issue - and I agree, I  
43 think, with some of Claire's comments and other people  
44 around the table, with respect to Certificates Is and IIs.  
45 They have been pathways and I, in my years of TAFEs - and  
46 I've come from the retired - you know, arisen from the  
47 retired and not yet dead - to return to say what exactly

.20/08/201352 SESSION 2

Transcript produced by Merrill Corporation

1 will happen to those - that group of people in the  
2 pathways, if there's a disincentive for them to take up  
3 Certificate Is and IIs.  
4  
5 I saw in my time in TAFE, the thousands of students  
6 who benefitted from that, and ended up often at a  
7 university course with very, very productive employment and  
8 contributing citizens in our community. Social harmony,  
9 social cohesion must also be a factor that we consider. It  
10 cannot just be cost. Thanks very much, Mr Chair.  
11  
12 THE CHAIRMAN: Okay. Thank you very much. From  
13 down the back, yes.  
14  
15 MS DAVIDSON: Good morning, it's Kate Davidson from  
16 Community Colleges Australia.  
17  
18 And I probably almost don't need to say anything after  
19 my fellow speaker who just spoke, but I wanted to come back  
20 to Claire's comment about the maximum fees. And one of the  
21 things that we're extremely concerned about is we also  
22 represent members in Victoria who are community providers,  
23 is that we operate with very small class sizes. So if you  
24 have an area where a thin market has not been defined, a  
25 lot of our members would have classes of students and  
26 learners who may have only four or six people going through  
27 a certificate.  
28  
29 So our concern, and what we have seen in Victoria as  
30 they have struggled, to be honest, as they have struggled  
31 with how they have moved from a supply to a demand-driven  
32 market is that if you have a race to the bottom of a zero  
33 dollar fee for a student, if you're trying to compete where  
34 an organisation may come in and then leave that community  
35 and only come in once a year, but manage to find 12 or 15  
36 people, it makes it extremely difficult for community  
37 providers who are trying to stay the course and delivering  
38 only to four or six people at a time.  
39  
40 And I guess my second observation would be, again,  
41 around what people have already raised in regard to  
42 Certificate Is and IIs. And I know you asked us for a  
43 thought about what that could be. A lot of our colleges  
44 deliver very specific Certificate I and IIs out of some  
45 training packages as pathways into Cert III, so it may be a  
46 possibility that we would look at a 10% contribution from  
47 the student into specifically defined Certificate Is and

.20/08/201353 SESSION 2

Transcript produced by Merrill Corporation

1 IIs, because I would also raise the fact that with some  
2 learners, if we don't allow them to do that and then  
3 progress into Certificate III, or onwards and upwards, the  
4 cost of becoming a non-Smart and Skilled State from those  
5 learners who don't enter the economic workforce is going to  
6 be extremely high.

7  
8 THE CHAIRMAN: Okay. Thank you, Kate. Somebody down  
9 the back, and then in the middle. Yes.

10  
11 MR WYNYARD: Bob Wynyard. I represent the Nursery and  
12 Garden Industry Association New South Wales and ACT.

13  
14 Our industry is a small industry with specific skill  
15 requirements, and we are very concerned about, and do not  
16 agree with the percentage that's been put down. We also  
17 believe that any fee rise will be a disincentive in our  
18 industry because we are a small - because of the fact we're  
19 small and specialised, we don't have economies of scale and  
20 we really just can't stand it. So I think that's dealing  
21 with the fee and the rises that occur from that 40%.

22  
23 Secondly, we have a pathway for training, and the way  
24 that it's panning out is that we believe that Cert II will  
25 probably be carried out at school. Cert III is our prime  
26 industry qualification, so that means they're going have to  
27 pay more for that when they come out.

28  
29 And, thirdly, Cert IV is part of the pathway which we  
30 want to progress. And, again, any increases of those fees  
31 are going be disincentives. I also agree with the other  
32 speakers who made the comment about low paid industries.  
33 Our industry is the starter of all plants, basically, that  
34 are sold commercially - not quite all plants, but just  
35 about everything in the commercial plant world, including  
36 fruit and vegetables, and amenity plants for parks and  
37 gardens and private gardens.

38  
39 There's not a lot of money in the industry, and I  
40 think that it's going to be very difficult for that reason  
41 for us to stand any increases. Thank you.

42  
43 THE CHAIRMAN: Okay. Thank you, Bob. Kevin?

44  
45 MR STEVENS: I've just got three small points to make.  
46 Firstly, with the fees - I understand your brief, but I'd  
47 like to see Cert I and Cert II at a lower rate. If you have

1 to pay higher for a diploma and advanced diploma, so be it,  
2 for all the reasons that have discussed.

3  
4 Secondly, RTOs being able to offer a lower fee to the  
5 students, I disagree with because there is a number of  
6 organisations that can deliver, say, online, and don't go  
7 in there and do support and on a blended learning process  
8 - and will be able to offer those at a lower cost, which  
9 are not necessarily providing a good service to the  
10 community and the students. So I think it actually could  
11 be a disadvantage, and you could lower the standard, and  
12 you could get some shonky RTOs coming in and just offering  
13 a lower fee to the student just to get them in, and not  
14 providing a good service. I just think it's potentially  
15 allowing that to happen.

16  
17 My third point is in relation to 7.42, about  
18 university fees. It talks about guidelines within the AQF,  
19 saying that you can negotiate credit for high level VET  
20 qualifications towards Bachelor degrees. In practice, that  
21 rarely happens. And some of the reasons for that is that  
22 VET is obviously competency based, and university is  
23 academic based, and my experience to date has been that  
24 most universities won't accept those degrees, particularly  
25 if they're not from TAFE. Some TAFEs, particularly with  
26 university, have got some good connections, but others  
27 don't.

28  
29 So I'd like to recommend that an independent body  
30 review that appropriate qualifications be recognised, and  
31 that can actually be put into the system so that they can  
32 recognise, and that can be a pathway to university.

33  
34 THE CHAIRMAN: Okay. Thank you very much, Kevin.  
35 Steph, do you want to say anything? Raise some of the issues?

36  
37 MS BIESAGA: There are just a couple of other specific  
38 issues we're interested in feedback on, and I think we've  
39 probably already talked about most of them.

40  
41 So the cert IIs, again, any sort of views and evidence  
42 you have on those would be really useful. And foundation  
43 skills/additional learner support. What might be the most  
44 appropriate way to support those. Again, we'd be  
45 interested in your views.

46  
47 And, finally, a sort of related issue is the issue of

1 completions, and whether there is a link, or much of a link  
2 between the level of fees and the likelihood of completion,  
3 or are the other factors that influence a student's  
4 decision to drop out and not complete - are they just sort  
5 of overwhelmingly far more important than the level of  
6 fees.

