

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

Mr JAMIE PARKER (Balmain) [10.16 a.m.]: I move:

That this bill be now read a second time.

I address the TAFE Changes Moratorium (Secure Future for Public Provision of Vocational Education and Training) Bill 2014. The bill has come to this House from the Legislative Council after gaining majority support in that place. This bill from The Greens seeks to express the will of the community to take fees for TAFE courses and funding for private providers back to the 2010-11 level and freeze them at that level. The bill also proposes that the Minister for Education will introduce policies that ensure TAFE is the dominant provider and, specifically, that no policies are introduced that increase unfair competition for TAFE.

This is a moratorium bill; it will reverse the damage done by TAFE budget cuts and fee increases. It will also stop the, wrongly named, Smart and Skilled market and it will remove the need for TAFE managers to cut courses, slash staff numbers and destroy support programs in preparation for the Smart and Skilled market, which is scheduled to commence on 1 January 2015. This bill does not set out in detail the future for TAFE. The bill stops the downward spiral for TAFE where it is, not slowly as it was under Labor but in an exponential way, being destroyed as a dominant provider providing a quality, central form of education in New South Wales.

For the first time in more than 120 years in the history of TAFE and its predecessors, we are confronting the real prospect of a future where the 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 may mean that up to 1,200 full-time equivalent positions will disappear from TAFE. When the Managing Director of TAFE NSW, Pam Christie, was questioned about job losses, she did not dispute that up to 1,200 full-time equivalent positions may be lost, and no mention was made of casual workers, who may not be retained to return to work or may have their hours reduced.

It is clear from media articles in the past few days that the Smart and Skilled program is a catastrophe and that TAFE is facing a train wreck. I draw attention to an article in the *Australian* yesterday which was headed:

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Critics say NSW scheme Smart and Skilled is more like Dumb and Dumber.

It talks about the urgency behind this bill, because private and community colleges are reeling after being doled out unviable small contracts as part of the New South Wales Government's exercise in opening its training funds to competition. Unlike other jurisdictions, where a voucher system has been used, the department is determining who gets what funding. The article stated:

The picture is murky because the government has refused to discuss the process, and contracts—which were emailed to successful applicants almost two weeks ago—carry confidentiality clauses. But the Australian Council for Private Education and Training also said its members have been offered unfeasibly meagre contracts.

The article further stated:

But this has generated turmoil for other state-subsidised colleges, particularly community colleges, which offer personalised services largely to disadvantaged students. Their peak body said more than 80 per cent of its members had either missed out completely or had their previous allocations slashed savagely.

The article details not only the catastrophe that has befallen TAFE but also the problems for the wider vocational education and training [VET] system. An article in the *Australian* on 23 October is headed:

Training market deaf to special needs as NSW set to lose Auslan diploma

The Minister for Education told the Parliament and the community that New South Wales would be sheltered from the excesses that we have seen in Victoria. Universally, people, and even the Minister, have admitted that the Victorian process was and is a catastrophe. Now we are seeing the Victorian skills reform in this small and simple example, which is one of many. The article states:

Funding cuts triggered by a 2012 blowout in Victoria's open training market forced the closure of the state's only sign language diploma—a situation not resolved until months later when the state government offered a \$5.2 million lifeline ...

So the Victorian Government had to pour money into the sector. Now the same thing is happening in New South Wales; the only experienced provider has lost its funding as a consequence of the new training market. The article continued:

The Deaf Society of NSW said the cut could not have come at a worse time.

It said last year's rollout of the National Disability Insurance Scheme in the Hunter Valley had triggered a 119 per cent spike in demand for its interpretation service.

...

The Deaf Society has attracted several years of stop-start funding under NSW's Strategic Skills program. It has run Auslan courses on a break-even basis when funding was available, and at a loss when it wasn't.

Last week the society was denied a contract under NSW's replacement scheme, Smart and Skilled. It has not been told why.

