

TAFE CHANGES MORATORIUM (SECURE FUTURE FOR PUBLIC PROVISION OF VOCATIONAL EDUCATION AND TRAINING) BILL 2014 (NO 2)

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Bill introduced on motion by Mr Jamie Parker, read a first time and printed.

Second Reading

Mr JAMIE PARKER (Balmain) [10.04 a.m.]: I move:
That this bill be now read a second time.

I speak to the TAFE Changes Moratorium (Secure Future for Public Provision of Vocational Education and Training) Bill 2014 (No 2). This bill represents a crucial first step towards safeguarding TAFE as an important public provider of vocational education. The bill seeks to reverse the attacks on TAFE by the former Labor Government and the Coalition Government. This bill aims to do three things: First, freeze funding to private providers at appropriate levels; secondly, to reverse fees rising for students; and thirdly, immediately stop this Government's Smart and Skilled market that will force TAFE into a race to the bottom with low cost, low quality private providers.

Following years of cost cutting, rising fees, privatised training and job losses TAFE needs an urgent plan to safeguard its future. TAFE is being pushed to the brink by this Government's budget cuts and the privatisation agenda. When this is combined with years of neglect under Labor, we can see New South Wales is now looking at a future with a much diminished TAFE. TAFE students are being asked to pay more in order to receive less. Class sizes will rise, the range of courses will shrink, and time to help individual students will all but disappear. I am particularly concerned about local TAFEs in my electorate. I have had many constituents contact me worried about the impact of cuts and privatisation on their courses.

In my electorate there is a TAFE facility in Annandale that is mainly used for construction and Petersham TAFE, which is on the other side of Parramatta Road outside my electorate. Following the State electoral boundary redistribution the Ultimo TAFE, or the Sydney Institute, will move into my electorate. Members have heard of the funding cuts to the fine arts courses that have had a significant impact on the creative and cultural vibrancy of the arts community. The arts community is the backbone of so many businesses and is responsible for positive cultural effects in the inner west, the community I represent. Local TAFE students are being seriously impacted by cuts to the Sydney Institute.

According to figures requested by The Greens, Sydney Institute saw the removal of at least 66 full-time permanent equivalent staff in 2013, including 55 teachers. The rhetoric from the Government about delivering for TAFE is not being reflected on the ground. These are not just changes in provision in order to keep up to date with modern requirements, as the Minister stated, but a reduction in the capacity of TAFE to deliver. The Sydney Institute has seen a reduction of 66 full-time permanent equivalent staff that included 55 teachers.

The plans by the Sydney Institute to shed staff and elite courses in the work and study pathways facility were exposed as preparation for the impact of the Liberal Government's Smart and Skilled competitive training market. That is the agenda. TAFE managers are preparing for the introduction of this competitive training market. Under the proposed so-called reforms core funding places, which account for 87 per cent of current faculty

enrolments, will be replaced by training entitlements that will be available to only 23.5 per cent of current students. Foundation studies have been hardest hit and it appears the Higher School Certificate course may no longer be offered at Ultimo TAFE. This year Ultimo TAFE has lost commercial cookery, information technology and English as a second language teachers. It has also lost teachers in foundation studies, especially science, and migrant education consultants.

This bill will take fees for TAFE courses and funding for private providers back to the 2010 level and freeze them there. The bill insists that the Minister for Education introduce policies that ensure TAFE is a dominant provider and specifically that no policies are introduced that will increase competition for and undermine TAFE. This bill is a moratorium that will reverse the damage caused by TAFE budget cuts and fee increases that were begun by the former Government and have been continued by this Government. It will halt the so-called Smart and Skilled market and remove the need for TAFE managers to cut courses, slash staff and destroy support programs in preparation for Smart and Skilled, which is scheduled to begin on 1 January 2015.

It is important to be clear: This bill is not about to create a future for TAFE; that is a task we are all challenged with. This bill invites every member of Parliament, TAFE manager, teacher and student to enter into debate on securing a future for TAFE. The bill will stop the destruction that TAFE currently faces. For the first time in the 120-year history of TAFE and its predecessors we are confronting the real prospect of a future where public provision of vocational education and training is no longer dominant but is in a state of collapse. Budget cuts of more than \$800 million in the forward estimates will see 800 jobs disappear from TAFE. In answer to a question on notice from The Greens in the other place the Minister for Education advised that 395 jobs disappeared from TAFE in 2013. That means that the O'Farrell Government is only halfway towards its target of cutting 800 jobs from the system.

