



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

EDUCATION AND EMPLOYMENT REFERENCES COMMITTEE

Technical and further education in Australia

(Public)

WEDNESDAY, 9 APRIL 2014

SYDNEY

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SENATE

EDUCATION AND EMPLOYMENT REFERENCES COMMITTEE

Wednesday, 9 April 2014

Members in attendance: Senators Lines, O'Sullivan, Rhiannon, Urquhart.

Terms of Reference for the Inquiry:

To inquire into and report on:

- (1) Technical and further education (TAFE) in Australia, including:
 - (a) the role played by TAFEs in:
 - (i) educational linkages with secondary and higher education,
 - (ii) the development of skills in the Australian economy,
 - (iii) the development of opportunities for Australians to improve themselves and increase their life, education and employment prospects, and
 - (iv) the delivery of services and programs to support regions, communities and disadvantaged individuals to access education, training and skills and, through them, a pathway to further education and employment;
 - (b) the effects of a competitive training market on TAFE;
 - (c) what public funding is adequate to ensure TAFEs remain in a strong and sustainable position to carry out their aims;
 - (d) what factors affect the affordability and accessibility of TAFE to students and business;
 - (e) different mechanisms used by state governments to allocate funding; and
 - (f) the application and effect of additional charges to TAFE students.
- (2) That, in conducting its inquiry, the committee must:
 - (a) consider any public information provided to the 2013 House of Representatives inquiry by the Standing Committee on Education and Employment on the role of the technical and further education system and its operation; and
 - (b) hold public hearings in all capital cities, with a minimum of Melbourne, Sydney, Perth and Brisbane, as well as a major regional centre in either New South Wales or Victoria.

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PATON, Mr Robert, Chief Executive Officer, Manufacturing Skills Australia**Committee met at 09:16.**

CHAIR (Senator Lines): The committee will now continue its inquiry into technical and further education in Australia. I welcome, from Manufacturing Skills Australia, Mr Robert Paton. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee has your submission, and I now invite you to make a short opening statement, and at the conclusion of your remarks I invite members of the committee to put questions to you.

Mr Paton: Thank you for the opportunity to present to you in support of our submission to the committee. I do not want to go through the submission; you may pick points out of that later. Really it is a good chance to highlight, I think, some things that are keen in our minds at the moment around TAFE provision in Australia and the critical need that we are in in terms of skills and recognition for workers' skills—certainly in the manufacturing industry.

I have provided two documents to the committee. I am sorry I do not have multiples; I am happy to leave my copy with you. One is the environmental scan which each industry skills council produces every 12 months, which is a scan across the economy and the environment looking at what are the impacts around industry and what effect that will have on skills needs and so on for our industry. Each industry skills council produces one of these for its own sector, and I will be pointing to a couple of points in that. The other document is titled 'Symposium stimulus'. It was the centrepiece of a symposium which we hosted at the museum in Melbourne yesterday. It was very successful. The MSA board had been concerned about not just the current changes around the manufacturing industry but also the impact on skills and workers, and also the future—what we will actually need and look for. None of us have a crystal ball that can predict the future, but we assembled five of the key academics, commentators and researchers around manufacturing. They presented a series of papers, which are contained in that document, and then there was discussion, debate and so on at the symposium. The things that came out really clearly are the types of technology, work practices and the way that manufacturing will change in the future, and the sorts of skills and education that people of today and tomorrow will need to be able to deal with the changed environment.

What we have seen in the TAFE sector, which is the publicly owned training organisations in Australia, is a hollowing-out effect, which has been occurring over the last few years. It is showing a reduction in services, to some degree, and I will talk more about that. But for us the big concern is that more than 40 per cent of manufacturing workers do not hold a post-school qualification. Many of them clearly have been working productively in employment for many years, quite successfully, but their skills are not recognised. The concern for us is that many of those workers will be displaced in the years to come and that they will not easily transfer and translate into other work and other forms of work.

So, the symposium brought out some really interesting points. Professor Goran Roos, whom many of you will have heard of, is a key commentator around manufacturing globally and certainly in Australia, where he has done considerable work. He made one comment in which he said that the labour-intensive jobs of tomorrow will probably be in the care industry, where people will be moving patients around. They will not be in manufacturing. So, we built a manufacturing industry on labour-intensive jobs, as every country did, and it was the sweat of the brow and the strength of arm that delivered the products. But that certainly has changed, and it is changing rapidly indeed, such that much of the manufacturing occurring now and certainly in the future will be far less labour intensive and based more around technology and the higher-end skills and knowledge that are needed to run in that type of environment.

We have never tried to compete with low-cost labour markets, and a lot of our manufacturing has gone offshore—a lot of the products that we wear, drive, sit with, look at and so on—are manufactured outside Australia. Traditional low-cost manufacturing countries like China are themselves moving their production into lower-cost economies like Vietnam and Cambodia—and Myanmar might be next. That is the nature of the skills move—it follows low labour costs. If Australia is to have a substantial manufacturing industry we need to up the skills levels of the people we have so that they can actually work in those jobs that we are after.