Senior policy adviser Susannah Macready said the society would struggle to offer the Auslan diploma

on a commercial basis, because students would not tolerate full commercial fees, and the increased demand triggered by the NDIS meant cross-subsidising the course was no longer feasible.

That is another casualty of Smart and Skilled. Adding to this are the news stories everyone would have seen in the past week or so about unregistered and registered training colleges targeting disadvantaged people to sign them up to expensive schemes and then encouraging them to get VET help with funding and support. Again, shonky private sector providers are undermining the provision of education, targeting disadvantaged students. Indeed, articles in the ABC news on Friday 10 October and on ABC news online on Saturday 18 October stated that unscrupulous providers were standing out the front of Centrelink offices recruiting people to their courses. They were offering free courses under the guise of providing help with VET fees. However, these students could never hope to pay back these large debts, which stand against them in the general loan market for any other loan they might seek to get.

I do not propose to read all the articles but anyone involved in VET education will say that there is a major problem in the private market, which has been supported and nourished not only by the New South Wales Coalition but by Federal Labor. It was Federal Labor—and most notably Julia Gillard—that pushed the national skills reform at the Federal level. The Adult Migrant English Services [AMES] program was put out to competitive tendering, and the Federal Labor Government's national skills reform saw a huge reduction in the quality of adult migrant English services. Federal Labor members are happy to hold up "Stop TAFE Cuts" signs, but their ideological attack on TAFE and the public education system has led to this problem, and it is where the New South Wales Coalition is at. Seeking to get Federal funding is one reason that we are seeing this move apace.

Before I address that in detail I refer to another bill on this issue which was discussed last week, because it goes to the position of TAFE in New South Wales. The New South Wales Opposition leader's private member's bill only seeks to freeze TAFE fees, which might make a good headline, but it does not secure affordable, high-quality public skills training. The Technical and Further Education Commission Amendment (Fees) Bill is worth supporting. It is marginally better than the Coalition's position because it freezes the maximum fees chargeable by TAFE NSW for its courses at 2014 levels plus inflation. However, it fails to deal with the philosophical issue at the heart of the attack on public education and TAFE and as part of the overall competition process. I refer to the Leader of the Opposition's bill because it goes to the integrity of the Labor Party position. Labor members have said, "We don't like Smart and Skilled either. We don't want Smart and Skilled." What is their position? I put this question to Government members: Are they proposing to put it to a competitive market?

Mr Matt Kean: They drove it through COAG.

Mr JAMIE PARKER: I acknowledge the interjection of the member for Hornsby. He is right.

Mr Clayton Barr: How much are The Greens putting up?

Mr JAMIE PARKER: That is what this bill is all about.

Mr Clayton Barr: Are you going to submit it to the Parliamentary Budget Office?

The SPEAKER: Order! The member for Cessnock will come to order.

Mr JAMIE PARKER: The bill will not cost additional money.

Mr Clayton Barr: Everything costs money. How much will this cost?

Mr JAMIE PARKER: All this bill does is take the situation back to 2010-11 and say, "That's the situation we are at." And we move on from here. The member for Cessnock asked how much it will cost. That is one of the great challenges. We know that everything costs something.

Mr Matt Kean: You never worry about that.

Mr JAMIE PARKER: At the last Federal election The Greens were the only party to submit every one of its costings to the Parliamentary Budget Office, unlike the Coalition and Labor. Unlike the major parties, we took a fully costed position to the last election. But I digress. We know that Labor is doing the right thing on this bill. Labor did the right thing and supported this bill in the upper House. I hope that Labor members, including the member for Cessnock, are pulling Labor in the right direction on this matter, and pulling the Labor Party and the Coalition to the community's position. TAFE is a fantastic provider.

