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**TAFE CHANGES MORATORIUM (SECURE FUTURE FOR PUBLIC PROVISION OF VOCATIONAL
EDUCATION AND TRAINING) BILL 2014**

Bill introduced, and read a first time and ordered to be printed on motion by Dr John Kaye.

Second Reading

Dr JOHN KAYE [9.51 a.m.]: I move:

That this bill be now read a second time.

The TAFE Changes Moratorium (Secure Future for Public Provision of Vocational Education and Training) Bill 2014 expresses the will of the Parliament to take fees for TAFE courses and funding for private providers back to the 2010 level and to freeze them at that level. It expresses a will of the Parliament that TAFE funding should be taken to its 2010-2011 level. The bill insists that the Minister for Education introduces policies that ensure TAFE is a dominant provider and specifically that no policies are introduced that increase competition for TAFE. The bill is a moratorium bill. It will reverse damage done to TAFE by budget cuts and fee increases, it will stop the so-called Smart and Skilled market, and it will remove the need for TAFE managers to cut courses, slash staff and destroy support programs in preparation for the Smart and Skilled market, 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. This bill stops TAFE being destroyed entirely.

For the first time in 120 or more years 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 are seeing 800 jobs disappear from TAFE. The answer to a question on notice from The Greens to the Minister for Education advised that 395 jobs disappeared from TAFE in 2013. The O'Farrell Government is halfway to its target of cutting 800 jobs. Anecdotally, in early 2014 there were more TAFE cuts.

When The Greens released these figures in public, the Director General of TAFE, Pam Christie, appeared on Robbie Buck's program on the morning of 11 March 2014. Miss Christie said that she was disappointed "that people are talking down TAFE and making alarmist claims". What Miss Christie is seeking to do is ensure that nobody criticises the Government's policy and nobody makes a stand for TAFE. Miss Christie went on to say, "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 that Miss Christie—who has presided over a TAFE system that has devastated support services for people with special needs, outreach programs and second-chance learning, and undermined entirely the opportunity for people with intellectual disabilities to learn cooking and food skills at the North Sydney Institute—says we are the people talking down TAFE and that all TAFE is doing is looking carefully at where the demand is for their services. The reality is that there is strong demand across TAFE and trying to deliver those services with 400 fewer people—soon to be 800—is a physical impossibility. Miss Christie went on to say:

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.

I point out to Miss Christie that she is not running a business; she is running a public service. She is running a key ingredient in creating social justice in our community. She is running a part of the social contract that exists between the State of New South Wales and its people. She is not in any way running a business. It is wrong of her to say so. The interviewer, Robbie Buck, asked, "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." Therein lies the underlying fault in Miss Christie's thinking. She is convinced that her customers, as she calls them—I do not believe that TAFE has customers; it has students—are employers. TAFE has a great track record of responding to market conditions.

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. The reality is that Miss Christie is saying that it is important for TAFE New South Wales to become more efficient. She says that, like every other Government agency, TAFE needs to become more efficient. Anybody who talks about TAFE becoming more efficient now is ignoring the reality of past budget cuts. 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. I invite members to think carefully about what \$962 million would purchase in respect of additional teachers to satisfy the real demands.

TAFE has already been cut to the bone. The point at which efficiency gains end and exploitation of TAFE teachers begins was passed a decade ago. More than 10 years ago all the efficiencies that were available to TAFE were exploited entirely and the reality is that TAFE teachers and staff members were paying the price for any additional cuts to TAFE's budget. The capacity to exploit teachers and staff members has been fully exhausted and the human limits have been reached; that lies behind us. 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 this period have gone from 14.3 per cent of the total cost of educating a student to 23.7 per cent 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.

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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 they know about the quality of education and training provided by each of the registered training organisations in the market? Even the neoliberals, who are infatuated with the concept of markets, must see—

The Hon. Dr Peter Phelps: Hear, hear!

