

**INQUIRY INTO VOCATIONAL EDUCATION AND
TRAINING IN NEW SOUTH WALES**

Organisation: The Greens NSW

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Greens NSW Submission to the NSW Upper House inquiry into Vocational Education and Training

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The Greens NSW welcome the opportunity to contribute to this important inquiry into vocational education and training in NSW and the role and operation of the Technical and Further Education (TAFE) system.

This inquiry is happening in the context of the marketization of skills training and the profoundly adverse impacts it is having on TAFE teachers and students and on educational opportunities for working Australians, people with disability, second chance learners, Aboriginal communities and the long term unemployed.

The actions by the NSW government are undermining the role TAFE plays in the community and is pushing the public provider to the brink of collapse.

The historical role of TAFE has been to provide education for all young Australians. This transcends skills and goes to developing a complex and critical understanding of the industry, economy and society in which graduates work and live.

The loss of a vibrant and confident TAFE system would challenge the economic, cultural and social future of NSW and pose specific threats to health, safety and social cohesion. It would rob working class Australians of the opportunity to access quality education.

The Greens believe that there is now strong evidence that the Smart and Skilled training market and the 2012 National Partnership Agreement of Skills Reform must be abandoned and replaced with secure growth funding for TAFE without competition with the private sector.

The unique role of TAFE

A publicly funded secure TAFE system as the dominant provider of vocational and further education and training is integral to the economic, social and cultural wellbeing of the nation. TAFE plays a unique and crucial role in the education system.

It provides high quality skills growth, professional development and community learning. It offers second chance education and alternative learning pathways and provides opportunities for the more disadvantaged to gain skills and participate in the cultural, economic, social and political life of their community.

As an education institute, TAFE is unique in its ability to create economic wealth, social cohesion and social justice. It facilitates socio-economic mobility and provides educational outcomes for people with special needs and diverse learning styles. It undermines the division between wealth and poverty and creates a more inclusive, tolerant and functional society.

The Greens believe that skills training is much more than achieving a series of competencies.

TAFE alone combines education with the acquiring of skills, ensuring that Australia has a workforce that is not only competent at its day-to-day tasks but aware of the cultural, social, technical and economic context in which it operates.

Such understandings are critical to the capacity of Australia to innovate and to address the economic and political challenges of a century that will be dominated by climate change and the need to sustainably create and share wealth in an increasingly hostile global economic environment.

The task of reducing greenhouse gas emissions while maintaining a high standard of living, especially for the most vulnerable, can only be achieved with a workforce that is educated and consequently capable of adapting to new tasks and innovating.

Further, the legacy of a century and a half of large scale fossil fuel burning has already begun to alter the climate in ways that are increasingly hostile to human habitation. Even with dramatic global reductions in emissions, it is likely that the changes will accelerate. Adapting to these circumstances will require sophisticated decisions made across all sectors of society. Maintaining a quality liberal democracy requires that all citizens are capable of understanding the choices and participating in the process.

Ensuring that all Australians can participate in the economic and cultural life of this nation requires a high level of education and a commitment to resourcing allocation that meets diverse learning needs. Only a free public post-school education and training system and a professional teacher workforce can ensure that no student is deemed too expensive to educate and that outcomes are not determined by the level of wealth of the student or their family.

A successful, coherent and fair NSW can only be achieved with the quality of education delivered by TAFE.

The fallacy of the equivalence of private provision

Current federal and NSW state government skills' policies focus on creating a competitive environment, in which TAFE is forced to compete for funds against private providers in a market driven by student choices.

TAFE is being forced to compete with low-cost, low-quality private providers for both enrolments and funds. Competitive policies have created a race to the bottom in quality and standards where the focus on skills created at the least cost leaves no room for TAFE's mission to provide young working class Australians with a comprehensive education.

The underlying assumption of contestability is that private providers can and will deliver equivalent individual and societal outcomes when compared to TAFE.

This assumption is comprehensively wrong.

While private providers can operate at lower internal costs per qualification granted, in general they do so by:

- ◆ Reducing the pay, qualifications and working conditions of teachers and other educators. A low-paid, poorly educated and demoralised skills training workforce is unlikely to deliver the societal benefits that TAFE has traditionally provided.
- ◆ Enrolling a lower proportion of (or no) students with special needs, diverse learning styles or other higher support requirements. A privatised skills sector will create greater barriers to learners who pose greater financial costs. These students will be denied the opportunity to participate socially, culturally and economically, unless they continue to have access to TAFE.

- ◆ Providing only narrow skills training to the exclusion of education. In order to cut costs and maximise profits and maintain market position, many private providers focus on minimising contact time by narrowing the curriculum to address only the minimum skills required, often limited to those that are relevant to a particular employer. The consequences of a training sector dominated by private providers would be a less innovative and less adaptable workforce, and a less informed and engaged citizenry.
- ◆ Offering only low-cost or high-profit courses, leaving the public provider to pick up the more expensive and longer duration courses.
- ◆ Cutting corners on quality, with long term implications for the individual student and for the economic health of the community.
- ◆ Providing offerings that are attractive to students. This often takes the form of lower duration courses and shorter contact times, with consequent lower quality training.

Private provision does not offer a substitute for TAFE that maintains the benefits for the student or the community.