Recently I sat on an inquiry into the skills shortage in New South Wales. Whether we were in Albury, on the far North Coast or in Dubbo, everyone said how much they loved TAFE and that it was a great provider. Yet the Government is loading millions of dollars into the private sector, with all the dodgy implications and reductions in the types of services that are needed. I will address briefly the impact of Smart and Skilled on our community because that is the key point. In my electorate of Balmain 124 permanent full-time equivalent jobs have already been lost. Hundreds more part-time casual teachers have lost some or all of their work. A further 79 direct class support positions in the Sydney Institute are currently under threat. Of course, the majority of them are at the Ultimo campus.

The latest information we have is for August-September 2014. On top of the numerous previous restructures and downsizing exercises since March 2011, in August and September of this year fresh cuts were announced for at least six institutes as a direct result of the imminent arrival of Smart and Skilled. All the managers are saying, "Smart and Skilled is coming. Let's chop, chop, chop because we can't compete." That is why TAFE Outreach is being hacked apart. TAFE Outreach is an organisation that helps students find the right courses and helps them finish their courses. It also has the benefit of teaching students about how to be involved in TAFE and participate in a more structured way. Of course, private providers do not offer that service. Why would they? The private providers approach is "Get them in and get them out".

TAFE is being hollowed out to fit the business model for skills training. I am concerned about the proposed cuts to TAFE Outreach positions in several institutes, including the south western institute, where I understand it is proposed that 100 per cent of the staff in this role be removed. The

Government might say that remaining staff will be able to complete the same tasks as those who previously filled the positions, but the loss of experience and expertise in the area will have significant impacts on the students we want to support—second-chance education students and the disadvantaged. We are shifting the work of outreach officers to other staff. No doubt that is a direct result of Smart and Skilled. What is important is that these TAFE outreach staff, who provide real benefits, do not fit the private sector low-cost model, and that is a shame.

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My electorate has suffered a significant cost. Further, at institutes across the Illawarra, the Hunter, Northern Sydney, Western Sydney, Sydney, and south-western Sydney at least 300 full-time equivalent positions are proposed to be removed. A range of faculties will be affected, including many that feature on the 2015 skills list which were identified by the Government as priority areas to secure the future. These faculties are being chopped. Across the institute's non-teaching services that are proposed to be deleted are disability support, customer service, libraries, student association, administration and counselling. These positions, although not all front-line teaching positions, are direct student and class support staff that assist students to complete their courses.

The member for Hornsby asks why do I have a problem with the private sector. The Greens do not have a problem with the private sector but we do have a problem with the nature of the private providers and 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 up to about a half of registered training organisations are potentially misleading customers. The authority pointed to practices promising qualifications irrespective of the outcome of assessment and guaranteeing jobs after training. That is the problem with the market. As the Australian Skills Quality Authority has told us, it is not a perfect market with perfect information providing perfect services.

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 [VET] 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. I advise the member for Hornsby and other members of the Coalition that that is the problem. The market is mushrooming as a result of millions of dollars being cut from TAFE and money going to the competitive market. It is leading to this negative outcome. The Industry Skills Council consultation also raised a number of concerning findings. The council found that private registered training courses 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 organisations are 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 skills shortages, or deliver qualifications for required employment.

In short, registered training organisations offer a rapid path to the bottom of the market. If the Government is committed to quality public education it should not be proceeding with Smart and Skilled. In fact, it should be supporting this bill. TAFE funding is a very high-profile issue in my electorate. The former member for Balmain was also the Minister for Education and Training. I was stunned when I saw people standing at the front of her office with a sign stating, "Where on earth is Verity Firth?" I have a lot of respect for the former member for Balmain, but during her time as Minister we saw an assault on the conditions of the TAFE teaching community and TAFE workers.

At the time, under the Rees Government, we saw trade-offs, increased working hours and reduced support for TAFE teachers. It was reported that about \$55 million was being taken away from the New South Wales TAFE system. I am not using this bill to attack the Coalition or the Labor Party. I am highlighting the philosophical and ideological approach in New South Wales, which is also embodied federally, that competition is good, regardless of the state of the competitive market. The approach is, "Don't worry about the provision of critical support for our community, the market will solve the problem. Let's shunt them." The Greens say that the market is not the place to be putting public funds because of all the problems I have highlighted, and many more.