Dr JOHN KAYE: I acknowledge the interjection of the Hon. Dr Peter Phelps because he too can see how doomed to failure the effort is when student choice is driven not by the quality of education and training but by course duration and gimmicky giveaways offered by private providers. It is clear that private providers will offer the same courses as TAFE but with much shorter duration, lower quality, lower standards of assessment and lower outcomes. We have already seen that in the lead-up to Smart and Skilled. It is absolutely clear that the high-speed, low-quality private providers will win this competition. They will change the minimum standard, cut corners and avoid expensive students such as those with special needs, diverse learning needs, students from non-English speaking or low-socioeconomic backgrounds and Aboriginal students. Students who pose increased costs for any reason will be turned away by private providers.

The competition that Smart and Skilled presents to TAFE to recover its funding is unwinnable. It is a race to the bottom not just for training quality in the short term but also in the long term as teacher salaries and conditions will fall to equal the lowest common denominator, which may be that 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 that will be provided only where they are cost-effective, not where they are needed. They will no longer be part of the integrated whole within the TAFE system; they will become things to be added on where a private provider can find a cost-effective way of delivering them.

Added to this is a skills list, which supposedly responds to demand. Across New South Wales fine arts courses have gone from costing a couple of hundred dollars a year to between \$8,000 and \$12,000 a year. Fine arts courses are collapsing. Students at Hornsby TAFE were told a week before the fine arts course was due to begin that there would be no course. The O'Farrell Government argues that fine arts courses are not in demand. We beg to differ, as did the creative arts industry in its report to the Government. It begged the Government to reverse the cuts and return all of the creative arts funding.

The community is also concerned about the future of the creative arts industry. I have travelled around New South Wales and spoken to countless students who have had to abandon their studies in fine arts. They told me what they had intended to do with a fine arts education. They spoke about wanting to get involved in community arts, create their own artistic endeavours or work in companies requiring artistic skills. To say that there is no

demand or labour market need for fine arts courses is simply to ignore the realities of modern economies. The complex reality is that not everything can be measured in dollars and cents; the cultural value is also important. My colleague the Hon. Jan Barham has had a lot to say about fine arts. She will be the first to argue that our culture will go into decline without affordable fine arts courses provided by TAFE. Not only is our culture at risk but so too is our skills base and the social justice fabric of our society that guarantees every member of the community has access to education and training.

This same trick was tried in Victoria, where 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 educational and training budget is contestable and TAFE is losing rapidly. The quality of vocational educational 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 is truly in crisis.

We are lucky in New South Wales because we can look south across the Murray River border. If we were genuinely smart and committed to increasing skills we would learn from Victoria and not repeat its mistakes. Stupidity is seeing something happen, repeating the causes and expecting a different outcome. We cannot expect a different outcome in New South Wales. If we go down the route of employing the principles of the global education reform movement and neoliberalism to TAFE by implementing Smart and Skilled we will repeat the errors of Victoria. That will have disastrous consequences for individuals, TAFE teachers and society as a whole. We will lose the economic, social, cultural and political benefits that come with having a skilled workforce. South Australia and Queensland have tried similar vocational education and training funding contestability schemes that have had the same results. In fact, Queensland TAFE institutions now have to compete with private providers just to access their own buildings.

Why is this competition so appallingly bad for TAFE? The answer lies firstly in the nature of the private providers and, secondly, in the nature of the market. 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. The Australian Skills Quality Authority is the chief regulatory body of vocational education and training in New South Wales. Its report points to the phenomenon in which is writ the doom of 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.

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In short, registered training organisations offer a rapid path to the bottom in quality, skill and education. But it is not just the existing private providers that ought to concern us. It is also the incursion of the corporate sector into the private provision of vocational education and training. Macquarie Bank's \$300 million vehicle for gaining market share in the emerging market for vocational education and training is a company called Vocation. The non-executive chairman of Vocation, John Dawkins, is a former education Minister in a former Labor Government. He turned up again as chair of the National Skills Standards Council, which is the national body responsible for establishing skills standards and regulating registered training organisations.

