

Agreement in Principle

Mr ANDREW STONER (Oxley—Leader of The Nationals) [10.10 a.m.]: I move:

That this bill be now agreed to in principle.

TAFE fees are an extremely important issue to the people of New South Wales. As a result of our strong economy our nation faces a serious skills shortage in most industry sectors, certainly in most States. Industry groups repeatedly raise with me their concerns about the skills shortage, and the training of young people to take up available careers and also deliver the skills desired and required by industry as our economy goes forward in leaps and bounds. Therefore, it was quite inexplicable that earlier this year the Minister for Education and Training announced that TAFE fees would be increased by a massive 9 per cent from next year. This followed the introduction of TAFE fees by this Government in 2004. At that time the then Minister for Education and Training, Andrew Refshauge, promised that these fees would be indexed to the consumer price index. Clearly, this year's announcement of a 9 per cent increase next year totally contradicts that commitment.

All citizens of the State should be concerned with what has happened at TAFE since fees were introduced. Statistics show that enrolments and graduate numbers have fallen quite significantly. In 2002 total student enrolments for TAFE New South Wales were 525,865. By 2006 that number had declined to a total enrolment of 500,410—a reduction of more than 25,000 in student numbers at a time when industry demands more trained young people with appropriate qualifications. Clearly the introduction of TAFE fees has impacted on enrolments. In 2002 student graduates numbered 443,008 and increased in 2003 to 405,102. By 2006, the latest available figures, student graduate numbers were down to 412,156—a reduction of around 43,000 TAFE student graduates between 2003 and 2006. That is exactly the opposite of what industry wants at a time when unemployment levels are at near-record lows.

What does the Government do in response to this drain of enrolment and graduation numbers? It increases the fees by 9 per cent! It simply does not make sense, especially when last year the TAFE Futures inquiry found that many students struggled to pay existing fees and many students lived below the poverty line. The inquiry found also that students were dropping out of courses because they could not afford the fees, accommodation and travel. The member for Tweed and the member for Lismore, who are present in the Chamber, know that country students must travel to attend TAFE because, through rationalisation, many TAFE courses are not offered locally. When accommodation, travel and fees are taken into account, it is difficult financially for many of our young people.

Earlier this year, in the heat of the State election campaign, the Premier, Mr Iemma, stated in his election policy entitled "Learn or earn", which was dated 10 March 2007, "We have capped fees for apprentices and trainees no matter what the course." I note the former Minister for Education and Training is in the Chamber and I know she would not have done what the current Minister has done: announce that the Government is going to whack up the fees by a whopping 9 per cent in 2008, which is in direct contradiction to the Premier's election policy "Learn or earn" and to the commitment of the former Minister for Education and Training, Mr Refshauge—not to be confused with the former Minister for Education and Training, Ms Carmel Tebbutt, who did a very good job, especially in relation to Dorrigo High School.

Of course, the proposed fee increase has raised the ire of students and related stakeholders. Increases for the various courses will be as follows: statements and short courses, \$90; Certificates I and II, \$34; Certificate III, \$54; Certificate IV, \$74; diploma, \$98; and advanced diploma, \$118. The cost of an advanced diploma course will be \$1,420 as a result of the 9 per cent increase. Clearly this increase is well in excess of inflation and represents a broken promise to New South Wales TAFE students. The New South Wales Teachers Federation strongly opposes the increases and, in fact, has protested and commenced industrial action, and undertaken a strong campaign opposing the increases. Similarly, the TAFE Teachers Association also is opposed to the increases. The Greens in the other place strongly oppose the fee increases because of the effect on students from low-income families and backgrounds.

One wonders where the Labor Party, with its mantra of social justice, is going these days. It seems that the economic rationalists in the Labor Party are winning the day. It seems an arm wrestle is going on in the New South Wales Labor Party between those economic rationalists—the influence of the Treasurer and Treasury bureaucrats—and others over Labor policy. They are ignoring the needs of those low-income students while at the same time failing to deliver for industry by not putting more graduates through the TAFE system.

I mentioned the decline in the number of enrolments in and graduations from TAFE. The former Federal Coalition Government was moved to supplement the system with Australian technical colleges because of the shortfall in graduate students coming through the system. The Federal Coalition Government was listening to industry and realised that the system is not delivering, but one of the reasons the system is not delivering is the

fees. We would not have needed Australian technical colleges if the State Government kept fees to a reasonable level.