TAFE teachers, through the Teachers Federation, pushed very hard in the run-up to the last election to highlight these matters. I and various Coalition members, including the Minister for Education and the former Deputy Premier, signed a five-point pledge. I am sure that The Nationals who are fighting for their TAFEs—and should be fighting a lot harder and louder—also signed it. The Committee on Economic Development inquiry into skill shortages in New South Wales, on which I served, visited rural and regional communities and noted the importance of TAFE to these communities. Ultimo, in my electorate, is a large TAFE and is part of the provision of education in Sydney together with the University of Technology, Sydney, and Sydney University. But in rural and regional New South Wales the TAFE facility is the backbone of education for the local community and for future employment. The five-point pledge that members have committed to is:

1. Invest in services—Government must guarantee TAFE funding.
2. Look after public assets—Ensure that TAFE jobs and courses are not contracted out to the private sector.

Such as happens under Smart and Skilled—

3. Plan long term—Invest in infrastructure for TAFE that ensures a skilled workforce.
4. Back our workers—Increase permanent teaching positions and invest in teacher training.
5. Govern for the common good—Ensure that everyone in NSW has affordable access to a TAFE education.

Members signed this pledge, yet up to 1,200 full-time staff will be going, not to mention all the casuals who may not be re-employed or may have reduced hours. In this year's budget NSW TAFE's total expenditure of \$1.862 billion is being cut in real terms by \$51.7 million. In 2012 the Liberal-

Nationals announced that a total of \$800 million would be cut from TAFE's budget. In relation to privatisation, the New South Wales 2014-15 budget indicates that only \$1.1 billion of TAFE's budgeted income of \$1.8 billion will be guaranteed. Further, the budget reveals that total contestable funding to the VET sector is anticipated to be worth \$635.3 million, of which \$206.4 million will go to TAFE and \$428.9 million to private providers—the private providers I talked about who are not delivering for the community or for education.

Early next year the New South Wales Government will dump TAFE into an unfair competitive market with low costs and often lower-quality providers who will cherry pick the cheaper-to-deliver courses and the easier-to-teach students. That is the problem with this model. The VET sector in the State is in crisis, with job losses, a reduction in student enrolment and TAFE campus closures. The new system will not shield us from the worst excesses that were introduced in the Victorian Skills Reform, which everyone, even the Victorian Liberals, says was poorly implemented.

I will inform the members who signed that pledge about TAFE's capital budget. TAFE's capital budget has declined from \$163 million in 2009-10 to \$90 million in 2013-14 to \$77 million in this budget. On those figures, the Government cannot argue—particularly those who signed the pledge—that it is committed to investing in TAFE infrastructure. The 2014-15 budget indicates that over the 2011-15 period more than 1,000 full-time equivalent positions will be removed from TAFE. TAFE teachers were not exempted from the New South Wales Government's program to delete non-front line public sector workers.

Fees are set to rise dramatically for many students under Smart and Skilled. The students, if they are able to successfully navigate the enormous complexity of the new fee structure, will be forced to contribute between 25 per cent and 45 per cent of the cost of their skills education. For 20 per cent of students this will mean fee increases of more than \$1,000 and for 12 per cent of students fee increases of more than \$1,500. They are the facts. Details of the additional Community Service Obligation funds are yet to be revealed but that funding is unlikely to provide TAFE with the money it needs to service communities, in particular, in rural and regional areas. I will look at the details of cuts in August and September.

Mr Geoff Provest: You are speculating. Is this life through the eyes of The Greens? The Greens have got to be right.