Yet at the same time as Mr Dawkins was chair of the National Skills Standards Council he was also 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 not of a number of small warm and fuzzy community-based private providers. The future under Smart and Skilled is very clear; it is writ large in the prospectus of Vocation and in the corporate desires of its shareholders: it is about making a profit. Making a profit can only be done by cutting corners on vocational education and training, making students suffer, lowering wages in the sector, turning education and training as a profession into a training activity, reducing qualifications, reducing pay and reducing the desirability of vocational education and training.

At the beginning of the twenty-first century do we really want to reduce the qualifications and the quality of training in the sector by creating a corporate provider who is pushing down pay and conditions? This is not only the end of an era for education and it is not only about destroying the social contract; it is about enriching a small number of corporations that will move in on vocational education and training. But there is a second aspect of Smart and Skilled that is unconscionable: the impact it will have on TAFE. That is already writ large in the way TAFE is behaving. TAFE managers have been told they need to trim down their colleges in preparation for the Smart and Skilled competition. They are throwing overboard every activity they feel is going to be too expensive and non-competitive within the market.

Important activities—such as food handling skills for people with an intellectual disability; outreach programs, which teach people who have been out of the workforce for a long time or who have never been in the workforce; support for people with disabilities; learning support, tertiary preparation certificates; and training for people who wish to get back into education—are all being downgraded, shortened or thrown overboard. Courses are being shortened, which puts pressure on students. We are also seeing an unhealthy, unnecessary and dangerous focus on online delivery. Online delivery plays an important role but it is not a replacement for face-to-face delivery of vocational education and training. The impact of the market on TAFE is already being felt before it begins. Who knows what will happen next year?

I will speak briefly about what this means for students. I refer to a man named David, who submitted his story in a submission to the Senate inquiry. David's story is one of tragedy, hope, promise and success. He began his life living in women's refuges as a child who had been, in effect, living in an abusive household. He suffered from dyslexia and poor self-esteem. He passed through 12 different primary schools and three different high schools. He describes himself as being school phobic and says he has dyslexia and possibly attention deficit hyperactivity disorder [ADHD]. In a moment of inspiration he took himself off to a TAFE college where he obtained a tertiary preparation certificate, which led him on to a Certificate IV in Community Services, a Diploma of Community Services and a Diploma of Community Services (Case Management). In each of those courses he won a series of awards for his work.

David then went to Charles Sturt University where he completed a Bachelor of Social Science (Social Welfare). He is now studying for his Masters of Social Work at Southern Cross University while working part-time in the disability sector with adults who have an intellectual disability. David's is a success story, and his capacity to transform himself from somebody who was struggling into somebody who is a key contributor in our society is replicated across TAFE. As I travelled around the State promoting this bill I was constantly confronted with people who told me time and time again of the role that TAFE played in their life: the crucial role, the critical role, the transformational role of public sector vocational education and training—its libraries, its teachers, its support staff and even the administrative staff. The role of everybody who is engaged in that wonderful activity that is TAFE is unique to TAFE. Smart and Skilled fails to understand the uniqueness of TAFE and that no other institution can deliver it.

I spoke to students at Richmond TAFE who told The Greens, the two unions involved and the TAFE Community Alliance of their fears about what was going to happen to their tertiary preparation certificate. The students were three fine young men for whom school did not work. There are many people in our society for whom the rigours of school are not a success. Having left school these young men decided they wanted to go back into education and become learners. One wanted to go on to university, the other two wanted trade skills. But their fear was that with the constraints being imposed on Richmond TAFE they would not be able to complete their tertiary preparation certificate.

As I said, David's story is replicated across New South Wales. Young men and women—many from an Aboriginal background—have engaged in a now defunct Diploma of Aboriginal Studies. I have time to mention only one today—Dasha Newington, a young Aboriginal woman who is now a doctor in Tasmania. Her study started with a Diploma of Aboriginal Studies at the Open Training and Education Network [OTEN]. Without that pathway into learning she would not have obtained that diploma and she would not now be a doctor. Hundreds of thousands of young people every year across New South Wales have access to skills and quality education that they would not get through a private provider because they do not come to vocational education and training with learning skills.