That is a fairly circuitous route, but it does come back to the provision of TAFE and its services in Australia. One of the things that has occurred since the late 1990s, when the training market was opened up to allow private training organisations to access public funds to deliver training that was nationally recognised, is that competition has been put into the market. That is a good thing; I do not think it is necessarily bad at all. But it has now progressed to the point where the competition is absolute. There is clearly a level playing field in some jurisdictions, and most to come. The public system provided the essence of support for a lot of learners, students

and people seeking skills recognition that would not be provided through a highly profit focused registered training organisation. An example of that is around things like literacy and numeracy skills, second-chance education, remedial programs and the like. That is a concern for us with the change in the workforce whereby the manufacturing workforce is in decline but has a fairly high average age, which means that there are quite a lot of mature-age workers displaced from work. Many of them are those who do not hold those qualifications we spoke of. And the effort involved to actually shift them into other forms of work is considerable. It has previously been undertaken with training and skills recognition by TAFE and less so by private training organisations, and we fear that that sort of service may not be available in the future. I think there was an element of cross-subsidy in that, which occurred across the organisations at TAFE, and they can provide that sort of service. So, that is a concern.

The other concern we have is about the general rationalisation that is occurring. That is not so much about things like student access. I think in this state the South Western Sydney Institute of TAFE just announced rationalisation across its engineering programs, closing some campuses and consolidating into two major centres. In my view, it is probably a reasonable approach. I do not think students will necessarily be denied access because of that rationalisation, where transport systems and access to transport are a lot better than they were, certainly when I was young.

The other fact we are finding is that in some of the high-cost programs, which are fairly capital intensive and require high-cost resourcing, TAFE directors are making decisions based along those same lines. The reasoning is that for the provision of a particular program, whatever the cost might be, they could provide three others for less cost and still get more student activity and operation within the institute itself. That is a concern. Around engineering in particular, which is the strong focus of manufacturing, a lot of the units of competency that are called up in training package qualifications are not commonly used but form part of the fabric of skills that are used across the industry. If an enterprise seeks training in a particular unit of competency that may represent a very high cost for a TAFE institute, they will maybe not even bother to offer it. So it is not so much about demand of driving the market; often the demand is there, but, if the providers do not wish or are not willing to provide that service, then industry will suffer because of that. That is the general concern that we have.

I think the nub of it is that the public TAFE system provided some benefit that was not necessarily on a student dollar cost basis where there was cross-subsidy or separate support provided as opposed to just a commoditisation of education and training.

CHAIR: Thank you very much. You have certainly made some interesting points. I was quite surprised to hear on the news this morning that 40 per cent number, I must say. When I think of manufacturing, I think of trade based apprentices and so on. You made the point about TAFE's role for those who perhaps need to upgrade their literacy and numeracy skills, the second chance and so on. But you also alluded to a manufacturing sector of the future which is high-end and focused on a higher level of skills and IT. Is it fair to say that, in the past, because it is a public provider, TAFE has been prepared to take that risk and look at innovative courses that perhaps you do not get in the competitive market? Do you have a comment around that?

Mr Paton: I think that is a fair point. For the same reason, they were prepared to take the risk and take the lead. I was involved in implementing the change in curriculum in the engineering field in New South Wales back in the early nineties—I worked for TAFE New South Wales for some time—and it was quite a risk then. But I guess the hard fiscal focus on the cost of that was offset somewhat by the public benefit that would arise from it. The industry had decided to go through a major shift that coincided with the whole change in the industrial award, where it moved to a skills based pay system. So the skills became a central component in the whole organisation of the industry workforce.

Implementing a new approach to curriculum, and that rolled into competency standards and so on, was central to that. TAFE New South Wales took a lead in the nation on that in actually doing it. Other states did too, but there was considerable resource put in by this state, for instance, where TAFE New South Wales, as a very large institution at the time, had that capacity and willingness to undertake that. There is some risk in that, but the thrust from industry was saying, 'These are the changes that we want. This is where we want to move to. You're the professional educationalists in the field and we want you to support that process,' which is what they did. Again, if you looked at it in that commoditised training market, what is the benefit for the provider in doing that? Why take the risk? Why invest in a market that might be new and different and where the risks may outweigh the benefit that could arise?

CHAIR: Given the focus and the change we have seen in New South Wales, with perhaps TAFEs having less resource, is that innovation in high-tech skill development at risk?

Mr Paton: Yes, it is—absolutely. I will not go through too much of the detail, but in the environmental scan in the executive summary we talk about the things that are really key to the future of manufacturing. It is about

things like stem skills—science, technology, engineering, maths and so on. The fundamentals of those are basic maths that children pick up in primary and then secondary school—and building on it. We want to attract some of those high-flyers—more of them—back into manufacturing or into manufacturing occupations. But many schoolchildren are turning away from that because they find things that are more exciting. So the opportunity for a second chance on that is important, where the smart kids that in school say, 'I don't really want to do that,' maybe one, two or three or some years out from that secondary education want to go back and attempt something.

TAFEs have provided that sort of environment to do it. I did it myself through the same sort of thing. It provided the opportunity to pick up. We cannot change everybody's minds and young people's minds—having children, I know well and truly about that—but maybe when they finally realise or see an opportunity they have that chance to do it.

CHAIR: Given that the development of future high-tech skills is at risk—and certainly there has been a lot in the media and experts in the field saying that, with the loss of the car industry and other areas that rely on those high-tech skills we risk losing a whole raft of workers with high-tech skills and we become a low-skilled economy—is that something that you are concerned about?