The fallacy of the benefits of the competitive market

The competitive market not only transfers student numbers from TAFE to lower benefit private training, but it also exerts downward pressure on the quality of all providers, public and private.

TAFE, when placed into competition with lower cost, lower quality private providers, is forced to either sacrifice numbers and funding or to lower costs to compete. It thus begins to adopt the characteristics of a private provider, foregoing the benefits of public provision.

Competition itself drives all participants to cut costs in order to succeed.

After two decades of so-called 'efficiency gains' in TAFE there are no labour savings to be gained. Any further reductions in unit cost can only be derived from:

- ◆ undermining pay, qualifications and conditions for teachers, with a consequent long-term loss in quality and commitment,
- ◆ increasing the casualisation of the workforce, with a consequent loss of corporate knowledge, continuity and time for individual student assistance,
- ◆ increasing class sizes and reducing the number of contact hours,
- ◆ reducing the educational outcomes of TAFE that are not directly part of the skills packages but are critical to a student's development and the societal benefits of the training expenditure,
- ◆ inappropriate use of alternative modes of learning. While for some students online learning works well, others lack the basic study skills or have learning styles that contraindicate individualised work.

Competition policy under the NSW Smart and Skilled has already created additional pressures for TAFE Institutes to shorten courses, reduce contact hours and move to online delivery even where it is not appropriate to do so.

As many students will seek a faster completion to their study with the least amount of effort, all providers will be forced to complete the minimum standards in the least amount of contact time in order to maintain and build market share.

Education is not a commodity. It has unique and individual qualities for each student that cannot be substituted between different providers. It has a substantial and long lasting social benefit that cannot be recognised through the profits of corporate providers.

Attempting to allocate educational resources through a market will inevitably inflict entirely unacceptable damage on the community and on students.

NSW government's Smart and Skilled reforms

In September 2011 the NSW Government released the *Smart and Skilled: making NSW number one* discussion paper which canvassed:

- ◆ Greater contestability of public funding, forcing TAFE into competition with lower quality private providers;
- ◆ A 'broad-based entitlement' for funding student places, which is in effect a voucher system. Instead of providing money directly to TAFE, students would take with them their funding to any provider of their choice, public or private. The success of each institution would depend on being attractive to students, not on the quality of education;
- ◆ 'Government may need to consider what contributions individuals and employers should make to the cost of training' suggesting yet higher fees and charges for TAFE. Total retained revenue (i.e. fees and charges) has grown by 46 per cent ahead of inflation from 2004/05 to 2010/11. Revenue collected from TAFE fees and charges was omitted from this year's budget; and
- ◆ 'Improved access' to HECS-like loans which are currently only available for full fee paying courses. Numerous studies have shown that income-contingent loans discourage young people from disadvantaged backgrounds from entering further study.

The government also moved TAFE into the federal industrial relations system which has weakened the bargaining power of staff.¹

After some delays, Smart and Skilled commenced on 1 January 2015. The policy is largely based on the above principles and includes:

- ◆ a student entitlement up to and including Certificate III courses, in which funding will follow a student to their choice of a TAFE college or a private provider,
- ◆ fixed fees across both public and private providers, set by the independent state regulator IPART,
- ◆ each individual has access to a single entitlement, after which they will be required to pay full cost recovery fees for any subsequent course,
- ◆ the development of a "skills list",² based on labour market research that will determine which courses are in sufficient demand to be subsidised under Smart and Skilled.

Any courses that are not on the government's 'skills list' are not subsidised by the government and consequently attract market-rate fees. The level of financial contribution is in many cases out of reach for many students, particularly those from disadvantaged backgrounds.

Under Smart and Skilled, each year the NSW government decides how much of its Vocational Education and Training (VET) budget is taken from TAFE and put into the contestable market where the public system has to compete with low-cost, low-quality private providers.

The most recent state budget indicated that in 2015/16, \$757 million (or 33%) will be taken from TAFE's secure budget and put into the contestable market where TAFE has to compete against low cost, low quality private providers.

¹ https://www.parliament.nsw.gov.au/prod/parlment/hansart.nsf/V3Key/LC20111019006?open&refNavID=HA8_1

² http://www.training.nsw.gov.au/smartandskilled/nsw_skills_list.html

In Victoria in 2008, the previous Labor government introduced market contestability into the VET system. At the time, TAFE was funded to provide around 70 percent of VET training in Victoria. This has fallen to less than 40 percent now.

The previous NSW Minister with responsibility for TAFE, Adrian Piccoli, and the current Minister John Barilaro have both claimed that their government has learnt from the Victorian experience that has seen TAFE's market share fall to just 27 percent of enrolments in vocational education and training.³

However in NSW, like Victoria, the proportion of funding allocated contestably is not capped. Under Smart and Skilled arrangements from year to year TAFE's share of the VET budget can be whittled away at the stroke of a ministerial pen. The progression so far has been for substantial annual increases in the proportion of the total Vocational Education and Training Budget allocated through the market.

NSW governments cut TAFE budget to the bone

Over the past 17 years and prior to the election of the NSW Liberals and Nationals government in 2011, TAFE NSW experienced real-cost cuts in its annual funding of over \$960 million from the state government and \$120 million from the Commonwealth and course fees have increased by at least 15% on average.