I note that Dr John Kaye from the upper House has raised this issue. I will repeat some of the points he made for members of this House. When we released the figures publicly, Pam Christie, the Director General of TAFE, appeared on Robbie Buck's radio program on the morning of 11 March 2014. She echoed the comments that we have heard from the Minister for Education that we are talking TAFE down. She seemed to suggest that criticising Smart and Skilled or trying to defend and protect TAFE is talking TAFE down. In fact, the opposite is true: Those of us who are fighting against the provisions the Government is introducing and the neglect of the former Government are standing up for TAFE and vocational education. We are defending the staff and the teachers and protecting the future of this State by working to save TAFE.

It is important to examine the comments Ms Christie made. In answer to questions by Robbie Buck she said, "We are talking about the opportunity to really look carefully at how we deliver services and where demand is for our services." It is extraordinary for Ms Christie to put forward that point considering that she has presided over a TAFE system that has significantly reduced support services for people with special needs, outreach programs and all-important second-chance learning and undermined opportunities for people with intellectual disabilities to learn cooking and food skills at places such as the North Sydney Institute.

Despite this we are told that we are talking TAFE down and that they are simply looking carefully at demand for its services. The reality is that there is strong demand across TAFE

and trying to deliver services with 400 fewer staff is nigh on impossible. Ms Christie provided an interesting insight into her view as Director General of TAFE when she said:

But like any business our customer needs are changing. We are constantly reviewing the way we operate and our customers are telling us that they want services delivered more flexibly.

The Director General of TAFE is not running a business; she is running a public service. Of course, TAFE needs to be responsive but it is an organisation that is critical to social justice and positive education outcomes. Robbie Buck went on to ask, "When you say customers, you are talking about students?" Her reply was, "Yes, students, and employers though, because they are an important part of your business." That goes to the heart of the thinking that has infected not only many in this place but that also seems to be driving the department. They think that the customers, as they are called, are buying and selling individual pieces of knowledge and they are creating pieces of value-added human capital.

We say that vocational education and training is about creating people who can engage in our society as active and productive citizens. The concept of citizenship is lost when the market triumphs and it becomes all about impersonal transactions with no responsibility to produce outcomes for a socially just society. We disagree. We believe that a public provider such as TAFE has an important social justice responsibility to deliver citizens to this State and nation.

It is important that we recognise that this year's Government review of government services spoke strongly of how TAFE has responded to demand for its services. Fundamentally, TAFE responds to the demands of the community. Recently the chair of the Committee on Economic Development, of which I was a member, presented the committee report on skill shortages in New South Wales. As part of that inquiry we travelled around the State and visited different communities. All members—even one as pro-TAFE and pro-public education as me—were genuinely surprised by the level of support for TAFE shown by the business community, the chambers of commerce, individuals, employers looking for staff and the community in general, especially in rural and regional New South Wales.

That public support was one of the reasons why one finding of the conservative-dominated Committee on Economic Development was that TAFE is the backbone of vocational education and it should be adequately funded. When members went out and talked with business owners, entrepreneurs and people from local councils and local organisations we heard that TAFE is delivering, it is responsive and it is doing its job. The capacity for TAFE to do its job is now being undermined by these provisions.

The truth is that the TAFE budget has already been cut to the bone. Between 1997 and 2010, using National Centre for Vocational Education Research data adjusted in per student terms and for inflation, the State's annual recurrent contribution for TAFE fell by 48 per cent. If TAFE were still funded in 2010 at the same level per student, adjusted for inflation, as it was funded in 1997 there would be an additional \$962 million in its budget each year. That shows the incredible decline in TAFE funding and proves that TAFE has already been cut to the bone. The data from 1997 to 2010 proves beyond question that the efficiency pressures placed on TAFE by this Government and the former Government are pushing TAFE to the edge.

There is a point where efficiency gains end and exploitation begins. We have seen that through the dramatic casualisation of the TAFE teaching workforce. It is our view that the

efficiencies in TAFE that were available were exploited entirely more than 10 years ago and it is TAFE teachers and staff members who will pay the price for any future budget cuts. We have already seen that. A total of 800 jobs are due to be cut and close to 400 have been cut already.