7  
8 So views that people have on those three issues in  
9 particular, as well as responses to the recommendations in the  
10 reports. We are looking forward to people putting through  
11 in their submissions.

12  
13 THE CHAIRMAN: Cameron.

14  
15 MR ARCHER: Just on completions, I'm a bit perplexed about  
16 completions in VET, because if you enrol in one competency  
17 or skills set, you go down as enrolling in that  
18 qualification. But your whole aim is just to do the  
19 competency or skill set, but you don't - and you come up as  
20 not completing that qualification.

21  
22 I've looked into this a bit, and I would be very, very  
23 careful about the completion rates in VET, and the  
24 statistics therein because of the need for skill sets and  
25 short courses, that they really confound the issue. And  
26 it's very easy to sort of talk down the VET sector to say  
27 there's no completion rates, and I don't think that's  
28 always correct. It's up and down all over the place.

29  
30 MS BIESAGA: Yes, we do recognise that someone could have  
31 achieved the outcome they were seeking to obtain, and  
32 technically be, you know, logged as a non-completion. So  
33 we are aware of that when we look at the stats, yes.

34  
35 THE CHAIRMAN: Okay. Melinda.

36  
37 MS LARKIN: I was just going to agree with that. I mean,  
38 there are many industries - like I'll give example of  
39 community - well, aquatics actually, the aquatics industry,  
40 which is obviously pertaining to private and public pools  
41 in New South Wales. They don't actually use a Certificate  
42 III per se. It's more important that they actually do the  
43 skills set.

44  
45 So if you want to be a swim teacher or a life saver,  
46 you've actually got to do - it's compliant to do the skill  
47 sets pertaining to those first. So they don't run in and

1 do the Certificate III - they'll do the skill sets that are  
2 contained within the Certificate III, but it's just as  
3 apparent that those skill sets get recognition as the full  
4 qualification.

5  
6 I also want to talk about the Certificate Is and IIs.  
7 I think they're still - particularly Certificate IIs are  
8 very viable, and I know there's a massive shift away from  
9 them into Certificate IIIs, but they're still just as  
10 important for pathways. We've got to be mindful of some of  
11 the training package rules. Also, for example, the new  
12 SIT12 training package for hospitality, tourism, travel and  
13 events.

14  
15 You can't do a Certificate III in travel, unless  
16 you've done the prerequisites or core units from the  
17 Certificate II, so a lot of these qualifications are  
18 pathways from one to the other, and I think we've got to be  
19 very careful.

20  
21 I also think in, obviously, retail and hospitality,  
22 huge attrition levels at the Certificate II level, but we  
23 have to be mindful of - people take away skills. These are  
24 life skills, employability skills that they may take away  
25 at a Certificate II level, perhaps move away from  
26 hospitality or, in particular, retail, and take on other  
27 trades or areas of learning that are more important to  
28 them.

29  
30 So we can't discount the - I think the importance of  
31 skills, life skills, that people actually do at a  
32 Certificate II level. It doesn't mean they're not used  
33 elsewhere in education.

34  
35 THE CHAIRMAN: Thank you, Melinda. Anything else  
36 before we move on to session 3? Yes, Cameron.

37  
38 MR ARCHER: Sorry to labour this, but I was just checking  
39 with Melissa, that in the meat industry, for example, in  
40 abattoirs, it's my understanding that Certificate II is  
41 really important. Very important.  
42 It's very different between industries, but my  
43 understanding - abattoirs and meat processing/food  
44 processing, Certificate II is really important.

45  
46 THE CHAIRMAN: Good. Thank you. So thank you all very  
47 much for your contributions on session 2.

1  
2 Session 3: Fees for apprentices, trainees and students  
3 eligible for a concession  
4  
5 THE CHAIRMAN: Session 3 is fees for apprentices, trainees  
6 and students eligible for a concession. This third session  
7 is concerned with fees for apprentices, trainees and  
8 students eligible for concession. And I'll ask Brett to  
9 make some introductory comments.  
10  
11 MR EVERETT: Thank you, Peter. So what we'd like to  
12 discuss in this third session is the fee arrangements for  
13 apprentices and new entrant trainees, as well as students  
14 that are eligible for a concession. So our draft  
15 recommendations - I'll just go over very quickly before  
16 throwing it open to the roundtable and the forum for a  
17 discussion today - is that the draft report is  
18 recommending that the approach to recovering base prices  
19 and the student contribution to those should apply across  
20 all of VET, including apprentices and new entrant trainees.  
21  
22 But a lot of the apprenticeship training is done in  
23 high-cost areas - so some of the areas we were talking  
24 about earlier this morning, in terms of base prices are  
25 high-cost areas. And so in order to manage the impact on  
26 this cohort of students, we're recommending a cap on the  
27 fees for apprentices and trainees in the first instance at  
28 \$3,000 per qualification, and that this should be increased  
29 by \$1,000 each year.  
30  
31 In terms of concession fees - we haven't looked at the  
32 eligibility for concession fees. However, we have looked at  
33 how the fees should be set for those students that are  
34 eligible for a concession. And we consider it appropriate  
35 that they continue to receive an additional subsidy. So  
36 we've recommended a fee per qualification, which varies  
37 depending on the level of qualification - starting from  
38 either \$100 per course, or the standard fee - whichever is  
39 lower - for foundation courses, going up to \$200 for Cert I  
40 and II, \$400 per qualification for Cert III and IV, and  
41 \$500 for a qualification for diploma and advanced diploma.  
42  
43 So as we talked about in the last session, we've got a  
44 few points here for discussion today, or if people want to  
45 take away and discuss and comment on as part of their  
46 submissions - we'd encourage that as well, and welcome  
47 useful feedback in these areas.