Mr Paton: We already have some workers with high-tech skills in some industry areas and there are certainly enterprises that are highly successful in that. But, at the moment, let's say we have 900,000 manufacturing workers, to move many of those into a higher tech environment is a considerable effort. The incoming workforce is probably going to fewer than the outgoing workforce. We will end up doing more with less, which is a bit cliché but it is going to be true, I think. The opportunities through our educational system, at school, through the vocational education and training sector and higher education, for younger people coming in need to be expanded, not contracted, to actually deal with that demand which we think will be there.

Senator URQUHART: You mentioned a number of things in your opening statement which I want to explore a little bit more. You talked about technology and work practices for the future and how the general training is evolving into more technology driven industries. Where do you see TAFE fitting into that?

Mr Paton: My view is that TAFE is generically a highly professional education and training system. It is supported by private training providers which do the same thing, but the capacity of TAFE to move beyond the narrowness of a particular program and so on should not be lost on us in terms of its need. Usually the highest technology sits in the enterprise and not in the educational institution. They are the leaders in doing that. But the TAFE professionalism can be used to deliver programs based around the equipment in the enterprise for workers in that enterprise, and they apply those sorts of professional pedagogical skills and so on in doing that. They have the capacity of greater back-up and support in that sense. So I would see that TAFE could remain as a leader in that field. I am not sure about 'remain'. TAFE could become a leader in that field in doing that. It is a move out of strong sort of institutional focus of bricks and mortar, but it is certainly the way that has been occurring and evolving over the last 15 to 20 years.

Senator URQUHART: I was going to ask you about the resources of TAFE to do that, but obviously you see that as being more of an industry driven thing with TAFE being the coordinator. Is that the way you see it?

Mr Paton: I think the hard capital resources would sit in the enterprise but the professional resources sit within the TAFE institutions.

Senator URQUHART: I know that in a lot of instances people who are attracted to TAFE feel much more comfortable doing training and skill enhancement within an environment that they are familiar with rather than an institutional or classroom type provision.

Mr Paton: Yes, they do. But good education would have a touch of both. That may not be within the TAFE college, classroom, laboratory or workshop. It could be in the training room of the company or in the crib room or whatever. There is certainly a sense of public satisfaction and so on around the brand of TAFE and what it delivers. It shows substance, support, backing, reliability and so on. Again, I do not think we should discount the branding impact of the TAFE brand itself.

Senator URQUHART: Absolutely. I was having a very quick flick through the environmental scan that you talked about. There seem to be four key issues in that. One is about not adding value to raw materials, so we are actually losing significant opportunities. You talked about low-labour cost countries doing a lot of our manufacturing. For example, the mining industry where we dig up our resources, put them on a boat, ship them out, do not do anything else with them, then import the product. With respect to the sort of training and technology and work practices for the future, do you see the role of TAFE being to identify more manufacturing of those projects here rather than sending them away and getting them done by that low-cost labour country? How do you see TAFE's role in this?

Mr Paton: I am generalising, but if we are looking to provide education and training solutions around perhaps secondary and tertiary processing of raw material in whatever it might be, the comprehensiveness of TAFE can actually assist in that process. If a firm wanted to start up or refresh its business around that, it is not just about the people who might be operating the smelting furnaces or whatever; it is the whole of business that would do it.

A word that is creeping into the language around this is 'servitisation', which is a wonderful term, but it really is about the value added in a whole series of ways—for example, a firm, instead of making widgets, would offer a design service on the widget. It manufactures it and it might look after transport and distribution warehousing, after-market service and so on. 'Servitisation' goes to the high end of value added. One company cited yesterday was Eriksson, which has only a quarter of its workforce involved in manufacturing. The rest of it is involved in after-service, promotion, marketing and so on. The business itself would need more than just the skills around the particular thing. It is about changing the way they go about their business, what capacity they have in design and innovation, management and so on. Again, the comprehensiveness of TAFE can provide that. There are few private training organisations that have that breadth of scope where they can actually apply an understanding of industry and hence advice around education and training programs to support the company in its move.

Senator URQUHART: But industry has to be prepared and willing to do that?

Mr Paton: Clearly, that is another issue.

Senator URQUHART: Another big issue.

Mr Paton: They decide or face that fact and move on. We are seeing some really good innovations in companies where they are repositioning and so on. A lot of the auto component supply companies are doing that. Some are not; they are struggling, worrying and so on. But others are diversifying product and market and so on. There is usually a skills element associated with that.

Senator URQUHART: I know we are pressed for time, but I have one more question. I could probably talk to you all day. You raised the issue of rationalisation, centralisation of TAFE. I was going to ask you about the effect of that. You then went on to refer to public transport, particularly in Sydney. Coming from Tasmania, as I do, I know it has been a really large issue there. Kids who want to do a particular stream of, say, panel beating or whatever and who live in Hobart have to travel to Devonport. Public transport is not fantastic. What has been the effect on the take-up of apprentices and younger people around the country? Can you paint a bit of a picture about what that rationalisation has done in terms of attracting people from outlying areas into TAFE?