Comparisons between 1997 and 2010 funding of training in NSW have been developed using data from the National Centre for Vocational Education Research (NCVER), a not-for-profit company run by the federal, state and territory ministers responsible for training.

Table 1 reflects the change in the amount of money that would have been spent on training in 2010 in NSW if funding had kept up with the number of student hours taught and inflation.

Table 1: Sources of training funding in NSW⁴

Corrected for inflation and increase in the number of student hours.

More detailed figures are available in Appendix 1.

	1997 (\$m 1997)	2010 (\$m 2010)	97 to 10 (\$m 2010)	97 to 10 (%)
NSW	928.6	1,040.2	-961.9	-48.0%
Commonwealth	336.6	605.0	-120.8	-16.6%
Fees, charges etc.	191.7	475.3	62.0	15.0%
Total	1,456.9	2,120.5	-1,020.7	-32.5%

To create accurate comparisons, the 1997 figures have been adjusted by:

- ♦ inflation (1997 dollars have been adjusted down by 42.3% to 2010 dollars to account for inflation⁵), and
- ♦ the growth in student hours delivered⁶ (there were 51.5% more training hours in 2010 paid for by the NSW government than there were in 1997).

³ <http://www.smh.com.au/nsw/dodgy-nsw-private-colleges-to-be-investigated-by-federal-regulator-20150224-13nfpj.html>
<http://www.smh.com.au/national/education/how-taxpayers-are-helping-make-dodgy-private-colleges-rich-20150204-136mng.html>
<http://www.theaustralian.com.au/higher-education/support-wanes-for-open-training-markets/story-e6frgcjx-1227314152492>

⁴ Data for 2010 and 2007 from <http://www.ncver.edu.au/publications/2426.html> Table 1 of 2010 report and Note 9 of NSW – explanatory notes to table 6 and 7. Data for 1997 from equivalent publications.

⁵ Using ABS's Sydney All Groups CPI series A2325806K

If funding had kept pace with inflation and the growth in student hours:

- ◆ The NSW government would have spent \$962 million more in 2010 than it did in 1997. This represents a 48 per cent cut over the 13 years.
- ◆ The Commonwealth government would have spent \$120.8 million more. This represents a 16.6 per cent cut.
- ◆ In contrast, students have contributed \$62 million more. This represents an increase of 15 per cent.

	1997	2007	2010
Commonwealth	20.1%	20.5%	25.3%
NSW	65.6%	57.7%	51.0%
Fees, charges	14.3%	21.8%	23.7%
<i>Total</i>	100.0%	100.0%	100.0%

Table 2: Relative contributions to training funding in NSW
(Data sources: as for Table 1)

In 1997 students shouldered 14.3 per cent of the cost of training. By 2010, their contribution had risen to 23.7 per cent.

Over this period, both state and federal governments have increased their subsidies to private providers and the share of both student's hours and training money going to TAFE has diminished.

While exact data is not available, the percentage cuts to TAFE would have been far greater than the numbers reported here.

Impacts of budget cuts and Smart and Skilled reforms

Added to the cuts under state Labor, shortly after the Coalition won office in 2011 the then O'Farrell government announced a range of additional cuts. These included the public sector-wide pay rise cap of 2.5% and another TAFE budget cut of 3.1% or \$56 million, a 9.5% increase in course costs and an end to subsidies of courses that were determined, in the view of the government, to have little or no employment opportunities.

In 2012, as part of its trimming of \$1.7 billion from the forward education estimates, the then O'Farrell government announced the loss of 800 TAFE positions, including teachers and support services staff.⁷

Evidence from Institutes across the state over the following two years after this announcement and in the lead-up to the introduction of Smart and Skilled made it clear that those numbers of job losses was substantially higher.

In 2014 it was revealed that the actual number was closer to 1200 positions lost from TAFE.⁸

The most recent 2015/2016 state budget showed that the cuts have been even deeper than those forecast in 2013 and 2014.⁹

⁶ <http://www.ncver.edu.au/publications/2395.html> Tab 7: Table 7 Delivery hours by sex and state and territory, 1996–2010

⁷ <http://www.smh.com.au/nsw/nsw-to-slash-17b-from-education-funding-20120911-25ps9.html>

⁸ <http://www.abc.net.au/news/2014-09-20/tafe-teachers-say-nsw-state-government-doubled-job-cuts/5756974>

⁹ <http://www.johnkaye.org.au/budget-2015-record-spending-on-wrong-priorities-using-wrong-revenue-measures/>

From 2012 to 2015, TAFE student enrolments have fallen by 83,000 including massive declines in enrolments for students with special needs and Aboriginal students.

There are 2,600 fewer full time equivalent staff.

In 2015/16, \$757 million will be taken from TAFE's secure budget and put into the contestable market where TAFE has to compete against low cost, low quality private providers.

That figure represents 33% of the total training budget, up from 23% in the previous financial year.

Both the 2012 budget cuts and the January 2015 introduction of the Smart and Skilled reforms put Institutes across NSW under heavy pressure to rationalise courses, cut support services and reduce teaching, administrative and support staff numbers in order to be ready for the competition with private providers.

