

O'Farrell's agenda: A "Smart & Skilled" TAFE or the demolition of TAFE NSW?

The TAFE Commission Act amendment has the declared purpose of "increasing flexibility to secure more business and create more employment opportunities for its staff." One example of such "flexibility" has been the attempt by TAFE to make 52 week full-time employment a thing of the past. There has been an increase to the extent and range of part-year or 'seasonal' (36-42 weeks per year) employment. At the same time TAFE colleges have been made to stay open longer and extend the number of courses being offered during Term vacations when 'seasonals' are stood down with no pay. Not only the traditional areas of direct class support but increasingly clerical and library jobs have been made part-year. This category of employment was declared contrary to the Public Sector Employment and Management Act by the NSW Industrial Commission in December 2009. Since then TAFE has been finding excuses for not complying with the Commission decision.

The Minister in his speech to Parliament on the TAFE Commission amendment Bill said "I also make it clear that the Government's policies relating to wages and the management of excess employees will continue to apply to TAFE NSW." Such is O'Farrell's instruction to TAFE management.

It is unclear whether this can be imposed under the Fair Work Australia industrial arrangements in the same way as O'Farrell has attempted to legislate the NSW Industrial Relations Commission out of decisions on wages and conditions in the NSW Public Sector. This attack on the NSW IRC is the subject of a court challenge by the PSA.

Why only "core conditions" guaranteed"?

Adrian Piccoli: "The bill preserves existing conditions of employment for staff to the extent that that is possible." The last part of this sentence is the most important: "to the extent that that is possible." In any case during the 12 month transition period until one or more enterprise agreement are negotiated only a few "core conditions" are guaranteed. Adrian Piccoli in Parliament, 12 October: "core provisions with respect to salaries and working conditions will be rolled over into new agreements." According to the Minister's speech the core condition only include: "hours of work, salary, shift, overtime and penalty rates, allowances, and leave." There is a very long list of other important work conditions excluded from this list but included in various Awards, Agreements and Policy documents.

"TAFE NSW will remain part of the New South Wales public sector and continue to be subject to New South Wales Government policy. TAFE NSW staff will be covered by the Fair Work Act,..." That all of this was introduced to Parliament unannounced, without the benefit of consultation with stakeholders such as trade unions comes as no surprise. The O'Farrell government increasingly does its industrial relations business by way of unannounced legislation (the 2.5% salary cap) or policy proclamations via media release such as forced redundancy.

Why a shift to the Federal industrial sphere: Fair Work Australia?

It has been suggested that Barry O'Farrell is banking on a Coalition win in the next Federal election. It is increasingly clear that a Federal Coalition government would introduce a new version of WorkChoices like legislation with all its restrictions on union bargaining, individual contracts etc. If that happens then all the 'flexibility' being touted as the reason for this move will be on management's side. This increased 'flexibility' is essential to management as TAFE is shifting to a fully contestable funding market where public TAFE funding is transferred to the private sector. Meanwhile student loans are increasingly used to burden students with potentially massive debts to fund their own education.

Basically it's a dive to the bottom in regards to VET. With full contestability about to be introduced in TAFE NSW wages and conditions need to be driven down in order to compete on a lowest common denominator with the private providers. Where this has happened in Victoria the public funded TAFEs are going out backwards as private colleges spring up like mushrooms to teach cheap & easy courses like the 1000% increase in 'personal training' that happened there.

Even Equity provision in Victorian VET is being farmed out to the private sector. All the talk from Minister Adrian Piccoli and Premier O'Farrell about supporting a public TAFE is contradicted by the

actions of their counterparts in Victoria and the biased implications contained in the "Smart & Skilled" discussion paper.

What all this amounts to is an enormous shift of public resources to the profit sector and an increased financial burden on Vocational Education and Training (VET) students and their families. Unfortunately these moves are consistent with agreed policy at the State and Federal level by both major parties. It was the ALP Brumby government in Victoria which first introduced full contestability of public VET funds. We can see in the following media reports that Premier Baillieu is taking it to a logical conclusion - and so it appears is Barry O'Farrell. It will take a determined opposition to this policy by the whole TAFE community and its supporters to defeat these retrograde moves.

Read the O'Farrell government September 2011 Discussion Paper "[Smart and Skilled: making NSW number one](#)"

Can the future of NSW TAFE be seen in Victoria today?

Education John Ross, in the [Australian, 4 October 2011](#), reported that "Australia's public training system was sent closer to the wall last year as a 6 per cent funding increase failed to keep pace with a 12 per cent blow-out in training delivery costs.

TAFEs and students particularly felt the squeeze, with public allocations to private providers rising at almost 20 times the rate of government funding increases, and federal-administered student debt multiplying almost sevenfold."

"Victoria's fully marketised VET system was the biggest loser. Having averaged small surpluses during the preceding four years, Victoria was confronted with an operating deficit of nearly \$125m last year, after public payments to non-TAFE providers rose almost \$140m to \$275m." This marks a massive shift in public resources to the private sector which must be rubbing its collective hands in glee at the prospect of such profit taking opportunities opening up in NSW.

<http://www.theaustralian.com.au/higher-education/students-tafes-feel-the-squeeze/story-e6frqjx-1226158424708>

Academic commentators such as [Leesa Wheelahan](#) of Melbourne University say such moves leave TAFE to deal with the expensive courses and more challenging students. She pointed out on 21 September in the *Australian* that in Victoria:

"new research also showed Victoria had the lowest completion rate for vocational education qualifications in the country, at just 28.8 per cent, while the national average stood at 37.3 per cent.

"Victoria also has the lowest funding rate per student. Something is clearly wrong," she said.

"TAFE is going broke and fewer young people — who really need qualifications — complete them. This is a high price to pay for giving private providers unfettered access to public funding.

"Unless governments act, we may see the demise of TAFE."

<http://www.theaustralian.com.au/higher-education/victorian-tafes-in-financial-trouble/story-e6frqjx-1226142103695>

However in the following article we see that even the equity provisions of TAFE can be privatised.

[Victorian TAFEs 'shocked' at cuts](#)

John Ross, From: *The Australian*, October 19, 2011

<http://www.theaustralian.com.au/higher-education/vic-tafes-shocked-at-cuts/story-e6frqjx-1226171121943>

"Apprenticeship fees will rise by almost 60 per cent, and high-level students in high-tech areas also face fee hikes, as the Victorian Government reshuffles funding arrangements in the wake of an explosion in cheap publicly subsidised courses in mostly private colleges.

And the association representing the state's eight biggest TAFEs said it was "shocked" that they would be stripped of millions of dollars, with the government winding back a 2008 promise of additional base funding to help them provide a full range of services."

"Public providers in Victoria receive higher base funding allocations than their private counterparts, to help them maintain full service provision, but the eight big TAFEs — all of which earned over \$100m last year — will now have that differential reduced by 25 per cent."

"However 40 per cent of the proceeds will be diverted into a 'community services fund' to help TAFEs and community providers adjust to the new funding regime and provide services for under-represented groups."