.20/08/201358 SESSION 3

Transcript produced by Merrill Corporation

1  
2 So we're looking at what other evidence there is  
3 available in terms of treating apprentices and trainees  
4 differently to other vocational education and training  
5 students, or are there any other transition measures that  
6 IPART should consider for this group of students, for the  
7 apprentices and new entrant trainees.  
8  
9 And then, further, we're looking at do you agree with  
10 our proposed approach for concession fees, where a higher  
11 subsidy is provided, compared to a fee for a standard  
12 student, but fees do vary by qualification level, and go up  
13 from that lower level for foundation skills, up to higher  
14 levels for a diploma and advanced diploma.  
15  
16 THE CHAIRMAN: Okay. Thanks very much, Brett.  
17 Comments on Session 3 around the table. Anybody like to go  
18 first? Yes, Jane.  
19  
20 MS NEWTON: This might take a little bit longer than my  
21 five minutes, but I need to set the --  
22  
23 THE CHAIRMAN: That's okay.  
24  
25 MS NEWTON: I need to set the scene first. In  
26 New South Wales manufacturing is the third largest  
27 contributor to GDP. We also cover probably about 30% of  
28 all apprenticeships in New South Wales. So when you're  
29 looking at people that take up apprenticeships in  
30 New South Wales, we have about 30% of them.  
31  
32 We have looked - I have looked at what's in the  
33 document, and the analysis that you've put together. And  
34 while I agree that apprentices come from all sorts of  
35 backgrounds, and therefore, you know, they represent the  
36 wider population in New South Wales, there are some things  
37 that need - I think, should be considered.  
38  
39 An apprentice is a productive member of the community  
40 from the day they start their apprenticeship. They are  
41 contributing. They are earning money, they're paying  
42 taxes, they're spending money in the community, they're  
43 buying food, they're paying rent, they're running cars -  
44 they're doing all those sort of things. But they start on  
45 a wage that is considerably lower than an unskilled person  
46 in, say, retail or hospitality - those areas. So to start  
47 off with they are lower base.

.20/08/201359 SESSION 3

Transcript produced by Merrill Corporation

1  
2 So if you're a student going to TAFE and you're  
3 working part time, you're likely to be working on a casual  
4 wage in hospitality, or retail, fast food, somewhere like  
5 this, so you're going to be earning a higher wage, even  
6 though you're working less hours than an apprentice.  
7  
8 The apprentice is also, as you said, usually in high  
9 skilled technical areas, but they're also in high skilled  
10 needs areas. They've already been identified as being in  
11 the areas where employers are looking for workers. They  
12 are also part of succession planning for many employers.  
13 They employ apprentices in the hope that eventually these  
14 people will stay with their business and maybe take over  
15 their business.  
16  
17 In manufacturing in particular, we have over 45% of  
18 our workforce do not have recognised qualifications. We  
19 also have the highest age group of employers and owners in  
20 Australia, so most of our - the people that run  
21 manufacturing businesses are in their late '50s, '60s,  
22 looking to retirement. Many of them, because they do not  
23 have people to take over their businesses for them because  
24 of restrictions on apprenticeships and inability to attract  
25 people into apprenticeships, are currently closing down  
26 their businesses. They get to a certain age, they can't  
27 sell it, so they close it, because there's nobody to take  
28 over that business.  
29  
30 These are all things that are not being considered -  
31 that haven't been considered when you're looking at the  
32 funding for apprenticeships.  
33  
34 You've also got to consider that the tools of trade  
35 that apprentices need are expensive. The allowance that  
36 they get, \$800 in the first three months - when you look at  
37 the textbooks that they may need - some of those are \$150,  
38 \$180. If they've got to buy three textbooks, that's most  
39 of that money gone already, without them actually having to  
40 buy the tools that they need for the trade. Okay, their  
41 employer may pay their fee, but most of the time they pay  
42 that, they reimburse the apprentice - they don't actually  
43 pay it upfront. The apprentice has to pay it upfront, then  
44 they have to be reimbursed.  
45  
46 So this is a huge expense on the families who have to  
47 actually find the equipment that they need, the protective

1 clothing, their uniforms, their fees, their books - all  
2 those sort of things. So at the end of the day they don't  
3 get very much back, and yet they're on a much lower wage -  
4 \$3 to \$4 an hour lower wage than somebody that age who are  
5 not requiring the same level of training.  
6  
7 And we're having enough trouble getting apprentices.  
8 Apprenticeship enrolments have dropped 25%. So we've got a  
9 real issue here. We need to take all that into  
10 consideration when looking at getting people into  
11 apprenticeships, and the cost to undertake an  
12 apprenticeship.  
13  
14 THE CHAIRMAN: Thank you, Jane. Other comments from  
15 the table. Yes, Claire.  
16  
17 MS FIELD: Just leading on from Jane's points. We have  
18 done some analysis nationally, and we'll have a look at  
19 what we can do in terms of New South Wales in our  
20 submission jointly with the Chamber of Commerce and  
21 Industry, and TAFE directors and a number of other employer  
22 bodies.  
23  
24 As best we can tell, apprenticeship and traineeship  
25 commencement rates are now at their lowest since 1999. And  
26 that - obviously, I guess, there's an issue for you as the  
27 Pricing and Regulatory Tribunal, and there's a separate but  
28 related issue for government, which is how much does it  
29 value apprenticeships and traineeships as a pathway in the  
30 VET sector. If government does value it, then higher  
31 student fees are a further disincentive, and we would  
32 anticipate further decline in enrolments. And it's  
33 obviously a real issue in terms of those pathways and the  
34 training outcomes from them.  
35  
36 And I do think your first point, in terms of what  
37 evidence is there to justify different treatment - it is  
38 about the low wages that apprentices and trainees take on  
39 during the course of that apprenticeship period. It is a  
40 real factor in terms of a pricing issue.  
41  
42 THE CHAIRMAN: Thanks, Claire. Paul?  
43  
44 MR NAYLOR: Yes, Mr Chairman. I don't disagree with  
45 either of the comments that have been made by the two  
46 previous speakers, but I just want to take you back to a  
47 statement I made earlier. And when you talk about plumbing

1 and gasfitting and the other specialist trades, the issue  
2 is the government requires people to go into those  
3 apprenticeships to undertake the training so they can come  
4 out and protect the public health of the community. That's  
5 what plumbing and gasfitting is all about. It's about the  
6 protection of public health of the community.  
7  
8 It is not simply about joining pieces of pipe together  
9 and changing tap washers. We don't put apprentices through  
10 a three year Cert III course with some 60-odd units of  
11 competency, to tell them how to join pieces of plastic pipe  
12 together. We do a whole range of other things. And they  
13 use those at the completion.  
14  
15 Going back to the previous discussion, we then require  
16 them to do a Certificate IV, or a part of a Certificate IV  
17 to meet the licensing requirements in this State. So there  
18 are those costs involved. So it is a continuing pathway  
19 for learning and development of an apprentice plumber  
20 to become a contractor.  
21  
22 As far as the fees and issues go, the problem that we  
23 have is - you're quite right, Claire - -that the number of  
24 apprenticeships is declining, and in a specialist trade  
25 like plumbing, you would not think that we are suffering  
26 from the same thing, but we are. And it's as simple as  
27 that. And because - and where does that come from, is that  
28 the economy of this State is somewhat very, very slow at  
29 the present time, and because of that employers will not  
30 employ apprentices.  
31  
32 So how do we expect to have employers who are required  
33 in this State to employ apprentices - and apprentices must  
34 be employed by employers - they can't just go out and do  
35 the course themselves - to actually undertake the training  
36 that they need to do, so they can continue that whole role  
37 of self-generation of the industry, to protect the public  
38 health of the community.  
39  
40 And you can't underestimate this. If you go and have  
41 a look at areas in this world that we live in, that have  
42 had major problems - and you can even go back to the early  
43 2000s and look at the SARS outbreak in Hong Kong. Now,  
44 where did that come from? Initially it was brought in by  
45 an English student who came in to live in one of the blocks  
46 in Hong Kong, in the apartment blocks. The problem was  
47 transferred because of a plumbing problem.