Mr JAMIE PARKER: I just state the facts. At the Western Sydney Institute in the electorate of the member for Granville the number of permanent full-time job losses in 2013 was 51. At Mount Druitt plumbing has had cuts in face-to-face teaching hours, courses have been abandoned and class sizes have increased. Apprentices are forced to attend class at campuses on the other side of Sydney to complete their trade certificate and companies have no choice but to withdraw their apprentices if the budget cuts compromise safety. The metal engineering and logistic transport group also is facing an uncertain future. At Richmond, language, literacy and numeracy courses have been cut and the adult literacy officer position has been deleted. It has lost most of its agricultural courses, no full-time teacher recruitment in animal care and casualisation of the workforce and forestry is being transferred to the Nepean facility.

In the electorate of the member for Heathcote the Sydney Institute has suffered 71 permanent full-time job losses in 2013. That has had an enormous impact. The Higher School Certificate will no longer be offered at Ultimo TAFE, which also has lost teachers in commercial cookery, information technology, English as a Second Language, foundation studies and migrant education consultants.

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Cuts to fine arts courses will undermine the cultural community and vibrant arts centre in the west.

I will talk about the members who have signed this document and what has happened in their electorates. At the Western Sydney Institute in the electorate of the member for Dubbo, Troy Grant, and the North Coast Institute in the electorates of the member for Port Macquarie, Leslie Williams, former Deputy Premier and the member for Oxley, Andrew Stoner, and the member for Tweed, Geoff Provest, the permanent job losses from 1 January 2013 to 6 March 2014 were 33 full-time staff, which is a huge impact for those areas. Fine arts courses have been cut and fewer courses are available.

I turn now to the Hunter Institute in the electorate of the member for Maitland, Robyn Parker, where job losses from 1 January 2013 to 6 March 2014 have been more than 50. I repeat, more than 50 staff in full-time employment have been taken out of that community, which has had a significant impact on the area. The cost of a community services diploma is set to increase to over \$9,000 from a few hundred dollars this year. In Newcastle, fine arts, hospitality, tourism, metal fabrication and welding courses have been cut at several campuses and accounting, law and real estate courses are facing even greater cuts this year. Second-chance HSC courses have all but disappeared. At Gosford campus, teachers in maths, metal fabrication and welding have been made redundant and student contact hours in metal fabrication, sport and recreation courses have been cut.

Wyong campus no longer offers courses in tourism, hospitality and information technology. Wyong is a big tourism and hospitality area. Of course, the fee for fine arts at Ourimbah has been increased to \$14,000. I turn now to the job losses at the Northern Sydney Institute, in the electorates of the member for Hornsby, Mr Kean, and the member for Pittwater, Mr Stokes. The number of permanent full-time job losses between 13 January 2013 and 16 March 2014 was 102. Courses were cut and there were unaffordable fee increases for students with disabilities and it is facing an 89 per cent cut in disability funding next year, from \$1.2 million to \$138,000. The list goes on.

I have a couple more TAFE institutes to mention but the House is getting the flavour of what is going on in our TAFE system: it is being hit hard. Fine arts courses at Hornsby and Brookvale campuses are being cut with one week's notice. At the Illawarra Institute in the electorates of the member for Monaro, Kiama and South Coast job losses from 1 January 2013 to 6 March 2014 were 14. Illawarra TAFE has cut face-to-face teaching time for its apprentice electricians. Electrical trade apprentices will spend only 30 days in the classroom this year, 16 per cent less than in 2013 when they had to attend for 36 days. This is reducing the quality and capacity of education. Students with hearing impairment were forced to withdraw from the institute after the disability support service was reduced.

Mr Gareth Ward: That is not true.

Mr JAMIE PARKER: Are you saying it wasn't reduced?

Mr Gareth Ward: That's not true.

Mr JAMIE PARKER: It is true. How can you say it is not true? I look forward to the member's speech denying the truth of the matter. In the electorates of the member for Northern Tablelands and the member for Tamworth, permanent job losses at New England Institute are four full-time staff, a 13 per cent cut in the TAFE budget over three years.