Mr Paton: I cannot quote any data on it. It does have some impact. Also, a lot of apprentices travel a long way to get training. As an example, in Darwin, if you want to learn to be a glazier, you will probably train in Launceston. In Australia, if you want to train as a watchmaker, you would travel to Sydney to do it. Those activities are already happening. When I first started working in TAFE in 1974, it was the time when Mike Hangen released his report which said it should be all things to all people. TAFE New South Wales had, I think, 104 campuses—not quite on the corner in every country town, but there was one around. Access to transport is improved and it is also cheaper. I appreciate that apprentices do struggle somewhat. I think that how they are supported in that is a different issue.

Senator URQUHART: I think it is a combination of transport, accommodation and a whole range of things, including support.

Mr Paton: The reality is that, if TAFE is going to survive properly in this pretty tight economic climate, it will have to consolidate and rationalise, and that is not necessarily an unreasonable thing to do. An example is in Victoria. When Victoria University ran the only boatbuilding school in Victoria. They went through some tough times. This is in their TAFE division. They did some rationalising and decided to drop boatbuilding altogether. There was no boat-builder training in Victoria. A company in Geelong, Sykes, which made the laser boat that won the Olympic medal, wanted to put on more boatbuilding apprentices and could not place them anywhere. The Victorian government finally responded. I am not sure what the solution ended up being, but they have worked on it. There was a 12-month or greater gap in terms of that sort of provision. One could say, 'We could move them to the school of wooden boatbuilding in Tasmania or up to the Sydney Institute to do it.' A balance is struck between those things. There are probably more people learning boatbuilding than learning watchmaking. It is not an insubstantial part of the economy.

Senator O'SULLIVAN: Do you believe that there is a perception that TAFE colleges have a community service obligation that perhaps does not rest with some of the private training providers?

Mr Paton: Yes, I do.

Senator O'SULLIVAN: It would follow that, for them to deliver on that, it would be less cost-efficient, or there would be a cost impost that the private providers do not need to meet.

Mr Paton: It is. Because of that service provision, it is usually a lot more individual. You do not get economies of scale of 15 students all learning one thing in one classroom at one time—that type of approach. It is a higher cost activity to provide specialist services like literacy and numerous support or whatever it might be. Even the recognition of prior learning activity is a fairly expensive exercise. The student or the candidate may be contributing or paying significantly towards that, but they are high-cost activities. I think TAFE still has the public perception that it is a public service and a public good that is being provided. A private training organisation is probably operating in this building today, delivering a course on something.

Senator O'SULLIVAN: Do you see that that needs to be reflected in the funding arrangements?

Mr Paton: Yes, I do. I think it is part. The vocational education and training system—and I think most people would agree—is there to provide skills into the economy, and for people to live in the community as well. There is always a bit of balance across those things. The adult community education sector provides a lot of the other. As to skills for the economy, employers tell us that they expect the TAFE system—and they view it as one thing—to deliver for them. If they contribute, that is fine. We have had change around that, where employers are contributing more towards those costs. Most accept that—the skin-in-the-game concept—and they value it. With that, they are also demanding a greater degree of service and part of it would be, if an employer who has five apprentices attending training and one of them has a particular need in my area, they would expect that training organisation to provide support for the person because they are the professionals, they are the service provider.

Senator O'SULLIVAN: Do you see that agriculture is going to play a significant role in what I refer to as 'the next economy', the emerging economy?

Mr Paton: It is. I am no agriculturalist or expert on agriculture, but one of the things which came from the symposium yesterday was Dr John Buchanan talking about change in industry and how growth in the agricultural industry has outstripped most others in our economy, except for some other service industries, but surprisingly so. One of the things I feel about Australia, at least in terms of our inherent and natural attributes, is that we should be able to grow things I Australia.

Senator O'SULLIVAN: Do you get a sense that this space is preparing for that? You talk about rationalisations and I know that some of them have been in regional areas where this economy is hopefully going to blossom for our nation. Do you get a sense that someone is thinking about it, that they are talking about it, that they are preparing for it?

Mr Paton: I do but, as I said, I am no expert—the recent discussion about that huge plan up in North Queensland and what is going on of there. One of the things I do want to get in, if I may, is that First World countries, irrespective of the make-up of the rest of their economy, always need a manufacturing sector to provide for a range of things and maybe in support of key other industries. At the moment manufacturing is support the mining, resources and energy industry considerably. It supports agriculture and so on. In a country like Germany where it is more like 25 per cent of their economy, manufacturing is central in their economy. For us it is a declining factor but a lot of the manufacturing skills are used in, for instance, hospitals and care centres. So if services around personal human care are growing, as we know they are, there is still some demand for both equipment and personnel with skills operating there. I cannot answer many more questions about agriculture, I do not.

Senator O'SULLIVAN: Thank you.

Senator RHIANNON: In your submission you take up a funding issue and you pose an important question at the end: what public funding is adequate to ensure that TAFE remains in a strong and sustainable position? I was interested in you expanding on that in the context of what we have seen with the vocational education and training sector being re-organised so that it is easier for companies to exploit the easy access to government funding. What are the implications of that for funding? If TAFE is put on that basis, does it mean that it is not possible to have sustainable government funding and therefore does it head us in the direction that we have to reassess this whole competition model?

