

**Submission
No 31**

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

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The Director
General Purpose Standing Committee No. 6
Parliament House
Macquarie St
Sydney NSW 2000

To the Director,

**Submission to the Inquiry:
Vocational education and training in New South Wales**

I make this submission with regard to the Inquiry's following terms of reference:

1(b)(ii) - *the development of skills in the New South Wales economy.*

and

1(c) *factors affecting the cost of delivery of affordable and accessible vocational education and training, including the influence of the co-contribution funding model on student behaviour and completion rates.*

and

f(ii) *alternatives to the Smart and Skilled contestable training market and other funding policies.*

Summary

I would like to draw the Inquiry's attention to the economic value of skills obtained through TAFE courses currently available in NSW, and the risks posed to those benefits by the prohibitive costs and debt-loads now applied to many TAFE courses as a result of recent reforms by the name of 'Smart and Skilled'.

Whereas TAFE has for decades been able to deliver excellent economic returns to the people of NSW in the form of more productive and better skilled employees, I believe those same benefits may now be lost to the people of NSW and our next generation of students who will find themselves unable to afford or gain access to TAFE courses on the same basis as their forebears.

I make ameliorative recommendations regarding this situation on the final pages of this submission, including a proposed alternative to the 'Smart and Skilled' funding policy.

Background: A personal case study

I am a serving NSW High School teacher employed by the Department of Education since 2010. Previously I have also been an employee of the former Office of Film and Literature Classification (2002), the Australian Taxation Office (2003-4), and through contract work in a variety of academic and administrative roles at The University of Sydney (2009-12).

I thus have varied experience of different forms and levels of work for a variety of public service agencies.

It is this variety of public sector experience that informs the views I now present to the Inquiry:

Key issue: The value of skills acquired through TAFE to the NSW economy

In 2014 I completed the nationally-accredited Diploma of Government (Australising course PSP50112) via online correspondence delivery through the Inverell campus of TAFE New England.

This Diploma provides a comprehensive training and development course for public sector employees in vital elements of quality public service including compliance, public ethics, mentoring, conflict resolution, workplace health & safety, and leadership.

In completing the Diploma, I was guided by excellent teaching staff with whom I corresponded on a regular basis to obtain guidance about the skills and criteria I was required to demonstrate in order to satisfy the requirements of the Diploma.

As a result of completing this Diploma, I gained an expanded set of skills that will enable me to deliver better quality and productivity to the communities which I will serve in the years and decades to come, be it as a teacher or indeed any other form of public service for which I may become employed.

I would also reflect that the skills from this course would be widely applicable across many public sector agencies and all levels of work from the general employee to Executive level of the public service.

In short, I will be better at my job and therefore of greater service to the people of NSW as a result of undertaking this Diploma of Government.

The fee I paid for this Diploma course was \$750 in total. Of course, at that relatively affordable level of fee, it means that the NSW taxpayer subsidised a large proportion of the cost of my undertaking the course. However I would reflect that the cost borne by the NSW taxpayer *will be returned many times over in the years and decades to come*, in the form of higher quality and more productive service that I can now deliver.

My own personal case study provides, I believe, *direct experiential evidence* to support the well-known and widely-cited finding that every dollar invested in TAFE NSW generates, on average, a \$6.40 lifetime return in economic activity (Allen Consulting Group, 2006, *The Complete Package*).

It follows from this also that if many more public servants such as I were to undertake a course such as the Diploma of Government, these benefits of a more highly skilled, more productive public service could be magnified on a massive scale across NSW.

Key issue: Cost of Diploma course under *Smart and Skilled* reforms.

I note that under the *Smart and Skilled* reforms and the fees table published by the NSW Government in 2014, the same course which I completed for a total out-of-pocket cost of \$750 would now cost up to \$5,700 if I enrolled this year.

That level of fee would deter me personally from undertaking the course if I had to begin it now and would, I suspect similarly, deter many other public servants in my position. Put simply, at a cost in the range of thousands of dollars, there is a major disincentive for public servants to enrol in such a course.

Key issue: Loss of skills to the economy and people of NSW through lost enrolment in the Diploma of Government

I am troubled by the notion that I may well be among *the last in NSW to complete the Diploma of Government*, if the current level of prohibitive fees remain in place under the 'Smart and Skilled' reform package.

I regard this situation as a great pity, for had I not completed the course, the higher quality and productivity which I gained from the course would be lost to me, and to others similarly deterred from enrolling.

Worst of all, it is in fact the people of NSW who would miss out most — for they would be deprived of a higher quality, better enabled, more productive public service.

This is a grave outcome for the people of NSW and in my view degrades the NSW Government's ability to deliver its own programs and policies. It is a lose-lose-lose outcome for individuals, for the people, and the government of NSW.

Recommendations

I reflect that further value to the people of NSW could be generated if the NSW government was to offer opportunities for *as many public servants as possible to complete the Diploma of Government at TAFE NSW*. This would increase the overall quality and productivity of the NSW public service, improving the NSW Government's ability to pursue and implement its policies via its public service agencies. Finally, all of this would be achieved at a ***reduced effective cost to the taxpayer*** through greater public service productivity.

Based on the foregoing, I would recommend that the Inquiry please give consideration to the following ameliorative measures, to ensure that the people and government of NSW may continue to enjoy the better service levels and productivity of the public service that is enabled by the *Diploma of Government* and other similar courses:

1. Make the Diploma of Government course available to NSW public sector employees through TAFE NSW on a reduced-fee, fee-free or scholarship basis such that it costs no more than \$750 out-of-pocket in 2014-adjusted dollars.
2. Consider what other relevant public sector qualifications and courses could also be made available to NSW public sector employees through TAFE NSW on a reduced-fee, fee-free or scholarship basis as above.
3. Consider what wider training initiatives could also be promoted by the NSW government to provide additional opportunities for public sector employees to undertake a greater variety of TAFE NSW courses on a reduced-fee, fee-free or scholarship basis.

Conclusions

I believe it is in the interest of the NSW government, the people of NSW and the NSW economy to foster a public sector workforce that is as highly skilled, productive and motivated as possible — and that public funds invested in TAFE NSW for this purpose would be returned many times over in net economic benefit.

In this enterprise, TAFE NSW should be seen as the 'natural home' of public sector workforce training and skills development, and the NSW government should pursue measures to encourage its public sector workforce to participate in TAFE courses for their professional development in all relevant agencies.

With thanks to the Inquiry for your consideration.

Yours sincerely,

Mr Mercurius Goldstein
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