.20/08/201362 SESSION 3

Transcript produced by Merrill Corporation

1  
2 It's a cultural problem in Asia, that the residents  
3 don't want to have bathroom floors with floor waste  
4 visible, so they cover them with carpet. Once that  
5 infection got into the aerial drainage system and was  
6 transferred through the building via the exhaust fans in  
7 the each of those bathrooms, that's where the problem  
8 spread. No one could originally understand why it was that  
9 the residents in the lower parts of the building became  
10 infected before the top of the - the higher parts of the  
11 building. And once the analysis was done and investigation  
12 was done, that's what caused it.  
13  
14 So those things happen. In this State alone, we have  
15 major public health problems with do it yourself - DIY-type  
16 work, and also illegal work. The amount of illegal  
17 plumbing work being done in this State is increasing at a  
18 rate of knots, and it needs to be controlled. So the cost of  
19 doing the training - yes, the industrial implications are  
20 that the employer pays. Accept that. Employer pays. But  
21 let me tell you, the employer - if you increase the fees by  
22 150 or 200% or 300%, the employer is not going to pay.  
23  
24 At the end of the day if his business can't afford it,  
25 he will not employ anyone. And the problem you have is the  
26 long transition to get from the stage where you have  
27 somebody who walks in as a plumbing apprentice, he doesn't  
28 become a contractor in this State until at least five or  
29 six years later. So that's when he can deal with the  
30 public. Now that's a long transition. And whatever we do  
31 here, whatever the reaction is if you increase the fees  
32 over and above where they should be, and then you say to  
33 the employer, "You pay", and the employer won't pay, then  
34 you have a problem. Not in 2013, you'll have a problem in  
35 2015 and '16 because you will not have any plumbers, and  
36 when you have that you have a major health problem.  
37  
38 THE CHAIRMAN: Okay. Thank you, Paul. Katrina.  
39  
40 MS JAY: Thank you. Katrina Jay for TAFE Western. I just  
41 wanted to mention the particular issues, I guess, for  
42 regional apprentices. They are significantly  
43 disadvantaged. We can only offer apprentice training in a  
44 few key locations, so we have areas of specialisation -  
45 what we like to consider areas of excellence for our  
46 training. And it's expensive, again, for infrastructure  
47 and so on.

.20/08/201363 SESSION 3

Transcript produced by Merrill Corporation



1  
2 So the employers of those apprentices have that  
3 additional burden of travelling, and it's not just  
4 travelling for 20 minutes, it's travelling hundreds of  
5 kilometres. Some of the young apprentices don't have  
6 licences and don't have access to vehicles, so they're  
7 relying upon fairly patchy public transport at best. So it  
8 is a big impost on their families or their employers to get  
9 them there.  
10  
11 And it also means not just a couple of hours off at  
12 TAFE or something like that, but in some circumstances it's  
13 two weeks away, because it just isn't prudent for us to  
14 deliver the training in any other way, other than those  
15 sort of block release methods. So I do believe in our  
16 case, and in other regional training providers' cases, it's  
17 very disadvantaged if you're an apprentice thanks.  
18  
19 THE CHAIRMAN: Thanks, Katrina. Pam.  
20  
21 MS YOUNG: If I just go back to the point I made  
22 previously. Apprentices fees would be the highest because  
23 they're the technical trades. So the point I made before -  
24 that we actually had a standardised fee that would actually  
25 assist in managing the fee for student apprentices, and  
26 possibly an approach would be then, having set that  
27 standard fee, that apprentices would pay perhaps 75% of that  
28 fee. If it is agreed there should be a differential, it  
29 could be at a determined rate.  
30  
31 I think the other point to be made is that many  
32 apprentices have serious language, literacy and numeracy  
33 issues, and therefore how that additional co-enrolment is  
34 charged, needs to be taken into account. And, as I said at  
35 the beginning, perhaps the possibility of the first one  
36 being at a nominal rate or something like \$50, to take account  
37 of these real needs. Thank you.  
38  
39 THE CHAIRMAN: Thank you, Pam. Anybody else around  
40 the table, before I move to the audience? Okay. Any - yes.  
41 Rodney.  
42  
43 MR WILSON: I'd like to focus on the concession fees.  
44 Last year we saw the concession fees effectively double  
45 from 53 to 100. At Blue Mountains campus we are seeing  
46 concession enrolments drop by 20% in that time.  
47 Concession students - and for that reason, because we've

1 seen the drop at the Blue Mountains TAFE, we're asking that  
2 a full review of all TAFEs statewide be conducted before  
3 any further increases are implemented.  
4  
5 Concession students are living well below the poverty  
6 line as it is. They cannot afford any more increases, and  
7 a \$500 fee for a diploma is beyond any concession rate  
8 student really. We conducted a - quite a rudimentary  
9 survey at our local TAFE, and found that 75% of students  
10 that we surveyed wanted to go on to a higher certificate  
11 from the one they're currently studying, but the fee  
12 increase would stop more than 75% of them. So you can see  
13 it's going to have a massive effect. And that's - as I  
14 said, it's just a rudimentary survey at the moment, but if  
15 you could conduct that statewide, I think you'll find that  
16 those figures correlate.  
17  
18 I mean, these are the exact students that we should be  
19 encouraging into VET studies, because it will remove  
20 their dependency on welfare, and assist them into suitable  
21 and fulfilling employment and it will flow on to all the  
22 economic and social benefits that we talked about before.  
23 That's all I've got to say about that.  
24  
25 THE CHAIRMAN: Okay. Thank you, Rodney. Yes, on the  
26 right.  
27  
28 MS FARRELL: Thank you. My name is Janet Farrell, and I  
29 am a student at Blue Mountains TAFE. I have had the  
30 privilege of being able to go to TAFE and I want to update  
31 my skills so that I can get into the workforce. TAFE, for  
32 me, has been a wonderful experience. The teachers are just  
33 so knowledgeable and so compassionate. And I'm very, very  
34 grateful for that.  
35  
36 I'm currently on Austudy, so that I can go to TAFE,  
37 and because it's a full-time course that I'm doing. My  
38 Austudy rate went up recently by \$3.50. I currently  
39 receive \$407 per fortnight. Out of that I need to pay  
40 rent, I have a loan that I'm paying back - food, transport.  
41 The only reason why I'm able to go to TAFE is that I'm  
42 actually boarding, because there's no way that I could  
43 afford rent. So I'm just paying a reduced rental.  
44  
45 I did have trouble paying the \$100 concession fee. I  
46 found that a bit difficult, having to budget \$100 for that.  
47 So for my course to go up to \$500, I have no way of knowing