Mr Paton: The majority of students in vocational education and training are there of their own volition, not through their employment arrangements. People like apprentices and trainees are clearly linked to the employer. Most students there, though, are learning for their first or for their next job. The major provision around vocational education and training will still need to be to service that market. Employers accessing government funds to up-skill or to train and skill their workforce has developed considerably in the last few years where there has been both Commonwealth and state based funding available for employers. In the overall provision of training—I do not know what percentage but it is certainly a minority of the total effort applied in vocational education and training—I do not think that the employer demand of training their own workforce and the costs

associated with that will ever outstrip the demand of people attending a program for their first or the next job. That is where the highest cost is, but, as a result of that and again the sort of market driven approach, the total fund available to TAFE colleges, in particular in public funding, is reduced. In Victoria they are doing something to prevent total collapse of the market, but the situation was that, where TAFE institutes made really harsh decisions about what they would retain and what they would cut, that was not based around the unavailability of funds from, say, the Commonwealth or state for employer based and directed education. I do not think so.

Senator RHIANNON: Just on the marketplace model, can you comment on the high levels of casualisation and what that means for the skill base development that you address?

Mr Paton: Casualisation of the VET workforce?

Senator RHIANNON: Yes.

Mr Paton: The open market approach means that there is no great certainty of what might be provided and available. Then there is a greater choice that needs to be made by institute directors and the like as to how they are going to staff and organise their institutions. With an absolutely open market, casualisation is an eventuality that just arises from that directly. Casualisation of part of the VET workforce, in TAFE in particular, has been a feature of it forever, and it is a positive benefit, because you are getting people who are current working practitioners teaching and lecturing and so on on a part-time basis and bringing that currency in there.

Senator RHIANNON: Do you mean because they are still in the workforce and they bring those skills in because they are actively involved?

Mr Paton: They are, and it is fresh and so on. Whatever the balance might be—if it was 25 to 50 per cent of the total teaching effort, that is probably a reasonable thing; once it starts to exceed that, I suspect that we would end up getting a diminishing service provision really, because of the number of people left in the TAFE institute who can run the services and so on and provide the backup support that might be needed.

Senator RHIANNON: For people who are in the workforce, if they are casual they are in a stronger position, most likely, to be able to bring those skills that they are continuing to use in the workforce, but, for your permanent staff who then become casuals, does that then downgrade the system from that side, if it is heading to a higher level of casualisation?

Mr Paton: It could do. I can only speak from experience. Among the teachers I worked with and supervised and so on when I was in TAFE New South Wales, the smartest and keenest teachers often were casual teachers that were practitioners and came in. But I also know that their effort in running the organisation was less than that of the permanent employees. That was a fact of life. They came in, they were prepared properly and they organised things properly, but their contribution to the rest of the institution was very low.

Senator RHIANNON: Could you also comment on the issue of language proficiency? I think I read in your submission where you were making a point about the importance of it. I understand that, with some of the restructuring, now that is often separated out from the courses.

Mr Paton: Yes.

Senator RHIANNON: Particularly with the changing nature of the demographics in Australia, surely that must be having quite an impact. Could you expand on that, please?

Mr Paton: It certainly is having an impact, and it is not just people whose country of birth was not Australia. There are many Australian-born young people that are attempting to undertake vocational education and training programs where their literacy and language skills are not up to it. They just do not cope. There are plenty of workers in the workforce that are like that already.

Senator RHIANNON: Do you mean English-speaking-background people?

Mr Paton: English-speaking-background people and some non-English-speaking background, but I do not think it is an ethnicity issue; I think it is a range of factors. Often non-English-speaking background people born outside Australia have high literacy and numeracy skills, but their English language might not be the best. We have situations where young people are presenting for employment as apprentices or trainees and they cannot really cut it in terms of fundamental maths and English—certainly mathematic skills. It is a major need for us.

Senator RHIANNON: Is that an area where we need to return to how the courses used to be structured? I thought that that was where we are losing out—because the numeracy and literacy is not being integrated into a lot of the work like it used to be, particularly in the transition stages, but even in the early stages of many courses. Do we need a new system or was the old system that we have lost, adequate?

Mr Paton: I think the old system was adequate. In my experience it would have been common for a teacher to come in and support a student who had language, literacy and numeracy problems. That would be support by

working in the classroom with the vocational teacher and maybe withdrawal and extra programs or something like that. But the student would be supported in their learning process. They would not be taken out so that they had to mark time on their vocational stuff; it would be support that was carried out in parallel. I know it is a high cost activity. It means that for a group of 15 students there are two teachers. That certainly has a cost impact but there is a benefit.

There are many reasons some trainees and apprentices do not successfully complete but one of the reasons is about their capacity to deal with the program. It may be that an intervention early in the piece could overcome whatever it might be so that they can then complete.

Senator RHIANNON: Yes, it is costly in the immediate sense to have the two teachers, but if we have a higher success rate and those people go on to work, pay their taxes et cetera, there is another way to see what the costs—

Mr Paton: There is considerable investment in a person undertaking training. If they are an employee as well—such as an apprentice or a trainee—the employer is investing in time off the job and the wages of support and so on. The individual is investing considerably, in effort, energy and money. Hence the state is also investing in it. I think the benefit of the cost would be a positive, because the efficiency of the program and the system would be improved as a result of that. The cost of drop-out is incredibly high, whereas the cost of early intervention can be really beneficial.