The bill will give effect to the Premier's promise in the election campaign in March this year to cap fees for apprentices and trainees no matter what the cost. The bill is a simple one. It freezes TAFE fees at 2007 levels right through to 2011. There is not a lot in the bill to talk about because that is all it does. One page of legal terminology—not a full page at that—simply freezes TAFE fees at 2007 levels. That is what students want, that is what industry would like to see because it will result in more enrolments and more graduations and that is what the TAFE Teachers Association and the Teachers Federation want. I suspect some members of the Labor Party would like to support it as well. I do not wish to make this bill a political point-scoring exercise. I would like as much support as possible from across the board. I have had an indication from the crossbenchers in the other place that they certainly support it. I met with Dr John Kaye last week and he has indicated his support for the bill.

I hope members from all sides of politics will consider this matter on the basis of their consciences. Do they support low-income families and students who want the opportunities provided by a skilled career? If so, their consciences will tell them that they need to support something that will keep TAFE fees at a reasonable level. I look forward to the support of members—Independent, Liberal-Nationals and also Labor—for the bill. There is a challenge here for some members of the Labor Party to take on the Treasurer.

The cost of freezing fees must be clarified. Essentially, it is an opportunity cost because if we do not put up fees by 9 per cent next year—and in accordance with consumer price index increases in each of the subsequent years up to 2011—there will be an opportunity cost, if you like, to the State budget. We have calculated that as being about \$45 million revenue forgone over four years. The Treasurer tells us that the likely budget surplus is in the order of \$300 million to \$400 million for one year. So, is this affordable? You bet it is. Is it an important issue? Absolutely. I am starting to sound like Kevin Rudd, asking myself questions. I must stop it.

Ms Noreen Hay: You wish.

Mr ANDREW STONER: I do not want to be a nerd, and I do not have a thing for earwax either.

The SPEAKER: Order! Christmas felicitations will be given later in the session.

Mr ANDREW STONER: I digress. I return to the bill. We are talking about \$45 million in forgone revenue. If the bill is passed we will insist that the promised increase in funding for TAFE equipment, facilities and infrastructure—which was the justification for the increase in fees—be provided. We should support our TAFE teachers. We must have a highly competitive further education system in this State because, like it or not, there is competition in the sector and TAFE must be absolutely competitive. It should be the first choice for our young people who want to skill up and access the many careers available to them. Therefore, our TAFE colleges and our TAFE teachers must be equipped to deliver that competitive training to those young people.

If the Government was going to spend \$45 million in TAFE colleges—which I would support—and that revenue is forgone, obviously the Treasurer would need to find \$45 million over four years, about \$10 million or \$11 million per year, from the budget surpluses he likes to crow about. There is a challenge to the Treasurer. Many Labor members want to support this bill and he will have to find \$11 million a year to ensure TAFE is competitive. Many members on the Government side have objections to Australian technical colleges. Indeed, Mr Rudd, whom we mentioned earlier, has agreed that the program to roll out Australian technical colleges will not continue. I would like to see Mr Rudd put that money into TAFE as well. I would like to see one highly competitive system of technical and further education delivering for our students so they can access careers and deliver for industry.

[Interruption]

I have always said this. Why did the member not ask me a question earlier? That is the challenge. I do not care what the delivery mechanism is, and neither does industry. It just wants to see young people skilled up and available for those jobs and careers, and so do young people. They cannot get there if the Government is going to put up fees by 9 per cent. It is outrageous with inflation at 3 per cent. Members on the Government side should stop kowtowing to the Treasurer. I would like to go along to one of their caucus meetings and have it out with him. Members opposite should get a bit of backbone, stand up for themselves and live true to their ideals of social justice and look after those low-income families and low-income students who deserve every opportunity in life.

As members may know—they have not asked me this either—I attended public schools all my life, primary and high school. I accessed university opportunities when fees were not applicable. I am very grateful to the system that gave me that opportunity. But the Treasurer and the economic rationalists within the Department of Education and Training have an agenda to implement a full fee-for-service regime, a user-pays regime, in TAFE. That would be dreadful for those students coming from low-income families or from disadvantaged backgrounds. I commend the bill to the House and look forward to support from all members, including those on the Government side.