1 how I would afford that. And yet I value it so much, and I  
2 want to be, you know, a value to society, and I want to  
3 contribute, but I just need help in order to do that.  
4  
5 THE CHAIRMAN: Janet, just to clarify, that \$100, is that  
6 \$100 a year, or is that \$100 for the course?  
7  
8 MS FARRELL: It was \$53, now it's \$100, and I think it's  
9 for six months.  
10  
11 UNIDENTIFIED SPEAKER: It's for a year.  
12  
13 UNIDENTIFIED SPEAKER: No, for a semester.  
14  
15 MS FARRELL: For a semester. It's gone up. So it's gone  
16 up from \$53 to \$100 per semester, which is six months. So  
17 I know that it's not - you know, it's not heaps, but when  
18 you don't receive much, it's a lot.  
19  
20 THE CHAIRMAN: Okay. Thank you very much, Janet.  
21  
22 MS YATES: My name is Josephine Yates, and I'm also a  
23 student of Wentworth Falls TAFE. I've sat here and I've  
24 listened to everyone have their say, and I feel my opinion  
25 also matters. As a member of the Student Association at  
26 Blue Mountains TAFE, and a student of TAFE.  
27  
28 I may not be the smartest cookie in the bunch, but I  
29 feel that what I have to say would mean I'm speaking for  
30 the other people who are here today, and the other students  
31 who weren't able to come. And also the other students who  
32 know nothing about what is about to happen.  
33  
34 It's pretty scary. I'm currently homeless. I know I  
35 don't look it. I stay with family friends, and my  
36 boyfriend, but I also receive Austudy. I don't receive  
37 much more than Janet does. I have a loan to pay, and I  
38 can't afford rent.  
39  
40 The fee increases would mean that I can't continue my  
41 education. It would mean that I wouldn't be able to get a  
42 better job. I come from a socioeconomically low family.  
43 My mum has a casual job. My sister is about to have a  
44 baby. She can't receive education because of how much it  
45 costs. I can't even live with them because there's not  
46 enough room. So if you take into account how much it costs  
47 to pay the bills, to put food on the table, to pay for

.20/08/201366 SESSION 3

Transcript produced by Merrill Corporation

1 rent - and then increase TAFE fees, it would mean that I -  
2 myself and my siblings and my mother and anyone else in my  
3 family and in the apartment block my mum lives in, can't  
4 receive a better education.  
5  
6 I believe that you're concentrating on the financial  
7 benefits, not the social justice benefits, and the benefits  
8 of the community. Receiving a Certificate IV or a diploma  
9 would make my family very proud, would enable me to receive  
10 a higher education to go to university, and I believe that  
11 this will stop me.  
12  
13 I believe that you've gathered statistics, but not  
14 from the student population. I've never been asked. I've  
15 never been asked any of these questions. I've never been  
16 asked how this would affect me. It took Student  
17 Association and my TAFE to ask me what I think, for me to  
18 open up. No one ever asked me. IPART never came to my  
19 TAFE. IPART never asked me how this would impact my life.  
20  
21 And that's the thing - you're thinking about a  
22 financial benefit, you're not thinking about what it's  
23 actually going to do to the students who come to TAFE  
24 especially. I think education should be obtainable for  
25 everyone, no matter what your race, age, gender, colour,  
26 where you come from, or anything. I think it should be all  
27 attainable, and at the moment it is just attainable.  
28  
29 By increasing the fees to the percentage you are going  
30 to, we won't be able to afford it. And I'm pretty sure a  
31 lot of other people receive the same benefits I do, if not  
32 less or more, but just a minimal amount. I don't believe  
33 they will come to TAFE. And that's a fact. We will not  
34 come to TAFE. And we'll be the people working at  
35 McDonald's, not making any money, not being able to seek  
36 higher education and empower ourselves to be good members  
37 of society, and good members of the community. We'll just  
38 be those people flipping burgers, making \$10 an hour,  
39 barely living above the poverty line.  
40  
41 So let us have our education and don't take it away.  
42  
43 THE CHAIRMAN: Thank you very much.  
44  
45 MS SHARKEY: Could I just add that currently there are  
46 hundreds of TAFE teachers who are paying the fee for  
47 students to be able to undertake courses, and there are a

.20/08/201367 SESSION 3

Transcript produced by Merrill Corporation

1 variety of ways that TAFE teachers are helping their  
2 students who are disadvantaged by, for instance, providing,  
3 at their own cost, breakfasts, lunches - helping them to  
4 access textbooks that they need to have. Plenty of  
5 apprentices are assisted by my members to gain the  
6 textbooks and other things that they need in order to  
7 finish their course and, yes, look, I think that next time  
8 there's a roundtable the Student Associations should be  
9 sitting at the table.

10  
11 THE CHAIRMAN: Thank you, Maxine. Yes. Down the  
12 back, then Kevin.

13  
14 MS FOORD: That was very emotional. My name is Bronwyn  
15 Foord. I had no intention of speaking today. I'm the  
16 General Manager of the Window and Door Industry Council,  
17 so I'm representing joiners Australia-wide.

18  
19 I also run a joinery business. It's 130 years old,  
20 continuous. At any one time I employ probably sometimes,  
21 if I'm lucky, 12 people. And usually up to five of those  
22 are apprentices. They take a lot of handholding. And we  
23 don't make money out of them. But we are investing in our  
24 future. And when I say we don't make money, that sounds  
25 pretty callous, but we're the ones, where the TAFE leaves  
26 off, that we do all the hands-on training. And we have  
27 been able to access on site training in some of our  
28 businesses, which has been fantastic, and we do it through  
29 TAFE. With all due respect to some RTOs - we've tried  
30 them, but TAFE has been the very best for us.