Every dollar that is now cut out of TAFE's budget is a course that is lost or shortened, a student whose education is compromised or an opportunity for second-chance learning that is denied. Rising fees during the period 1997 to 2010 have gone from 14.3 per cent of the total cost of educating a student to 23.7 per cent of the total cost of educating a student. Rising fees are closing the doors on young people from disadvantaged backgrounds who, research shows, will not pay additional costs for education and will be driven out of public education and second-chance education.

The serious damage, however, results from the implementation of Smart and Skilled, which is scheduled to begin in January 2015. Smart and Skilled has been delayed twice already as the O'Farrell Government comes to grips with the challenges of trying to rewrite the TAFE and the vocational education systems. At the heart of Smart and Skilled lies a plan to strip TAFE of its core funding for bread-and-butter courses. Certificate I, II and III courses will no longer be funded directly through TAFE. Instead, the money will be given to eligible students as a once-in-a-lifetime entitlement—effectively, a voucher that they can cash in at a public or private provider of their choice.

In effect, Smart and Skilled takes hundreds of millions of dollars out of the TAFE budget and makes the funds contestable in a market about which there is little information. The only information available will be informed by the opinions of the young people who hold the entitlements. The question then arises: What will those young people know about the quality of education and training provided by each of the registered organisations? We must not move to a situation where student choice is driven not by the quality of education but by the course duration or by giveaways or incentives offered by private providers. It is clear that private providers will offer the same courses as TAFE but, as we have often seen, of a lower quality or standard with lower assessment levels and outcomes. That happened in the lead-up to Smart and Skilled.

It is clear that high-speed, low-quality private providers will win this competition. They will change minimum standards, cut corners, avoid expenses—such as dealing with students with special needs or diverse learning needs, students from a non-English background or low socioeconomic backgrounds and Aboriginal students. Students who increase costs for any reason may well be turned away by private providers. The competition Smart and Skilled presents to TAFE to recover funding is unwinnable. It is a race to the bottom for training quality not just in the short term but also in the long term, as teachers' salaries and conditions will fall to equal the lowest common denominator, which may be set by the modern award in the National Award System. Community service obligations will be cashed out and will become add-ons. Second-chance outreach and disability support will become nothing but afterthoughts to be provided where they are cost effective, not where they are needed. They will no longer be integrated in the TAFE system and will become things to be added, where the private provider can find a cost-effective way of doing so.

Added to this is a skills list, which supposedly responds to demand. This so-called skills list is one of the things the Committee for Economic Development heard about when visiting rural and regional areas. Members from rural and regional areas will tell us that in New South

Wales there are significant challenges in finding quality staff. One of the things TAFE does effectively is to train people. The Minister always uses fine arts courses as an example. These courses have gone from costing a couple of hundred dollars a year to costing between \$8,000 and \$12,000 a year. Fine arts courses are collapsing as a result. Students at Hornsby TAFE were told a week before the fine arts course was due to begin that there would be no course. The Government argues there is no demand for fine arts courses, but the creative arts industry begs to differ.

In a report to the Government the industry said the cuts should be reversed. If you look at census data for my area, the creative arts play a significant part in my community's economy—not only galleries and artists but also people involved in service provision. This Government may dismiss fine arts as crochet and pottery; the truth is cultural foundations are critical to developing a just and sustainable society. If the Government throws away fine arts courses, their loss will demean us as a State. Across New South Wales people have had to abandon their fine arts studies. They have spoken about wanting to use their education in community arts and creative arts, which should be supported.

In Victoria there was a similar approach and it failed dismally. For the first time Victoria TAFE now provides less than 50 per cent of all vocational education and training. Between 2008 and 2012 the non-TAFE sector share of vocational education and training funding went from less than one-eighth to 41.3 per cent. Contestable funding went from just below one-quarter in 2008 to just below three-quarters in 2012. Now, 71.3 per cent of the vocational education and training budget is contestable and TAFE is losing out. The quality of vocational education and training in Victoria has nosedived. Bizarrely, and against the predictions of those who designed the Victorian market, costs have blown out and vocational education and training truly is in crisis.

We can see the problems in Victoria and that the nature of the private providers and the market is one of those problems. The Australian Skills Quality Authority is responsible for maintaining skills in registered training organisations around Australia. In a report published earlier this year, the authority said that up to half of registered training organisations are potentially misleading consumers. The authority pointed to practices of promising qualifications irrespective of the outcome of assessment and guaranteeing jobs after training. These organisations collect fees in advance that are above the limits set for registered organisations. Most importantly, the organisations set time frames for courses that fall far short of the volume of learning required.