It is not just The Greens saying this; this is being said across New South Wales. This is being said by students who I met at Casino TAFE—hundreds of them, I suspect—who told us in their own unique way that they did not want TAFE devastated. These are stories about what is happening even before Smart and Skilled begins and before TAFE prepares itself for the changes. It is incredibly difficult to understand why we are headed in this direction in New South Wales. There is a deep evil behind this. Why is the magic of TAFE NSW, its teachers, its staff and its specialists being abandoned to a market in which they cannot survive?

There seems to be a group of decision-makers involved. Mr Eccles, the Director General of the Department of Premier and Cabinet, is directly responsible for the Victorian and South Australian reforms that so devastated those States. In 2009 Mr Eccles appeared before an Australian Education Union TAFE Council meeting and he told the angry TAFE teachers that reforms were "a natural-end point when the system was reorientated around the needs of individual students". He went on to say:

I trust that 2009 can be the year when the VET sector finally recognises that additional funding ... is not the only answer. It needs to be accompanied by genuine and far-reaching reform, and one element of that is market design.

Mr Eccles is saying that we need to privatise in order to achieve the world that he wants. I tell Mr Eccles this: Education is not a commodity. The delivery of education through a market—turning it into a commodity, taking it away from being a social good, taking it away from being part of the social contract and turning it into a commodity—is not only absurd, it is deeply dangerous. This bill is to stop the loss that that would cause.

It is not just The Greens who have been saying this. I refer to a bill introduced in 2007 by the then shadow Minister for Education, Mr Andrew Stoner. Mr Stoner's TAFE (Freezing of Fees) Bill shares some rather remarkable ingredients with the bill before the House today.

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Mr Stoner in 2011 signed the TAFE five-point plan, along with two of his colleagues. The five-point plan included the Government guaranteeing TAFE funding and ensuring that TAFE jobs and courses are not contracted out to the private sector.

Mr David Shoebridge: A promising man.

Dr JOHN KAYE: A promising man. Interestingly enough, one of the other signatories to the New South Wales Teachers Federation five-point plan TAFE for a Better State was none other than Mr Adrian Piccoli, now education Minister. Mr Piccoli and Mr Stoner seem to suffer from collective memory loss. Mr Piccoli denied that he had signed it; and then, when he said he did sign it, he said it was too prescriptive. Mr Stoner told an NBN reporter, "The Greens support a TAFE system that wastes taxpayers' money." Mr Stoner said:

Things like Fine Arts and basket-weaving, these are things that The Greens would like to see in TAFE.

Mr Stoner has resorted to nothing much more than abuse because he has been caught out. I have been around New South Wales. I launched this TAFE bill outside the Wollongong TAFE in November 2011. Since then I have been to Springwood, Wentworth Falls, Port Macquarie, Kempsey, Coffs Harbour, Grafton, Casino, Lismore, Ballina, Bathurst, Orange, Gosford, Mount Druitt, Richmond, Armidale and a well-attended public forum in Leichhardt—adding to other TAFE colleges I visited before we launched the bill. Everywhere I went I was accompanied by not just students and teachers but also by the New South Wales Teachers Federation, the Australian Education Union and the public sector association, the Community and Public Sector Union, and the TAFE Community Alliance—whose officers and members' support for this bill, support for the system of TAFE and support for the values of TAFE stands as a beacon in the twenty-first century.

This bill is not a solution for TAFE. This bill does nothing much more than put a hold on the damage that is being done by Smart and Skilled. This bill, however, does lay down a challenge that confronts the future of TAFE. That challenge has to be answered by every member of Parliament, every member of the community, every TAFE teacher and every TAFE student. It has to be about restoring funding; it has to be about a future that addresses the challenges of a difficult twenty-first century. It has to be about creating values and working together; it has to be about defending TAFE. [*Time expired.*]

Debate adjourned on motion by the Hon. Lynda Voltz and set down as an order of the day for a future day.