31  
32 It's very hard to even attract apprentices into our  
33 businesses. They don't know what wood-machining is, they  
34 don't know what joiners are and, quite frankly, if there's  
35 TAFE people sitting here, which I believe there are, they  
36 will know that often wood-machining isn't even taught in  
37 the TAFEs, because there aren't enough numbers. So we're  
38 going to be those people that are going to disappear, I  
39 would suggest. Wood-machining won't be taught, because  
40 there won't be enough to fill classrooms.

41  
42 Joinery is very similar. Joiners - you won't be able  
43 to get them either. So what my people end up doing is  
44 learning off-site shopfitting, which teaches the skills  
45 that we need in our business, for six weeks of the year -  
46 and that is it.

47

.20/08/201368 SESSION 3

Transcript produced by Merrill Corporation

1 So what is everybody here going to do, because they're  
2 a dying race. I can't even employ trained joiners because  
3 there's hardly any out there any more, because of the  
4 people that haven't taken it up over the last 20 years.  
5 What's everybody going to do when their windows fall apart  
6 and they need custom-made joinery windows. There's no one  
7 going to be there either to mend them or to make them.

8  
9 UNIDENTIFIED SPEAKER: No, it will come from China.

10  
11 MS FOORD: No, that won't work, because they can't make  
12 custom-made windows to fit certain buildings like we do,  
13 because you need to be there, you need to template them,  
14 you need to do a whole raft of things. So China is not the  
15 answer.

16  
17 So one of things I've done is I've got involved - and  
18 I don't know a lot about all this stuff here, I'm trying to  
19 be a sponge, and I'm sitting here today to try to  
20 understand how this all works, but I've got to tell you,  
21 we've got to get some more tradesmen out there, or we're  
22 really going to have a problem. Thank you.

23  
24 THE CHAIRMAN: Thank you, Bronwyn.

25  
26 MR MANNING: Firstly, I would just like to thank Brett for  
27 the invitation, although I didn't get it until 1.22  
28 yesterday afternoon, so it was short notice of getting it.

29  
30 My name is Gavin Manning. I work for Komatsu  
31 Australia, and also chair a group called HMEN, the Hunter  
32 Mechanical Employers Network, and I'm also the industry  
33 sector committee chair - sorry, industry sector chair for  
34 the heavy and commercial vehicle sector, with ASA as well  
35 as the NTAC chair - so for the National Training Advisory  
36 Committee with ASA.

37  
38 I have got to say - firstly, I would like to say - and  
39 I've said this many times before, and it's going to sound  
40 pretty blunt, but I'm pretty disappointed with the whole  
41 consultation process to date. Although, I must admit that  
42 IPART probably has been fairly cooperative in the dealings  
43 that we've had with Brett. But as far as anybody else is  
44 concerned, the State Training Services or anybody else - as  
45 far as I'm concerned the consultation process has been  
46 extremely poor. So I need to make reference to that to  
47 start with.

.20/08/201369 SESSION 3

Transcript produced by Merrill Corporation

1  
2 To agree with the gentleman over here from the  
3 plumbing industry - I think people need to look beyond just  
4 the costs at the moment, and they need to maybe look at it  
5 as from the point of view of how do these industries that  
6 you're talking about costing the units of competency or the  
7 qualifications for, how it does affect the wider community,  
8 or the broader community.  
9  
10 In our case we are only a small sector. We only  
11 employ about 2,000, or up to 2,000 apprentices in the  
12 State, through the larger tractor manufacturers, dealers  
13 and the trucking industry. But, again, if you have a quick  
14 snapshot of that - you know, if we haven't got trucks,  
15 well, we're not moving food around. If you haven't got  
16 your plant mechanics, we're not digging holes in the  
17 ground, as much as some people disagree with that, but we  
18 still need, you know, for quarrying, to pull material out  
19 of the ground, to build roads and all those sorts of  
20 things.  
21  
22 So I think we certainly need to take that into  
23 consideration. I think, again, what hasn't been - through  
24 the consultation process - what hasn't been taken into  
25 consideration from an IPART point of view - and where, I  
26 guess, I'm a bit disappointed with IPART - is that the - on  
27 the information I got yesterday afternoon, with all the  
28 units of competency that were written in there, the units  
29 of competency - and I think I heard it mentioned from over  
30 here before - they're outdated. They're all AUO5, and  
31 we're on AUO12.  
32  
33 So what you're actually costing on, and what you made  
34 all your assumptions on - and I can't speak for the  
35 automotive industry - but I suggest you  
36 have done your numbers on the wrong units, so you probably  
37 need to go and address that.  
38  
39 There has been some discussion about apprentice fees,  
40 and who generally pays that. And I have got to say I'm a  
41 little disappointed there, and I guess I heard - it was  
42 referenced once - somebody did mention that quite often  
43 employers do pay the apprentice's fees. And I think in a  
44 lot of cases - in most cases today, the fairer or the  
45 better employers generally do end up paying the fees. That  
46 probably shouldn't go without saying.  
47

1 Disappointingly, again, in the IPART draft - and maybe  
2 I've read it the wrong way - it was a little bit tongue in  
3 cheek, I thought, the comment. It made reference to the  
4 apprentice fees, but then it made reference to, "Oh, well"  
5 - this is the way I took it, "Oh, well, the employers get  
6 incentives off the government." So, you know, it sort of  
7 made it sound like it was okay.  
8  
9 I think if IPART or whoever - and I don't know who the  
10 bodies are - but whoever should consult with industry, they  
11 might get a bit of a shock as to how much it actually costs  
12 to train apprentices. You know, you're here today  
13 discussing units of competency and talking, you know,  
14 \$1,000 here and \$1,000 there. Well, believe you me it  
15 costs industry far greater than that to train an  
16 apprentice, without giving the numbers away, but it is a  
17 considerable amount of money per apprentice, and I am sure,  
18 you know, I can support the lady that just spoke, that has  
19 got the joinery business, they would not be making very  
20 much money at all out of those apprentices as they went  
21 through that training period.  
22  
23 And that, again, as she said, it might sound callous -  
24 it's not about that. And from most industries, it's not  
25 about making money out of these particular apprentices,  
26 it's about training for our future. Now, if I put my  
27 Komatsu hat on, what we've basically had to do is go back  
28 to TAFEs, because obviously we deal nationally. Komatsu  
29 are a national company. So we've had to go out and form  
30 industry alliances. Not had to, but we've chosen to do  
31 that. So we need the public system there to train the  
32 plant mechanic and heavy vehicle sector apprentices.  
33  
34 If the public system crashes and burns - and I have  
35 got some examples of that in a minute - if it crashes and  
36 burns, we are in dire straits. There is just no two ways  
37 about it. Like I said, nationally - well, we deal  
38 nationally with our training program. We have got in  
39 excess of 200 apprentices around the country.  
40  
41 18 months ago - sorry, two years ago I went to  
42 Victoria to find somebody to train our apprentices, and I  
43 could not find an RTO, a public RTO at all that could train  
44 plant mechanics. So I don't have to look into a crystal  
45 ball to see what's coming, or what I think may be coming,  
46 and it's extremely concerning from an employer's point of  
47 view. And, again, I'm like a lot of other people probably