We know that when young people go to TAFE, they can depend on TAFE—whether it is in Sydney or a rural and regional area—to get a quality education. However, evidence demonstrates we cannot have the same level of confidence in private providers. When a young person gets a vocational education, that experience and the quality of that education are critical to their future. The Australian Skills Quality Authority's concerns about private providers should be noted—another reason to protect TAFE by supporting this bill. The authority is the chief regulatory body of vocational education and training in New South Wales.

Mr John Williams: Doom!

Mr JAMIE PARKER: As the member for Murray-Darling said, its report points to the phenomena that would spell doom for vocational education and training in this State if we do

not avert the sudden and rapid growth of private providers. The Industry Skills Council consultation also raised a number of concerning findings. The council found that private registered training organisations have applied:

- An inappropriate use of online learning that lacked work-based context;
- Training delivery that does not provide the appropriate knowledge and skills ...
- ;
- Inappropriate use of recognition of prior learning;
- Trainers who lack recent industry experience;
- Enrolling students without required prerequisites;
- Delivering training that the registered training organisation is not registered to deliver;
- Training (delivery and assessment) that varies in quality for certain target groups; and
- Pressure to push students through programs quickly to address skill shortages or deliver qualifications for required employment.

That is the finding of the council, a competent and well-known organisation, which highlighted these problems with bodgie private providers. That is another reason not to undermine TAFE by supporting these providers.

John Dawkins is chair of the National Skills Standards Council, which is the national body responsible for establishing skills standards and regulating registered training organisations, as well as the chair of the company that is seeking to move in and dominate the market. In its prospectus, published late last year, it was quite open about its intention to gain market share through mergers, acquisitions and partnerships. The future under Smart and Skilled is about warm and fuzzy community-based private providers; it is about dominating vocational organisations out to make a profit for their shareholders—and we do not blame them for that. TAFE is not there to make a profit for shareholders but to educate students—not customers, but students—look after its teachers and provide a future for this State. The role of private providers is to maximise profit for shareholders and within that is an intrinsic conflict when it comes to the provision of information to our community.

If you support the privatisation of TAFE you may as well support the privatisation of primary education—get private companies to run primary and high school education. Why do we not do that? We do not do that because we know the profit motive is in conflict with the objectives we seek to gain from our primary and high schools. Do we really want to reduce the qualifications and quality of training in the sector by creating a corporate provider who is pushing down pay and conditions and ensuring profit is maximised? It is critical that this bill be addressed positively by this Government. I understand the Opposition is looking favourably on the bill, and I thank the Opposition for that.

I turn to stories of people in New South Wales, including in my electorate, who have benefited from being educated at TAFE. I sit next to a member of Parliament who received his education from TAFE, something currently under threat by this Government's Smart and Skilled scheme. Government members say they love TAFE, but there have been almost 400 cuts to jobs in TAFEs, with another 400 to come.

Mr Christopher Gulaptis: There is a lot of online teaching.

Mr JAMIE PARKER: There is online teaching and we recognise that, but we know these cuts are not as a result of online teaching. Online teaching accounts for a very small proportion of the teaching staff cuts, because you still need to write the curriculum, support students and mark student work.

The Minister is hiding behind a smokescreen of online training, pretending that that is the reason for the reduction in staff, which we know is not true. As I mentioned, in the Sydney Institute of TAFE many staff have left not because of online education but because of the preparation for war and the competition that will take place under Smart and Skilled when TAFE will have to reduce its standards or fail to attract contestable funding. We do not want to see TAFE destroyed; we want to see TAFE grow and blossom. I thank those who attended a public meeting held recently at Leichhardt Town Hall—representatives from the Teachers Federation, the Australian Education Union and others—who have been fighting strongly for TAFE, not just because they know that it delivers for young people in our community—

The ASSISTANT-SPEAKER (Mr Andrew Fraser): Order! I draw to the attention of the member for Balmain that it is now 10.30 a.m.

Mr JAMIE PARKER: I will conclude my remarks. Those organisations continue the fight to protect TAFE. I encourage members to strongly consider this bill, especially rural and regional members, and to support it.

Debate adjourned on motion by Mr Troy Grant and set down as an order of the day for a future day.