Senator RHIANNON: Do you have any figures about the drop-out rate, particularly since there has been a withdrawal of many of these support services? Would anybody have that?

Mr Paton: I do not think there is any data that will correlate those. I think it is too early to tell, as well. It would be very interesting.

CHAIR: At the symposium you went to yesterday recommendations were made which would be useful for this committee to have. You might want to take that on notice or share some of those with us now.

Mr Paton: We do not have clear recommendations yet. It only happened yesterday and my head is still buzzing with it. It was one of the most successful things we have ever done. It was absolutely fantastic. The message that was coming out really clearly about the sorts of things we will need in the future—I suspect this goes beyond manufacturing—was the ability to manage and organise better than we currently do, and clearly there is a need for science, technology, engineering and maths-type skills.

One comment that Dr John Buchanan made was about the AIDS campaign, where Australia had the most successful AIDS campaign in the world. Most of us remember the grim reaper ads and so on. He said, 'If we can change people's sexual practices we can probably get young people to study maths and learn engineering.' That resonated pretty well.

Senator RHIANNON: That is a great line!

Mr Paton: I do not know whether Ian Chubb would be interested in running an AIDS campaign on science, technology, engineering and maths. The thing that we will be looking at is how we can influence school curriculum and decision makers around that. Maybe we can try and humanise mathematics learning somewhat so that young people, like my kids, will actually do it and not shun it. That is why we held the symposium. We are looking at 2030. We are talking about the kids learning tomorrow and so on. What sorts of things can we do? As a country, as a nation, we will be struggling to deal with whatever we will need to deal with in that sense in 10 and 15 years time. We are not doing very well at the moment. In the future, the demand will be higher and we will not be able to do it.

CHAIR: Just to follow on from your point, and then we need to finish: I was very concerned with a young friend of mine who is at a Catholic school, who is opting out of science for RE because religion is easier. They are not thinking of the future. Thank you very much for your input today. It has been really insightful.

Mr Paton: Thank you very much, and I thank the committee again.

Senator O'SULLIVAN: Chair, can I take a moment on indulgence to compliment the secretariat on the material provided. I am a freshman senator, but I have got to say that it is one of the best batches of supporting material—it is in a very organised form—that I have seen in my committee experiences to date.

HILL, Mr Christian James, Vice President, Deaf Australia NSW, through an interpreter

[10.01]

CHAIR: Welcome. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee has had a chance to view your submission. I now invite you to make a short opening statement. At the conclusion of your remarks, I will invite members of the committee to put questions to you.

Mr Hill: Deaf Australia NSW is the peak organisation supporting deaf people in New South Wales who use sign language, Auslan. I am here in that capacity today.

CHAIR: Mr Hill, would you like to share some of your submission with us?

Mr Hill: Yes, I would. I am here to raise some concerns on behalf of the deaf community. We use sign language, which is quite different to spoken English. I have an interpreter with me today who is interpreting my sign language into spoken English. The sign language that is used in Australia is Auslan. We have made a submission under article 21, which allows us to provide freedom of speech in a method that is suitable to us. It means under part (b) that we accept and facilitate the use of sign language and Braille. Deaf Australia uses sign language to provide our comments.

Because we use sign language, our access to TAFE is a little bit different to the wider community. We need additional access to support services such as note takers, captions and other types of technologies. There was an IPART report into TAFE in June 2013. It was a draft report following an inquiry into TAFE. It said that a 10 per cent loading fee will be provided to allow students to access additional support if needed. So deaf people like me would be given a 10 per cent loading fee, and that would be used for support services such as interpreters and note takers. We believe that this 10 per cent is definitely not enough to allow students to access all the support services that are required. The loading fee is very small but the cost of providing interpreters and note takers is above what is being suggested or provided with this 10 per cent.

When deaf people like me grow up and go through school, we generally get access to the same education as other people do, and we move on to TAFE to get additional education to allow us to partake in the wider community. It is very important to allow us to get qualifications at TAFE because that often leads onto further qualifications at university, or it give us access to university. It allows us to get jobs. It allows us to participate in the wider community, as other people do.

In the past, I have seen many deaf people in my community pull out of TAFE because there has not been sufficient support available. We are very concerned about the limited amount of funding to provide us access to education in the future. When the 10 per cent loading fee that is being suggested runs out—and it will run out quite quickly—it will have an even bigger impact on deaf people.

This loading fee has been suggested in other states but I know for a fact that in Victoria this loading fee was suggested and trialled, and it was withdrawn because there was no funding available for deaf people. In Wollongong, in the Illawarra region, there have been some stories about the lack of access to note takers—and people are starting to complain. The funding has been cut. The access to services has been cut. TAFE said to some students who already had note takers and interpreters in, for example, second semester: 'I am sorry. We have to cut the funding for that.' This was in the middle of their course, and they are finding it very difficult.

CHAIR: Thank you, Mr Hill. Your submission raises a number of very alarming issues for the Senate committee. I will start with Senator Rhiannon, who will ask you some questions.

Senator RHIANNON: Thank you very much. I would ask for a bit more information about the 10 per cent. Is it correct to say that how the 10 per cent loading would work would be exactly the same, irrespective of what the disabilities are?