The uncertainty in the next year's funding created by the competitive market has driven TAFE management to act cautiously in planning staffing levels and course provision. The consequence has been a shrinking TAFE in anticipation of future market damage.

Entire sections in most TAFE Institutes have received 'spill and fill' letters requiring teachers to reapply for their own jobs, forcing them to compete against their colleagues for the reduced number of positions.

Further, many students who are mid-way through their training have found that the government subsidies that supported their courses had been withdrawn. In a taste of things to come, Fine Arts has been deemed to not be a qualification in high demand and students will have to pay full cost recovery fees, which in some cases is as high as \$12,000 a year.

TAFE teachers cannot be expected to maintain the quality of education and training with larger classes, few hours of contact, less time to see students out of hours and almost no administrative and educational support.

These changes are occurring despite publicly available research conducted by the independent consultant Allen Consulting that demonstrated for every \$1 invested into TAFE, the economy benefited \$6.40¹⁰.

While TAFE's budget has been cannibalised, private training providers are reaping the profits from the additional public funding flowing their way.

Following the release of the first Auditor-General's report¹¹ into Smart and Skilled, the Greens used analysis by a Sydney University report¹² to investigate the amount of public money at risk of ending up as pure profits for corporate training providers in 2015/16 in NSW.

The figures, prepared in February 2015, showed that under Smart and Skilled private corporations will be able to walk away with up to \$193 million of profit from a total public funding of \$642 million.¹³

The consequence across NSW has been a teacher workforce under extreme pressure. While this may have been a deliberate consequence of the changes, morale is at an all-time low. Teachers recognise that their commitment to their students is being exploited. Extreme stress and frustration are

¹⁰ Allen Consulting Group, 2006, *The complete package: the value of TAFE NSW*, <http://hdl.voced.edu.au/10707/137111>

¹¹ <http://www.audit.nsw.gov.au/news/vocational-education-and-training-reform>

¹² http://stoptafecuts.com.au/files/3014/2672/1577/2015_02_25_The_Capture_of_Public_Wealth_by_the_For-Profit_VET_Sector_finalv4.pdf

¹³ <http://nsw.greens.org.au/news/nsw/old-parties-rip-tafe>

widespread, not just because of inappropriate workloads but because educational professionals are in many cases unable to fulfil their obligations to their students.

Non-government providers are in many cases using unqualified instructors to deliver course materials. The market translates this as pressure on TAFE to lower its salaries bill by reducing the qualifications and skills of its workforce. The long term consequences for the state are extremely prejudicial.

Impacts of Smart and Skilled on students

The bewildering array of course fees, concessions and exemptions has confused even the NSW government and TAFE management, let alone teachers, administrative staff and new and continuing students.

Documents obtained by the Greens revealed a mind-bogglingly complex fee structure¹⁴ for students under Smart and Skilled.

The government was told by their own consultants that the complexity of the fee structures would make comparisons between providers very difficult.

If Smart and Skilled is about empowering students, then it will only work for the tiny minority who have the time, knowledge and patience to sort their way through a morass of different charging configurations.

With at least 40 percent of students facing substantial increases in the costs of vocational training under Smart and Skilled, the NSW government is committing the state to a loss of enrolments from the lowest income cohorts.

It is not just TAFE where the fee complexity will hit hard. Indecipherable fee structures and public subsidies for non-TAFE Registered Training Organisations (RTOs) create opportunities for unscrupulous corporate providers to lure students into course they cannot pay for.

The provider can collect progress payments, while the student is left without skills.

Aside from rising fees for many courses, students are also facing a loss of targeted special needs support, the inappropriate use of online learning as a cost-cutting mechanism and the shortening of course hours.

Some have found that their course is no longer available at their local TAFE but at another campus within the Institute.

The entitlement system limits opportunities for young people to realise they have made a mistake and choose a new course and for older people to have a second career. Learning pathways have become unavailable to many students. Many students have been locked out of general education options and pre-vocational education, denying them access to further study.

Prior to the advent of Smart and Skilled, Aboriginal students could access courses at no cost. Under the new arrangements, an Aboriginal student who has completed certificate IV or higher qualification cannot access a government subsidised place for a lower level qualification.

This means that an Aboriginal student who has been lured into an inappropriate higher level qualification which did not deliver the skills needed to find employment is now faced with impossibly high fees at TAFE for a pre-vocational or vocational qualification.

¹⁴ <http://www.theaustralian.com.au/higher-education/fee-confusion-a-barrier-to-training/story-e6frgcjx-1227007297476>

The interruption of public funding for the learning pathway has had substantial adverse consequences for a range of students.

Rising TAFE fees are having a particularly adverse impact on disadvantaged students including refugees who are temporary or permanent residents. They have no access to VET Fee HELP from the Commonwealth government.

To fill the gap the NSW government should introduce a fee exemption, waiver or concession for refugee students to allow them to access affordable public education opportunities.

The NSW government is leaning heavily on VET Fee HELP as the answer to rising fees of its own creation.

There are now no government subsidies for almost all diploma and advanced diploma courses and some certificate IVs. Loans of \$10,000 or more create barriers for many people who are turned away by the prospect of beginning their careers in such debt.