Mr Kevin Anderson: Point of order: My point of order is relevance. The member for Balmain is misleading the Parliament. The numbers in relation to the New England Institute are not correct.

ACTING-SPEAKER (Mr Christopher Gulaptis): Order! There is no point of order.

Mr JAMIE PARKER: If I am incorrect as to the four staff, I encourage the member to correct the record and make a statement about it.

Mr Kevin Anderson: I will.

Mr JAMIE PARKER: I stick by my numbers. If he puts forward a different number, I will examine the veracity. In the Riverina Institute in the electorates of the member for Wagga Wagga and the member for Murrumbidgee, permanent full-time job losses were 38. It is a fact that the Riverina TAFE will no longer deliver Higher School Certificate courses at any of its campuses. In the Riverina second-chance education is important and it is a real concern that students are not being offered those HSC courses. No member of Parliament representing electorates near the South Western Sydney Institute signed the pledge but permanent full-time job losses at that facility are 36 and threats to the future of specialised support for students of non-English speaking backgrounds is a particular concern.

In my concluding remarks, I will deal with the position of the Government on these issues and address its arguments as to why Smart and Skilled should proceed. The first claim is that this TAFE changes moratorium bill will put at risk \$408.41 million in Commonwealth funding over the next three years. This claim is false for three reasons. The National Partnership Agreement on Skills Reform—a disgraceful Federal process that dangles money in front of State governments so that they will destroy their own publicly funded sector—does not require entitlements to training to be redeemable at non-TAFE organisations. For example, the initial implementation agreement signed with the Northern Territory allowed entitlements to be redeemed only at TAFE. That is what the National Partnership Agreement on Skills Reform allowed.

Clause 28 of the agreement could be implemented with State-based criteria that restricted entitlements to public providers. The progress payments to New South Wales for the implementation of the competitive components of Smart and Skilled, referred to as entitlements, would be stopped by this bill. They are relatively small compared to overall payments. The New South Wales implementation plan for the National Partnership Agreement on Skills Reform was to be signed by the Minister for Education, Mr Piccoli, and the then Commonwealth Minister for

Tertiary Education, Skills, Science and Research, Craig Emerson, in June 2013. The plan contains total payments of \$408 million after three years remaining in the plan, being 2014-15 to 2016-17. However, only \$172.66 million is dependent on structural reform outputs of access and equity, of which national entitlements form only one of two components. This cut is dwarfed by their own cuts, but it is completely false to claim \$408.41 million in cuts. I invite the Minister to tell us how he can support that claim because it is false.

I know that Coalition members, in particular The Nationals, have problems with the plan and the process. What the Minister will not say is that clause 6 of the New South Wales implementation plan allows the two responsible Ministers to negotiate the plan at any time. It would be open to the Minister for Education to renegotiate the terms and conditions for progress payments with the Commonwealth if this bill were passed, so the \$408 million is a ridiculous claim. I want to address the other claim that giving students entitlements to training and a choice of courses will increase participation in training. Many members opposite will say, "We will give students entitlements to training and choice and providers will increase participation in training."

Mr Geoff Provest: Who cares what they are going to say?

Mr JAMIE PARKER: This is what the Government has claimed and I am responding to that claim. I look at the evidence of Victoria and Queensland, which have similar markets and where there has been a collapse in quality training and a damaged training sector. The latest data for the Victorian competitive market shows a 28 per cent drop in diplomas. Smart and Skilled NSW will not guarantee increased training.

Mr Matt Kean: That has got nothing to do with the quality claim.

ACTING-SPEAKER (Mr Christopher Gulaptis): Order! Members will cease interjecting.