Mr Hill: The 10 per cent loading fee works with a new system called Smart Skills, which you may be familiar with. There is a list of courses where there is a shortage of skills. For example, 10 per cent of the amount of money paid by students will be provided to students to allow them access to interpreters and note takers and any other specific support services that they need. There are additional loading fees for students who are from Aboriginal and Torres Strait Islander backgrounds or people who have not been employed for a long time. That is my understanding.

Senator RHIANNON: If I understand correctly, you said that the 10 per cent loading has been withdrawn in Victoria. Was any new system put in its place? What are they doing now?

Mr Hill: I have had some discussions with some students from Victoria and they told me how the system is working in TAFE. They said the 10 per cent loading fee started in Victoria and then they withdrew it. The fee for

interpreters and note takers became the specific responsibility of the TAFE. The TAFE became responsible and not the government. So there was no funding provided by the government for that and TAFE had to use their own budget to provide the support service.

Senator RHIANNON: Is there any further information? Were the institutes in a position to provide the money? Were the deaf students able to continue with their courses or was there a negative impact?

Mr Hill: I am just focusing on Victoria because that is what I know. When the funding became the responsibility of TAFEs, they regularly did not have enough money to provide interpreting. They may provide, for example, one interpreter per week for a student, and that student will decide if they want the interpreter for a particular part of the course or not. Personally I know two deaf people who withdrew from their course because they just were not able to learn in that way of having a teacher speak to them when their first language is sign language. They just could not cope.

Senator RHIANNON: The Smart and Skilled program you mentioned I think refers to the new New South Wales program.

Mr Hill: That is correct.

Senator RHIANNON: Has this 10 per cent rule been introduced into any other states apart from Victoria and New South Wales? If so, do you have any information on the impact?

Mr Hill: I know definitely about Victoria, and I believe New South Wales will start on 1 July. I heard that Queensland was going to be starting. But I have not heard to date if that is a definite decision.

Senator O'SULLIVAN: I want to start in the workplace and work back to the training environment. Do you have any knowledge of how these challenges are dealt with in the workplace when someone has left the college and gone into employment?

Mr Hill: The workplace has separate funding to TAFE. If you want an interpreter at TAFE, there are fees provided for that and the TAFE provides the interpreters. There are special programs available in the workplace under EAF, which is the Employee Assistance Fund. That generally is enough to provide for interpreters, deafness awareness training, note takers or additional support in the workplace. At the moment we do not have any concerns about the EAF funding but we are very concerned about lack of access in TAFE.

Senator O'SULLIVAN: Are there any technological solutions on the horizon to be able to assist here in the training fields—for example, being able to connect with an interpreter via Skype while in a classroom with a teacher?

Mr Hill: There are some technological solutions that allow access for deaf people, but they do not always allow replacement for an interpreter in the classroom. For example, sometimes the teacher has a microphone on their lapel or something and, if they are speaking to the class normally, that requires the sound to be transmitted to another area and either someone can caption it or an interpreter can be provided in live time. Also, one of the options is to provide live captions on a student's laptop from a remote location directly to the student, but the problem with that is that the deaf community are commonly disadvantaged due to their prior education anyway, and an interpreter is not always the only solution. Sometimes captions, for example, may be provided but that particular student does not have the English skills to allow them to understand the notes or captions that are coming up. But the interpreter provides full access in the deaf person's preferred mode of communication, sign language. Deaf people who are very competent in English often go on to university education, and there is actually good funding support for interpreters in university, but that is not happening or will not happen in TAFE.

Another option is that at the moment there is a screen with an interpreter sitting in a remote location, and they hear what the teacher says. The person can sign and the deaf person can see on their screen a person signing, as opposed to captions. That is not available all around Australia at the moment, and that costs around the same as providing an interpreter in the classroom anyway. The deaf person who is watching cannot communicate with other students in the classroom because of the time delay. They are watching the screen and they cannot take their eyes from the screen to enable them to turn around and communicate with other people in the classroom. So, whilst this technology is available, it is not always appropriate.

Senator O'SULLIVAN: Do deaf people find themselves being attracted to—how do I say this? In preparation for their moving into the workforce, do they favour particular pre-workforce training exercises? Is there some skills-based training that they are not attracted to because of the potential difficulties of taking those skills on into the workforce?

Mr Hill: Deaf people are provided with courses specifically for workplaces, like English preparation courses and various skills courses to prepare them for the workplace. But deaf people generally prefer hands-on courses

like design and building. Deaf people really like to use their hands; it is a natural thing. They like to use their hands, and they are often very highly skilled at working with them. A lot of deaf people work in jobs where they use their hands. Sorry, I did not understand your question specifically. But they definitely prefer access to any training where an interpreter is provided. That enables them to pick skills up at the same speed and at the same level as everyone else. Also, the interpreter is often standing near the teacher, so they get to see the teacher and the interpreter at the same time and it is often preferable to reading things on a laptop.

Senator O'SULLIVAN: The intent of my question, I think, was lost; I am being too cautious. My question is: are there professions where deaf people find the work environment is easier for them, having regard to their limitations? Does that in turn then create a greater interest in some streams of employment training as opposed to others?

Mr Hill: There are many deaf people who work in office environments. I have deaf friends who are teachers. There are deaf CEOs. I find a lot of deaf people gravitate towards office work, because they can email. It is very easy for communication, but some deaf people, as I said before, prefer hands-on work like trades and they are very popular too. It is much harder in that work environment to communicate with other people in the workplace, because they do not have access to email all the time but they normally find a way to communicate with their work friends, the hearing people, in their work environment. The answer is deaf people can work anywhere, and it is about choosing an environment or a particular type of profession that a deaf person likes according to their level.