Implementation of new software program for TAFE

The combination of cuts to TAFE Institutes' secure budgets and the disastrous implementation of a new software system for the public provider introduced at the same time as Smart and Skilled has plunged TAFE enrolments into chaos.

The Smart and Skilled training market was bad enough without the dead weight of a dysfunctional software system crueiling TAFE's ability to enrol students.

At the point of enrolment, the software frequently crashes before critical data has entered the system. In many cases the package cannot even provide reliable information on the availability of courses, fees and exemptions and concessions.

Almost every TAFE college in NSW has resorted at some point in the last 7 months to paper enrolments, creating administrative and financial chaos for TAFE and a barrier to access for many prospective students.

Staff were unable, for example, to inform students if a course had attracted enough numbers to run.

Students looking for a course have been turned off TAFE by the lack of quality information and the chaotic environment.

The Greens have been informed that in some institutes students are attending courses without being formally enrolled. The quality of data about student numbers is compromised, with consequences for the ability of management to make sensible planning decisions.

Additional confusion over the TAFE disability fee exemption exposed yet further flaws in the 'Smart and Skilled' market, with students being given misleading and often contradictory information about what they had to pay.

One student successfully challenged a \$2,000 bill in the media, prompting the Minister's intervention.¹⁵ While this is a desirable outcome for that individual and served to highlight the impacts of the marketization of VET, it leaves open the question of how many students with disability are paying inappropriate fees and how many prospective students have abandoned study in the face of different fee information.

¹⁵ <http://www.smh.com.au/nsw/tafe-nsw-backpedals-over-2200-fee-for-disabled-student-20150109-1219pd>

As the TAFE enrolment crisis deepened in March of 2015, the managing director was forced¹⁶ to apologise to students and staff, while many were driven to tears¹⁷ by the so-called "reforms".

Despite Ms Christie's email, TAFE teachers and staff remain the subject of unacceptable stress and disappointment. Dedicated professionals are seeing their institution's reputation damaged and their student numbers decline.

TAFE teachers and staff gagged by the government

It is now clear that TAFE staff and teachers have been told by management that they are not to allowed to speak to the media or politicians about any changes within the Institute.

In the context of widespread restructures and staffing cuts, TAFE NSW management has effectively gagged their employees, making thinly veiled threats against them using the employees code of conduct.

These threats have particular potency in the context of widespread 'spill and fill' where teachers can lose their positions without the need for an explanation.

While it might be convenient for TAFE management and the government to silence the voice of those who know what is happening on the ground, decision making and the public debate are impoverished by the absence of input from professional teachers.

Impacts on rural and regional areas

Securing a vibrant and high-employment economic future for regional NSW depends on a skilled and innovative workforce that can deliver high quality services and compete in agricultural and manufacturing production in global markets. The loss of courses and the inevitable closure of small colleges and TAFE annexes will undermine accessibility for many rural residents.

Regional TAFE campuses at Dapto (Illawarra), Belmont (Hunter) and Trenayr (North Coast) are either closing shortly or at serious risk of closure.

Private providers cherry-pick cheap, profitable courses and leave TAFE with more expensive, less competitive options.

TAFE has a history of operating annexes and small colleges, but private providers concentrate on the lower cost, higher profit solution of aggregating services into big centres.

The regional skills base is now at risk of decline.

The closure and contraction of smaller TAFE campuses and annexes in rural and regional NSW not only denies opportunity to local communities but it forces young people to drive long distances or move to a regional centre or the city to access a course of their choice.

Both outcomes are highly undesirable. The former exposes inexperienced drivers to the increased risk of motor vehicle accident trauma. The latter contributes to the depopulation of smaller communities in rural NSW.

High levels of regional youth unemployment can only be addressed by investing in a quality TAFE system that covers the whole of the state.

Private providers under the spotlight

¹⁶ <http://www.abc.net.au/news/2015-03-10/tafe-nsw-apologises-to-students-for-enrolment-delays/6295978>

¹⁷ <http://www.smh.com.au/comment/tafe-nsw-reform-brings-students-to-tears-20150220-13km34>

As TAFE faces a constrained and challenging future under the NSW government's market reforms, a number of private training providers have been exposed for unethical and damaging marketing and educational practices.

Auswide Merimbula's collapse¹⁸ left students and staff in the lurch, while the former Minister responsible for TAFE, Adrian Piccoli's relationship with the under-investigation Australasian Beauty College has been called into question.¹⁹

Unscrupulous behaviour by private RTOs has been investigated²⁰ extensively by the ABC.

Some providers have such poor training practices that industry bodies have stopped employing any of their students.²¹

The negative media coverage of the behaviour of some private training providers led to the formation of a Senate inquiry, which is yet to report.²²

The Victorian market is a number of years more mature than NSW's Smart and Skilled. It has produced a large number of examples of the adverse consequences of increased funding of private providers.

Between the beginning of 2014 and May 2015, more than 9,500 training qualifications have been recalled²³ in Victoria. Almost all of these came from private providers. The egregious breaches of even the most rudimentary standards have not only left students without a qualification but have damaged the reputation of training and education.

In May 2015, the large for-profit provider Vocation was forced²⁴ to pay back \$8 million in public funding after the qualifications of 1,100 Victorian students were withdrawn.