Mr JAMIE PARKER: The claim I am addressing is that giving students entitlements to training and a choice of courses and providers will increase participation in training. I invite members to look at the data in Victoria where there has been a huge decrease, and we can surmise why. Is it because of the increase in fees or the broken dislocated sector? An entitlement to training under Smart and Skilled is for one course only. This is important. Having redeemed that entitlement, students are then exposed to the full cost of any subsequent training. Currently, the member for Hornsby can do a course and then decide to do another course. Under Smart and Skilled he has an entitlement for one course only. If he chooses to do another course he is exposed to the full cost of any subsequent training.

Mr Matt Kean: Why shouldn't people be accountable for taxpayers' money?

Mr JAMIE PARKER: We believe that undermines security in the system. Students who begin training without the fundamental preliminary skills will be required to use their one-off entitlement to a course by enrolling in the necessary course and they will no longer have that entitlement for a mainstream course. The member for Hornsby is interjecting but this is an important point. Students who begin training without the fundamental preliminary skills that are required will have to use the

one-off entitlement and then no longer have an entitlement to do a mainstream course.

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The member for Hornsby interjected about giving people public money. People need to be educated and vocational education is a good way to provide that. It is not wasteful for people to do a course and then in their lifetime choose to do another. That is about life-long learning. One educational entitlement is insufficient.

ACTING-SPEAKER (Mr Christopher Gulaptis): Order! The member for Hornsby will cease interjecting. The member will have an opportunity to contribute to the debate.

Mr JAMIE PARKER: I do not blame the Acting-Speaker for being cranky. If I were a constituent in his electorate I would be cranky too. The Government has stated that it had to make "tough but necessary" decisions in the budget. This bill reflects the budget situation. I now address the important issue of funding. In 2006 Allens Consulting was engaged to review TAFE New South Wales. It estimated in its study that for every dollar spent on TAFE the State economy gained \$6.40 over the subsequent 20 years.

Mr Matt Kean: Who was that?

Mr JAMIE PARKER: Allens Consulting. Further education leads to fewer people on benefits, more people moving into the work sector, and more people with increased skills, thereby delivering benefits to the State. I encourage members to examine the Allens Consulting review. TAFE plays a critical role in generating dignity, engagement, education and citizenship. A highly educated, competent and literate workforce is economically beneficial to the State. The community needs people with broad and growing VET skills. The committee inquiry into skills shortages in New South Wales, of which I was a member, found that TAFE is at the heart of providing skills, especially in rural regional New South Wales where businesses are desperate for well-trained employees.

In rural and regional areas people may be required to change employment and may need further training but that would not be available with a single entitlement. Employment in a different industry or in agriculture may require further training but this proposal does not allow subsequent training if people have redeemed their entitlement. They would have to pay the full cost for that course. Where is the flexibility? In booming rural and regional towns, people who want to acquire additional skills should not be subject to the full cost of subsequent training. That is an imposition on rural and regional New South Wales. In the city there are large industries and people can continue in the same type of employment throughout their lives. The changes in the bill introduce an imbalance.

I will conclude with three points. The bill risks the implementation of reforms within TAFE which were instituted when Labor was in Government. Under Labor, TAFE was being strangled; the life was being squeezed out of it. Government members are agreeing with that proposition. At the time Coalition members, particularly rural and regional members, argued that Labor was ripping the guts out of TAFE. They argued that the working conditions of TAFE employees and the budget were being reduced year in and year out. The Greens also did not agree with the changes. The education sector must continue to improve but the way to do it is not to dump money into the private sector in an imperfect, unfair competition model. The member for Tamworth interjected earlier, disputing my

comment that staff numbers had reduced in the Hunter, the Illawarra and New England and on the North Coast. The Minister informed Dr John Kaye, a member of the upper House, in writing that the positions lost in 2013 included: Hunter, 26; Illawarra, 14; North Coast, 33; and New England, four. If the member for Tamworth has a problem with those numbers he should speak with Minister Piccoli. Perhaps the member considers that the numbers are too low?

Mr Kevin Anderson: I have got them.

