



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Election Costing Request Form

Details of request	
Party:	Australian Labor Party (NSW Branch)
Name of Policy:	Labor's plan to rescue TAFE NSW
Date of request:	11 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	See Attachment 1 .
What is the purpose or intention of the policy?	Ensure that TAFE remains an affordable and central part of our public education system.
Has the policy been publicly released yet?	

Your estimated costing of the policy ¹						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years ² \$'000
Impact on General Government Sector (GGS) net operating result ³						
Impact on GGS capital expenditure ⁴						
If different from above, impact on total State Sector net financial liabilities ⁵						

¹ Amounts should be expressed in nominal dollars. GGS - General Government Sector.

² Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

³ Negative for a saving that reduces expenditure

⁴ Negative for a reduction in capital expenditure.

⁵ Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

Key assumptions made in the policy	
<p>Does the policy relate to a previous announcement? If yes, which announcement?</p>	<p>Yes – announcement by Luke Foley and Ryan Park on 2 February 2015.</p>
<p>What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i></p>	<p><u>Reverse fee hikes</u></p> <p>Labor will reverse the Baird Government’s TAFE fee hikes, commencing with courses in skill shortage areas and for students in certain disadvantaged groups.</p> <p>From 1 July 2015, TAFE fees will be reversed to 2014 levels, adjusted for inflation, for qualifications for occupations listed as state-wide skill shortages on the Australian Government Department of Employment’s Skill Shortage list. In addition, free study is to be reinstated for disabled students, Aboriginal students and students enrolled in special access courses.</p> <p>These initial fee reversals will apply with respect to study associated with fee payments that satisfy both of the following two criteria:</p> <ul style="list-style-type: none"> • payment is made on 1 July 2015 or later; and • payment is for study undertaken from 1 July 2015 or later. <p>Qualifications that may be provided by TAFE that are listed as state-wide skill shortages in the Australian Government Department of <i>Education Skill Shortage List</i> (at 2013-14) include:</p> <ul style="list-style-type: none"> • Surveyor • Auto mechanic, including motorcycle mechanic • Sheetmetal trades • Panel beater • Brick layer • Carpenters and joiners • Painting trades worker • Fibrous plasterer • Wall and floor tiler • Plumbers • Air conditioning and refrigeration

	<p>mechanic</p> <ul style="list-style-type: none"> • Enrolled nursing • Valuer • Construction estimator • Locksmith • Stonemason • Solid plasterer • Roof tiler • Electrical linesworker • Baker • Pastry cook • Butcher or small goods maker • Chef/cook • Arborist • Landscape gardener <p>The policy being costed includes qualifications for all automotive mechanics rather than limiting it to sub-components such as diesel mechanics.</p> <p>Labor commits to reversing fee hikes on all TAFE NSW courses by the end of its first term in government. It is assumed that the fee hikes on all courses are reversed from 1 January 2019.</p> <p><u>Restoring services</u></p> <p>High priority TAFE campuses, courses and services are maintained and cuts reversed, as outlined in <u>Attachment 2</u>.</p>
<p>Is there a range for the costing or any sensitivity analysis that you have undertaken?</p>	<p>No.</p>
<p>Are there associated savings, offsets or expenses? If yes, please provide details.</p>	<p>N/a.</p>

Administration of policy	
Intended date of implementation:	1 July 2015.
Intended duration of policy:	Ongoing.
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	TAFE NSW.
Are there any specific administrative arrangements for the policy that need to be taken into account?	No.
Are there transitional arrangements associated with policy implementation?	See <u>Assumptions</u> .

If the policy is mainly an expenditure⁶ commitment	
Demand driven or a capped amount:	Consistent with existing arrangements.
Eligibility criteria or thresholds:	..

⁶ Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

Attachment 1 – Maintain high priority TAFE campuses, courses and services; and reverse cuts

Within one term, a Labor Government will:

- Abolish the Liberal's 'Smart and Skilled' privatisation program;
- Reverse the Baird Government's TAFE fee hikes (with fee hikes on subjects in skill shortage areas reversed from 1 July 2015); and
- Guarantee funding to TAFE by capping the amount of public funds that can be contestable by private operators at 30 per cent.

Attachment 2 – Maintain high priority TAFE campuses, courses and services; and reverse cuts

GUARANTEE TAFE CAMPUSES RUMOURED FOR CLOSURE WILL REMAIN OPEN:

- Dapto campus
- Padstow campus
- Cooma campus.