The qualifications applied to "students who undertook four programs during 2014 in Aged Care, Children's Services, Business Administration and Competitive Systems and Practices. They also apply to students who did two specific units in First Aid, and Assist Clients with Medication."

NSW should learn from the experience of Victoria and recognise that for-profit private providers will not deliver the quality and reliability that TAFE intrinsically does.

Abbott government response to private provider rorting

The Abbott government's response to widespread rorting by for-profit private providers has been to paper over the gaping problems with more regulations.²⁵

The nature of competition policy means that providers will only enter the market in order to secure profits for their shareholders.

¹⁸ <http://www.johnkaye.org.au/auswide-collapse-a-sign-of-things-to-come-under-baird-govts-tafe-privatisation-future/>

¹⁹ <http://www.smh.com.au/nsw/education-minister-adrian-piccoli-confirms-he-attended-fundraiser-at-the-home-of-the-owner-of-a-college-now-under-police-investigation-20140819-10600q.html>

²⁰ <http://www.abc.net.au/news/2014-10-06/unregistered-training-colleges-target-low-income-earners/5793246?section=nsw>

²¹ <http://www.abc.net.au/news/2014-09-10/childcare-centres-blacklist-organisations-over-poor-training/5732270>

²² <http://www.theaustralian.com.au/higher-education/inquiry-into-private-colleges-imminent/story-e6frgcjx-1227126125796>

²³ <http://www.theage.com.au/victoria/tertiary-shakeup-as-student-satisfaction-hits-rock-bottom-20150403-1meb75.html>

²⁴ www.smh.com.au/business/vocation-to-repay-8m-in-funding-and-withdraw-1100-qualifications-20150517-gh3uq0.htm |

²⁵ <http://www.news.com.au/finance/work/dodgy-private-colleges-facing-senate-inquiry/story-fnkgbb3b-1227127528149>

They can only do that by cutting corners on quality, increasing fees and using unscrupulous marketing and recruiting methods to sign up disadvantaged students or people more suitable for other courses.

Federal Liberal and Nationals MPs in NSW have remained completely silent on the devastation of the TAFE colleges in their electorates while private providers are busy rorting the system and cannibalising TAFE's budget.

Federal Labor's position

While it was Labor government that pushed the 2012 National partnership on Skills Reform that kick-started the marketization of TAFE in NSW, the party's recent National Conference identified the need to change direction. Having bribed the states into dumping their TAFE systems into competitive funding markets, Labor is now arguing for a better 'balance'.²⁶

If this is to be more than just tinkering around the edges as TAFE faces annihilation, federal Labor must come out strongly for a guarantee to limit the competitive market to less than 30 percent of the total training budget.

This was NSW Labor's policy at the last state election and it has now been adopted by the ACTU.

Even if Labor were to push ahead with this policy and implement it, the Greens believe that a 30 per cent cap is still far too high for TAFE to survive.

Under this model the amount of money available to non-government providers could grow to \$744 million, and profits taken from the public purse could be as large as \$223 million.²⁷

However, the NSW Labor and ACTU policy would certainly be better for TAFE than the current situation with little to no parameters around the contestable market at all.

"Skills reform" is TAFE privatisation by another name

TAFE across the country has come under a sustained attack from both state and federal governments. Under the banner of 'skills reform', funding for public vocational education has been reduced creating pressure for Institutes to cut courses, casualise the teaching workforce, slash face-to-face teaching hours and raise fees to unaffordable levels.

At the same time, private training providers have been given increasing amounts of public money to deliver lower quality, low-cost courses.

The lack of investment in TAFE is inflicting real damage and the public provider will not be able to continue to deliver quality skills training with less and less money. Government policies are luring students to private providers who cherry-pick the cheapest courses using under-qualified teachers and do not cater for special needs, or offer any outreach services.

Many of these students will be shut out of vocational education and training altogether by unaffordable fees and inaccessible courses.

"Skills reform" and the competition agenda for VET was led by the Rudd government at a federal level and taken up with enthusiasm in Victoria and South Australia and, more recently, in NSW.

²⁶ <https://www.youtube.com/watch?v=AZAPqb1nvsg>

²⁷ <http://nsw.greens.org.au/news/nsw/old-parties-rip-tafe>

In Victoria, full contestability of funds for skills training combined with massive budget cuts to the public provider²⁸ has seen the devastation of the TAFE system. Entire campuses have closed down, courses reduced and teaching hours cut. Thousands of TAFE teachers have lost their jobs.²⁹

Unused campuses are becoming prime real estate.³⁰

The South Australian government's TAFE privatisation ran ahead of schedule when they over-delivered on *Skills for All* funded courses in 2012 three years ahead of time. It caused a large blow-out in the state's training budget, and led to massive budget cuts, course closures and redundancies in the state's public VET system.³¹

In 2012 "skills reform" was endorsed by all states and territories in the COAG agreement signed in April that year.³²

Queensland wasted no time implementing its version of the COAG agreement announcing budget cuts³³, commercialisation of TAFE³⁴ and allowing the use of TAFE assets by private providers³⁵.

The 'Smart and Skilled' training market that implements the national agreement in NSW.

Budget cuts, job losses, course closures and fee rises have pushed TAFE in NSW to the brink of collapse. The introduction of Smart and Skilled combined with savage budget cuts, has been highly damaging for the TAFE sector in NSW.