ACTING-SPEAKER (Mr Christopher Gulaptis): Order! The member for Tamworth will cease waving a piece of paper around and resume his seat.

Mr JAMIE PARKER: I look forward to seeing that document. Minister Piccoli provided me with that number of four staff. This bill protects TAFE from Smart and Skilled.

Mr Geoff Provest: You have spoken to one point. Do you have number two?

Mr JAMIE PARKER: It is coming. Are you encouraging me to speak longer? It is important that TAFE is protected. Smart and Skilled will not guarantee that TAFE will remain the backbone of the New South Wales education sector. Rural and regional TAFE institutes in South Australia and Victoria are disappearing under the competitive market design. I encourage members to look at what is happening in South Australia and Victoria. Prior to the market design reforms, South Australia was served by three institutes which have now been amalgamated into one. Consequently, electrical apprentices cannot finish their trade course at a regional TAFE; they have to travel to Adelaide for the final year. That is what is going to happen here.

The Victorian TAFE at Gippsland, an advanced TAFE, has lost its autonomy and separate identity and has been amalgamated into Federation Training. By 2016 it will disappear into Federation University. In New South Wales the New England Institute is most vulnerable and will face significant pressure under Smart and Skilled. It is disturbing to look at what is going on in other States. The most recent data in Victoria states that the TAFE market share is now less than 27 per cent. Members in this House who think a TAFE in their electorate will thrive and grow under Smart and Skilled should be concerned.

ACTING-SPEAKER (Mr Christopher Gulaptis): Order! The member for Murray-Darling will cease interjecting.

Mr JAMIE PARKER: I thank members of the House for their active engagement in this bill. Many members signed up to the TAFE pledge, but we have not seen a commitment to TAFE as identified in the pledge. The pledge presented by the Teachers Federation, through activists and delegates, contained five points. The first two points are: Government must invest and guarantee TAFE funding; and ensure that TAFE jobs and courses are not contracted to the private sector. Any member who supports Smart and Skilled, having signed the pledge, is in breach of the first two points because TAFE funding has been reduced and jobs lost.

Members who signed the pledge include: then Deputy Premier Stoner; Education Minister Piccoli;

Lee Evans, Heathcote; Tony Issa, Granville; Troy Grant, Dubbo; Leslie Williams, Port Macquarie; Geoff Provest, Tweed; Matt Kean, Hornsby; Rob Stokes, Pittwater; Gareth Ward, Kiama; John Barilaro, Monaro; Shelley Hancock, South Coast; the former member for Northern Tablelands; Kevin Anderson, Tamworth; and Daryl Maguire, Wagga Wagga. These members have been snookered by this Government. The Government has said it is going to chop \$800 million out of TAFE, take a huge pile of money and give it to the private sector and let TAFE compete for money on an unfair playing field.

Mr Matt Kean: An unfair playing field?

Mr JAMIE PARKER: It is definitely unfair.

ACTING-SPEAKER (Mr Christopher Gulaptis): Order! Government members will come to order.

Mr JAMIE PARKER: Members do not like hearing the truth. They do not like to hear about job cuts and losses and reductions in courses.

Mr Matt Kean: We just don't like your socialism.

Mr JAMIE PARKER: The member for Hornsby interjects. I do not think that providing quality public education is socialism. If asked whether quality public education should be provided, the community will say "yes" a hundred times over. The last two days of media reports on training colleges should concern every member. The market that taxpayer money is being dumped into should be of concern to every member. I thank the House for debating this bill. I am delighted to speak in Parliament about TAFE, to inform local members and to encourage them and the broader community to consider the impacts of a publicly funded VET sector. TAFE is the backbone of vocational education and we must support TAFE teachers and staff and the young people who access this second-chance education. We must support, nourish and aid those who are looking for a positive future. Public funding should not be thrown into a market that will not deliver the participation rates and results that we all want. I commend the bill to the House.

[Business interrupted.]