1 sitting up the back here - we don't understand the nuts and  
2 bolts of how all this works, but we understand the front  
3 end, which is how do we train our apprentices, and the cost  
4 to do that, and we understand the back end - where we're  
5 going to have tradesmen.  
6  
7 Now, for example, in Victoria, like I said, I couldn't  
8 find an RTO that I was comfortable could train our  
9 apprentices to the same standard that we were currently  
10 getting in New South Wales, from the TAFEs. We looked  
11 seriously at flying our apprentices back across the border,  
12 bringing them into New South Wales, paying full commercial  
13 rate, and training our people in New South Wales.  
14  
15 What ended up happening was we found an RTO down  
16 there, without mentioning the RTOs name, who actually  
17 started from scratch. That taught  
18 automotive, who were happy to form an alliance with a major  
19 manufacturer, and have a crack at it. Now, we supplied  
20 them with 12 apprentices in Victoria to get the first class  
21 up. We've since been followed by industry to that TAFE.  
22  
23 It begs the question from me - they build roads, they  
24 dig holes in the ground, they do all that sort of stuff.  
25 Who was training their apprentices down there previously?  
26 And the answer to that is here is what the employers were  
27 doing, when I dug further. They would take an apprentice  
28 with 36 units of competency; they would go to one TAFE -  
29 and this is not Komatsu having to do this, this is another  
30 tractor manufacturer, a large one. They would take that  
31 apprentice from one TAFE, to do three units of competency.  
32 They would unenrol him - if that's the correct word - they  
33 would re-enrol him or her in another TAFE. They would do  
34 the units of competency at that next TAFE, that they felt  
35 they could do to the industry standard. They would then  
36 unenrol them at three different TAFE colleges.  
37  
38 Now, that said, the TAFE colleges down there.  
39 After all the changes they've had down there, they're not  
40 even delivering the same stuff. So I guess from an  
41 industry point of view I have certainly got a lot of  
42 concerns about where we're going, and I know that's  
43 probably not within the scope of what IPART is all about,  
44 but there is serious concerns.  
45  
46 I would suggest from an industry point of view in  
47 New South Wales, we have already gone from eight weeks

1 training for our apprentices, to seven, to six, just in the  
2 time since the Smart and Skilled has been, I guess, released,  
3 made known. TAFEs are already making cuts, and the chances  
4 are, it's a real reality, if the funding is not correct for  
5 our sector, that we'll end up at five weeks.  
6  
7 In Victoria at the moment, there's one TAFE down there  
8 delivering what used to be delivered in eight weeks, in  
9 four weeks per annum. So I guess, yes, some real issues  
10 from an employer's point of view. There doesn't seem to be  
11 a lot of employers' representation, and I'll reflect back  
12 on what I said before. I don't think employers have been  
13 consulted enough, and I have got my doubts about the whole  
14 consultation process with industry.  
15  
16 Thanks very much.  
17  
18 THE CHAIRMAN: Okay. Thank you, Gavin. Kevin.  
19  
20 MR STEVENS: Yes. It's been well covered by most people.  
21 I just want to make two or three points. In your paper on  
22 page 79 and page 78 of that apprenticeship issue, you say  
23 you've taken into account the low earnings, and they're not  
24 more disadvantaged than others, and about the government  
25 incentives.  
26  
27 However, first year apprentices are paid \$6 or \$7 an  
28 hour in general, and it varies between each trade. And I  
29 feel very strongly about this apprenticeship one in  
30 particular, because they can't afford it. If you look at  
31 the latest NCVER report, you'll notice that the apprentices  
32 have dropped dramatically over the last 12 months in  
33 particular, 18 months, and continue to drop - and they are  
34 continuing to drop. So if we are going to start charging  
35 those fees, you will ruin the apprenticeship trades in  
36 New South Wales. It will just get ruined.  
37  
38 So I would like to recommend - actually, I was going  
39 to recommend they stay on the current rates, but after  
40 hearing comments from the TAFE students up in the  
41 mountains, it probably should go back to the old rates. So  
42 I'd like to recommend that the rates for apprentices  
43 actually go back to the old rates, and that they be  
44 subsidised somehow. I know you've got only a fixed amount  
45 of money, but if we don't do that, we'll be in dire straits  
46 in another 5 to 10 years time, because people won't take up  
47 apprenticeships.

1  
2 Secondly, with the concessions - again I was going to  
3 agree that those concessions were probably okay, but after  
4 hearing the comments here, I think we probably need to go  
5 back to the previous concessions prior to the last rises.  
6 Okay. Thank you.  
7  
8 THE CHAIRMAN: Okay. Thank you, Kevin. Anybody else  
9 from the audience? No. Comments around the table. Any  
10 follow-up comments?  
11  
12 MR PASFIELD: Could I just --  
13  
14 THE CHAIRMAN: Yes.  
15  
16 MR PASFIELD: I just wish to - Steve Pasfield, again, from  
17 Kirana. I just wish to clarify something in my own head if  
18 I could with regard to the concessional fees.  
19  
20 If I understand it correctly, the concessional fee  
21 applies to the student. The difference between what the  
22 concessional fee is, and what would make up the total  
23 student fee is paid for them by the department? I've got  
24 that right, haven't I?  
25  
26 MS TOWERS: That's right, yes.  
27  
28 MR PASFIELD: Yes. Okay. And that total then of the  
29 department's amount and the concessional fee is what is  
30 called then - can be treated as the student fee. What is -  
31 sorry, not the 60%, I'm not talking about the 60% side.  
32 I'm only talking about the 40% contribution that we have  
33 been talking about.  
34  
35 That 40% is funded by the department and the  
36 concessional fee amount which may be for a Cert III, \$400,  
37 when we're talking about a concessional student only.  
38  
39 MR EVERETT: Yes, I think, effectively, that's right.  
40  
41 MR PASFIELD: I've got that right, haven't I?  
42  
43 THE CHAIRMAN: Well, yes, I'm pretty sure - let me have a  
44 go and I'll be corrected, okay.  
45  
46 So if the fee is \$10,000, 40% of \$10,000 is \$4,000.  
47