In an acknowledgement of the community concern around the changes to TAFE, in the March state election the Coalition attempted to hose down some of the anger about fee increases and course cuts, announcing its feeble "Reskilling NSW" package.³⁶

While \$48 million sounds like a lot of money, averaged over 200,000 scholarships, it provides only \$240 per student. At best this is just a waiver of the smallest concession fees that the Coalition itself had wiped out.

A future without TAFE?

For the first time in over a century, NSW is facing the prospect of a future without a TAFE system.

Public provision of vocational education is challenged by declining funding, a hostile market, predatory private providers, declining staff morale and government policies that can only be interpreted as profoundly hostile.

The Victorian experience is being watched closely in NSW. Many TAFE teachers are aware that the former head of the NSW Department of Premier and Cabinet Chris Eccles was a long-time advocate of

²⁸ <http://www.smh.com.au/national/education/budget-cuts-leave-tafes-reeling-20131025-2w5v1.html>

²⁹ <http://www.smh.com.au/national/education/deep-budget-cuts-leave-tafes-reeling-20131027-2w9lp.html>

³⁰ <http://www.theaustralian.com.au/higher-education/victorian-tafe-campus-disposals-roll-on/story-e6frgcjx-1226608648799#>

³¹ <http://www.theaustralian.com.au/higher-education/tafes-face-closure-lay-offs/story-e6frgcjx-1226787764935#>

³² http://www.federalfinancialrelations.gov.au/content/npa/skills/skills-reform/national_agreement.pdf

³³ <http://www.abc.net.au/news/2013-10-11/more-teachers-cut-from-qlds-regional-tafe-campus/5016448>

³⁴ <http://www.abc.net.au/news/2013-05-24/government-sets-up-new-tafe-qld-body/4710544>

³⁵ <http://www.theaustralian.com.au/higher-education/queensland-tafes-to-lose-their-assets/story-e6frgcjx-1226659546529#>

³⁶ <http://www.smh.com.au/nsw/nsw-state-election-2015/nsw-government-accused-of-hypocrisy-over-tafe-promise-20150202-133x5w.html>

market reforms in the vocational education and training sector, having instituted some of the most dramatic and damaging alterations when he worked in the Victorian public service.³⁷

Mr Eccles only left his position with the NSW Coalition government after the Smart and Skilled architecture had been virtually complete.

NSW has been set on a course that will inevitably follow the collapse in market share that TAFE has experienced in Victoria.

Extrapolation of current trends would see the public provider confined to the margins of the skills sector, catering only for those students and courses that the private sector deemed to be unprofitable.

This appalling fate is the direct result of the actions of both this state government and its predecessors and the current federal government and its predecessors.

Avoiding a catastrophe requires a rapid turn-around in policy settings and funding.

Waiting until TAFE has been decimated will be too late. The loss of a century of accumulated expertise and corporate knowledge is irreversible.

Competency-based training and skills packages: converting education to a commodity

The fundamental causes of the change from public responsibility for education and training to market-based allocation date back to the 1980s push from competency-based training (CBT).

Training Packages, the implementation of CBT, turned skills into a commodity that can be created by any organisation that can follow the instructions.

If outcomes are only about narrowly-defined skills, then public sector provision is much less relevant.

The value of education for working Australians and the unique contribution of TAFE have been replaced by a numbers game where private corporations are seen as more cost-effective at turning out large numbers of jobs-ready employees.

The election debates that resulted in changes of government in Victoria and Queensland focused on fees and scandals involving private providers.

However, the notion of quality post-school education for all Australians cannot survive unless the focus moves away from training packages.

Between 1983 and 2006, the national leadership of the union movement and the Hawke and Keating governments struck a series of deals to suppress wage growth and support so-called workplace reforms. In return Labor promised greater public spending on social wages including education and welfare.

The manufacturing union argued that a lack of national skills standards meant that on-the-job training of their members at one workplace was not transferable to another.

The ACTU successfully pushed for the Accord to contain a national system of Competency-Based Training (CBT) that, they asserted, would facilitate mobility, multi-skilling and career development.

³⁷ <http://www.smh.com.au/national/tertiary-education/tafe-shakeup-could-spell-an-end-to-nonvocational-courses-20121022-281kg.html>

It was almost certainly an unintended consequences but at that point the leadership of the union movement, collaborating with a Labor government, set in train a process that would inevitably threaten the rights of working Australians to a quality post-school education.

When Competency-Based Training was implemented as Training Packages, skills became a commodity.

Working Australians were to receive quanta of abilities, that were rigorously defined and hence easily measured.

The slogan 'skills for work' effectively stripped out education from training. Students in the VET system were to be denied the transformative values of critical understanding of the social, economic and cultural forces that determine the nature of their workplace and the society they lived in and how those forces would shape their future.

Instead, they were to be trained to task for easy slotting into a workplace.

Competency Based Training created measurable quanta of skills that could be supplied by private providers. Professional teachers could be replaced by lower-waged trainers.

Governments and their Treasury officials, obsessed with cutting taxes and balancing budgets, were then free to view TAFE as unnecessary and expensive. In the world of generic, measurable and tradeable skills training, the public sector's commitment to developing its students as cultural, social and political participants became a cost rather than an investment.