REVERSING CUTS TO TAFE SERVICES OUTLINED BELOW:

- Classes are being axed in Campbelltown, Chullora and Wetherill Park. Engineering trades, fitting and machining, sheetmetal, metal fabricating and welding, and vehicle-building classes will be hit. Teacher numbers will be cut from 54 to 26. (SMH 29/3/14)⁷
- South Western Sydney Institute of TAFE is planning to sack 52 per cent of its teachers in engineer and automotive manufacturing. (30/3/14)⁸
- 30 per cent of the 46 information and communications technology teachers would be cut and all information technology would vanish from the Padstow campus by next year. (Canterbury-Bankstown Express 2/12/14)⁹
- Hospitality courses, and information and communications technology courses in Padstow will cease at the end of 2014, while automotive classes will also cease except for the Fiat Chrysler program, continuing to 2016. (as above)
- Plumbing and engineering courses have closed at the Chullora campus; hospitality, butchery, automotive and IT teaching courses will close at Padstow and engineering will no longer be offered at Miller. (Liverpool Champion 25/11/14)¹⁰
- 200 students are distressed and teachers have lost their jobs before Christmas after the metal fabrication section at Chullora and Miller campuses was axed; TAFE Teachers Association says 32 staff will lose their jobs. (Canterbury-Bankstown Express 26/11/14)¹¹
- South Western Sydney Institute was proposing to cut all pre-apprenticeship courses in signage at Macquarie Fields TAFE, affecting 81 students. (Macarthur Chronicle 4/12/14)¹²

⁷ <http://www.smh.com.au/nsw/tafe-cuts-force-axing-of-engineering-automotive-manufacturing-programs-20140329-35q11.html>

⁸ <http://www.johnkaye.org.au/threat-of-competitive-tafe-funding-model-cuts-manufacturing-skills-in-half-in-sydneys-south-west/>

⁹ <http://www.dailytelegraph.com.au/newslocal/south-west/opposition-on-the-attack-as-jobs-and-courses-dwindle-at-tafe-nsw-sysi-in-padstow/>

¹⁰ <http://www.liverpoolchampion.com.au/story/2720201/protest-targets-tafe-cuts/>

¹¹ <http://www.dailytelegraph.com.au/newslocal/news/metal-section-axed-at-chullora-campus-disrupts-students-and-sacks-teachers-but-skill-demand-in-decline/story-fngr8gwi-1227134611228>

- Gymea TAFE will no longer offer the HSC; hairdressing and ceramic permanent teachers jobs have been lost at Gymea TAFE, commercial cookery teacher jobs have been lost at Loftus TAFE. (St George and Sutherland Shire Leader 15/10/14)¹³
- the HSC course has gone from Wyong TAFE along with several other courses in tourism, hospitality and IT. (Central Coast Express Advocate Wyong 21/2/14)¹⁴
- HSC through Hunter TAFE has ended while tourism and hospitality courses will cease at Cessnock and Glendale. (Newcastle Herald 30/12/13)¹⁵
- Maitland TAFE will lose tourism and hospitality courses with full time teachers made redundant. (Maitland Mercury 3/9/13)¹⁶
- Information technology courses at Newcastle, metal fabrication and welding at Glendale, and ship and boat building at Newcastle have been scrapped. (Newcastle Herald 29/12/13)¹⁷
- Dapto campus is rumoured to be closing, with an information technology course offered at Dapto under threat, and the cancellation of a tourism and hospitality course offerings at the once-busy site had been whittled down to “two or three gardening classes a week”, and no permanent teaching staff now on campus. (Illawarra Mercury, 21/7/14)¹⁸
- The Albury TAFE Mechanical Engineering Section is closing. (Border Mail 21/11/13)¹⁹
- The HSC course has been cut from Wagga TAFE. (The Daily Advertiser 31/3/14)²⁰.

¹² <http://www.dailytelegraph.com.au/newslocal/macarthur/tafe-cuts-and-fee-increases-could-do-a-world-of-hurt/story-fngr8h70-1227143765767?nk=48c3b05b76bf1a4796e8450d5526e6f9>

¹³ <http://www.theleader.com.au/story/1839837/tafe-cuts-targeted-in-opposition-campaign/>

¹⁴ <http://www.dailytelegraph.com.au/newslocal/central-coast/gosford-and-wyong-tafes-face-more-staff-and-course-cuts/story-fngr8h0p-1226826874365>

¹⁵ <http://www.theherald.com.au/story/1996172/hunter-tafe-to-face-fresh-pain/>

¹⁶ <http://www.maitlandmercury.com.au/story/1808798/thrills-and-skills-for-1000/>

¹⁷ <http://www.theherald.com.au/story/1996172/hunter-tafe-to-face-fresh-pain/>

¹⁸ <http://www.illawarramercury.com.au/story/2203453/tafe-funding-cuts-labor-calls-for-rethink/>

¹⁹ <http://www.bordermail.com.au/story/1922973/tell-aplin-weve-had-enough-cuts/>

²⁰ <http://www.dailyadvertiser.com.au/story/2188018/last-year-for-hsc-at-tafe-riverina-institute/>