1 MR PASFIELD: \$4,000, yes.  
2  
3 THE CHAIRMAN: Right. So the standard student would pay  
4 the \$4,000. The concessional student pays the concessional  
5 fee, and - which is, say, \$200 for a course, okay. So that  
6 means that the other \$3,800 comes from the budget from the  
7 department, if you want to say.  
8  
9 MR PASFIELD: Yes.  
10  
11 THE CHAIRMAN: And so what this means is, obviously -  
12 and this is - people understand this - is that with a fixed  
13 budget, if you decrease fees - so if you decrease from 40%  
14 to 30%, or you decrease apprentices from "X" to "Y", then  
15 you can fund less students, right, because you're using up  
16 a bigger subsidy per student.  
17  
18 So this is the trade-off that we've had to wrestle  
19 with, and we're all wrestling with it. Of course, the  
20 amount of the budget is a separate question. That's a  
21 question set by the government, it's part of their budget  
22 process. They have to weigh all that up. But what we're  
23 saying is we've been asked - we've been asked to recommend  
24 a fee schedule for a given budget.  
25  
26 So what we've done is said, "Right, the base fee is so much",  
27 and you guys have made a number of comments on that  
28 - very helpful. Then, once you have the base fee, how much  
29 of that should be funded by the student and how much should  
30 be funded by the budget? Obviously, the more that's funded  
31 by the budget, the less students you can fund.  
32  
33 MR PASFIELD: Yes. Yes. Now, my move on from that  
34 though - because I just wanted to make sure I had that right.  
35 If a training provider then discounts the student fee - \$4,000  
36 in this case - to \$2,000, for a concessional - can do that  
37 for a concessional person. The concessional fee can be  
38 totally waived perhaps for the individual, so if the  
39 concessional fee is \$200?  
40  
41 MR EVERETT: I think that's something we'll have to take  
42 on notice and consider as part of our final report. Yes.  
43  
44 MR PASFIELD: Yes. Okay, because there's nothing about --  
45  
46 MS TOWERS: No, but if the RTO chooses to take a discount  
47 on the fee, then I don't think government would be

1 compensating the RTO for providing that discount.  
2  
3 MR PASFIELD: No, but, the RTO can do that occasionally.  
4  
5 MS TOWERS: Yes, that's a choice the RTO makes, yes.  
6  
7 MR PASFIELD: And can discount the concessional fee. So  
8 the concessional fee could be zero, that the RTO chooses to  
9 charge.  
10  
11 MS TOWERS: Yes, if the RTO chooses - yes. If the regime  
12 --  
13  
14 MR PASFIELD: And that's what I assumed.  
15  
16 MS TOWERS: If the regime is a maximum fee regime.  
17  
18 MR PASFIELD: Yes, yes. Okay, fine.  
19  
20 MS TOWERS: That's a matter for government.  
21  
22 THE CHAIRMAN: Okay. Thanks for raising that, Stephen.  
23 Yes, Paul.  
24  
25 MR NAYLOR: Mr Chairman, just to add some clarity to the  
26 issue of my good members who are contractors and employ  
27 apprentices, and I employ 200 also, so we know what the  
28 fees are like, and we know what the costs are like.  
29  
30 For me, for an employer of an apprentice over the  
31 four years of the apprentice, you get \$1,500 at the  
32 commencement, and \$2,500 at the completion. Right. That's  
33 a whole \$4,000. \$4,000 is \$1,000 a year, which is \$20 a  
34 week. That's what it amounts to. In a year, that \$1,000 -  
35 you are now - what this is proposing is that the fee of  
36 \$478 paid by those members of mine, for an apprenticeship  
37 to be enrolled in a TAFE system at the present time, is now  
38 going to increase to \$1,000. Right.  
39  
40 If that increases to \$1,000 - half the Commonwealth  
41 incentives you just took away, so why would they employ  
42 them?  
43  
44 THE CHAIRMAN: Sorry, half the what?  
45  
46 MR NAYLOR: Half the Commonwealth incentive to take on  
47 apprentices has just been taken away.

1  
2 THE CHAIRMAN: Okay. Thanks for that, Paul. Yes. In the  
3 audience.  
4  
5 MR CROSS: Yes, hello. Charlie Cross from the Outdoor  
6 Recreation Industry Council.  
7  
8 I just have a very practical question, and that is in  
9 preparing a submission that's due by next Tuesday, the  
10 upload limit on your site is 3 megabytes. Your one file,  
11 that's your unit of competency, is 1.5 megabytes at the  
12 moment. A well-researched and thought out paper and  
13 response could put up by 20 or 100 megabytes if all those  
14 papers are submitted and referenced appropriately.  
15  
16 It's really a practical question to you in your  
17 consideration - is a referencing sufficient, particularly  
18 if some of those documents may well be password protected,  
19 or do you have other mechanisms in which you can take those  
20 submissions other than your web base.  
21  
22 MS TOWERS: Yes. You just contact one of us. We can deal  
23 with that.  
24  
25 MR CROSS: Thank you.  
26  
27 THE CHAIRMAN: Thanks, Charlie. Yes, Kate.  
28  
29 MS DAVIDSON: What was the answer?  
30  
31 MR EVERETT: If you contact one of the IPART Secretariat,  
32 or contact myself directly, we can deal with that.  
33  
34 MS LARKIN: So it is a maximum of 500 words, isn't it?  
35  
36 MR EVERETT: No. The online portal provides opportunity  
37 for comment, but you can attach files to that document as  
38 well. So if you have a document that is larger than the  
39 upload limit, by all means get in touch with myself. My  
40 contact details are on the draft report, and we can  
41 accommodate accepting files that are bigger than that.  
42  
43 THE CHAIRMAN: Okay. Anything else? No. Well, it's five  
44 to one, so we just made it.  
45  
46  
47

1 CONCLUDING REMARKS

2

3 THE CHAIRMAN: And I'd like to thank you all very much.

4 It was an excellent session, and for your contributions.

5 They are very well thought out contributions, very

6 heartfelt contributions. And so we are now going to move

7 to receive submissions, which are due by next Tuesday, 27

8 August, and I encourage you to make a submission and

9 include any information you have to support the positions

10 you put forward today.

11

12 Given the time frame for this review, unfortunately we

13 will be unable to accept late submissions. So this is a

14 serious deadline. So if you're having trouble uploading or

15 something like that, please call up.

16

17 We plan to finalise our recommendations and provide a

18 final report to the Minister in September. And also we

19 hope to have the transcript up loaded by Friday this week.

20 Thank you all very much.

21

22

23 AT 1PM, THE TRIBUNAL WAS ADJOURNED

ACCORDINGLY

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47