Once skills became commodities, the inevitable logic of neoliberalism kicked in and training markets emerged, with TAFE struggling to survive.

Competency Based Training created the excuse to strangle TAFE that the business elite had been waiting for.

For all working Australians, students with a disability and those from a non-English speaking or Indigenous background or who are seeking a second chance it has been a slow but inexorable trip to educational marginalisation.

Greens attempts to stop Smart and Skilled

The Greens were so concerned about the impacts Smart and Skilled would have on TAFE in NSW that we introduced a bill into the NSW Upper House in 2014 to place a moratorium on its introduction.

The bill also sought to restore TAFE funding, freeze the money going to private providers and stop any growth in TAFE fees. It passed the NSW Upper House with the support of Labor and the Shooters and Fishers party in June 2014.³⁸

After the bill was passed by the upper house, the Greens campaign shifted to lobbying in lower house marginal seats and Coalition-held electorates, particularly in those seats where the sitting MP signed the "Invest in TAFE for a Better State" pledge prior to the 2011 state election.

Media attention on the pillaging of TAFE grew rapidly, thanks to the enthusiastic actions of students, teachers, staff and the members, organisers and executive of the NSW Teachers Federation, the PSA of NSW and the TAFE Community Alliance who all gave their public support for the Greens legislation.

The interest from state-wide and regional media outlets on the cuts to TAFE has only increased since the Greens bill was defeated by the NSW Liberals and Nationals in the lower house.

³⁸ <http://www.johnkaye.org.au/greens-bill-to-save-tafe-passes-nsw-upper-house/>

TAFE issues received significant state-wide media attention throughout the March state election and since then with the handing down of the state budget.

The vast majority of the commentary has been very negative for the government.

Greens NSW Save TAFE tour around NSW

Since 2012 the Greens education spokesperson John Kaye and Federal Greens TAFE spokesperson Senator Lee Rhiannon have made more than 50 visits to campuses around NSW including visits to the North Coast, Mid North Coast, Western and South Western Sydney, Hunter, Illawarra, South Coast, Blue Mountains, Ultimo, Central West, Riverina and Queanbeyan.

They heard directly from teachers, staff and students about the social and economic impacts TAFE cuts were having on their local communities.

Restoring TAFE's role as the dominant public provider of VET

The Greens NSW reject the current policies of the state and federal governments to open TAFE up to increasing competition with private providers, to reduce the range of courses on offer and to increase course fees. We also reject cutting TAFE budgets and reducing entitlements.

TAFE teachers are under increasing pressure from rising workloads and class sizes, casualisation of their profession and the active effort to de-unionise their workforce. This is an untenable situation and steps must be taken now to stop and reverse the damage inflicted by the attempts to force neo-liberal, market driven principles onto a public institution.

The Greens NSW believe that TAFE should not be judged on financial efficiency but rather on the benefit it delivers to the state. A strong public TAFE system helps build a cohesive, fair and successful society. To do this:

- ◆ TAFE funding must be restored to pre-1997 per student contact hour levels, in real terms.
- ◆ TAFE teaching recognised as a professional activity, requiring appropriate university-level professional qualification and time and resources for on-going professional development,
- ◆ Remuneration and conditions should reflect the difficulty and significance of the work of TAFE teachers,
- ◆ TAFE fees and charges must be removed,
- ◆ the growth in funding of private providers should be stopped. Private providers should not receive public funding for courses that TAFE is able to offer,
- ◆ The market agenda, entitlements and other mechanisms that throw TAFE into competition with private providers should be terminated and funding to TAFE should be restored to make it the dominant public provider, and
- ◆ The casualisation of the TAFE workforce should stop and career development opportunities should be provided for all casual teachers.

This is not an impossible task. In the March state election the Greens NSW announced a fully funded package to deliver an additional \$900m boost to TAFE's annual budget and make TAFE free for all students.³⁹

Greens' Plan B for TAFE: Capping contestability

³⁹ <http://greens.org.au/node/10582>

The principles outlined above represent the Greens NSW long term vision for the public provider. However the Greens recognise that TAFE's current situation is currently so dire that urgent and achievable aims must be put in place.

The marketisation of TAFE through 'Smart and Skilled' in NSW is destroying TAFE and preventing students from accessing affordable educational opportunities.

It is critical that the NSW government make a legislative commitment to securing the lion's share of the total vocational education and training budget available for TAFE.

The current levels of funding flowing to non-TAFE providers under Smart and Skilled are causing devastation to TAFE. The public provider's secure budget cannot continue to be cannibalised in this way.

The Greens NSW recently launched a campaign "Stop Privatisation Before it Stops TAFE". We are calling on all political parties to sign up to renegotiating the National Partnership Agreement on Skills Reform, due to expire in June 2017 under the following principles:

- ◆ TAFE guaranteed secure access to at least 85 percent of all funds allocated to each course code, rising to 100% where TAFE can provide courses without the private sector;
- ◆ Full public funding for Diploma and Advanced Diploma courses at TAFE and an end to the VET-FEE Help income-contingent loan scheme;
- ◆ No public funds to go to for-profit private providers; and
- ◆ No public funds for new private providers.