If people have more barriers to English due to their education, they tend to gravitate towards trades. People with a higher level of English often go to university. We are for that reason very concerned about lack of access to TAFE courses for all these people with the ongoing cuts to funding that will impact on deaf people in the future.

CHAIR: Mr Hill, my question was about a point you made in your submission about the fact that people with hearing difficulties or who are deaf often struggle academically and so come back to TAFE as second-chancers. Perhaps these are people in their 40s and older who might then struggle with IT use. Are their needs for note takers and interpreters even more critical than, say, for someone who has come out of school into TAFE—or am I generalising?

Mr Hill: Generally, I think that young deaf people have high skills in English. I am a young person and I am studying at TAFE currently and I can do everything online. I read everything on my computer and I type answers. I have no difficulty with that. There are some courses that can't be provided online though, and young people often have better writing skills as well. Some deaf people in the younger generation may only need an interpreter and not a note taker, but the important thing is that their first language is sign language. Often when we have access to an interpreter, we do need a note taker because deaf people can't hear what the teacher is saying and they need to watch the interpreter and therefore they can't look down to write notes. If they do, they lose the information from the interpreter and that is why for some courses they need an interpreter and a note taker. It is quite critical.

CHAIR: You talked earlier in your opening statement about the barriers. Do you think for an older person, a second-chancer, going back to TAFE the fact that into the future there will be restrictions on the ability for them to have a note taker and an interpreter for the whole of their course will stop them enrolling? It is recognised that for older people going back to formal education later in life is difficult anyway. Does this make it more difficult?

Mr Hill: Yes, definitely. When deaf people go to TAFE, they say, 'I want to apply for a course,' and they have a discussion with a consultant for disabilities, and they often say, 'I require a note taker and an interpreter,' but, with this 10 per cent loading fee, as I said at the start, often what will happen is that they will say, 'Sorry, we do not have available funds adequate to cover the whole course,' and the deaf person will say, 'No, I can't cope with that. I can't cope with an interpreter for only two days or part of my course.' But that reduces their opportunity to participate, and I believe it will reduce their enrolments in future.

CHAIR: Mr Hill, are you aware: if, say, 15 people who require note takers and interpreters want to enrol in TAFE, is there an unlimited amount of funding which will cover all of their requirements, or is there a bucket of money which is simply used until it runs out?

Mr Hill: Sometimes what happens is that there might be only one deaf person in a particular course and at other times there will be three or four in a different course. In one TAFE, for example, there will be three or four deaf people at any given time enrolled in various courses, and they are not all in the same classroom or rarely are they in the same classroom. So if there is one course, for example, studying, and one interpreter to be funded, that is not going to be sufficient to cover all the people who were enrolled there.

Senator URQUHART: I want to explore the 10 per cent funding a little more. From what I understand, the 10 per cent loading is a loading that is for a particular TAFE not a particular student. Is that correct?

Mr Hill: It is for the individual students not for the TAFE.

Senator URQUHART: So each individual student has a 10 per cent loading?

Mr Hill: Yes, but the 10 per cent is for the duration of the whole course, which may be three years. It is not per semester; it is for the entire course.

Senator URQUHART: What is that 10 per cent based on? It is 10 per cent of what?

Mr Hill: I will give you one example. One smart skills course, for example, a certificate III, for a general course, will be about \$6,800, for example, for one course, for the full course—the entire duration. So the 10 per cent loading fee will be \$680. That is for interpreters, note takers and mentors. If that person is deaf, they will need an interpreter and a note taker for each individual class. But, suppose one class is one hour; the interpreter's fee is generally \$66 per hour. So can you imagine—\$680 for a full three-year course is just not going to go far enough.

Senator URQUHART: It is not going to go anywhere near.

Mr Hill: And the students have needs throughout. The cost of the interpreter is about \$5,000. Sorry—I need to go back. We have worked out that for one course, for one student, for an interpreter and a note taker, it is about \$50,000 to support that person.

Senator URQUHART: And, in that example, you would get about \$680?

Mr Hill: That is correct. It is nowhere near sufficient to cover the costs of the support.

Senator URQUHART: I am not brilliant at maths, but you are about \$49,400 short.

Mr Hill: That is correct—about that.

Senator URQUHART: You said earlier that there were note takers, captions and interpreters. What other requirements are there? Is that the general requirement? What other requirements are there? I guess the number of assistants you need adds to the cost.

Mr Hill: Yes, it does. Each deaf person is an individual, as each hearing person is. Often, as I said, the deaf people require interpreters, but often it is two interpreters because the interpreters cannot work on their own all day, so they work alternately throughout the day. But, if a deaf person has not had adequate education and they do not have the English skills to enable them to do the course, they often require extra tutoring or support. They might need one-on-one support twice a week or tutoring. Some deaf people have captions and they may need assistance to work through the captions. Also, if the person is in a remote location or has a remote interpreter, that makes it more difficult to access interacting with students in the classroom. There are other support needs that are required depending on the level of education of the deaf person.

Senator URQUHART: So all that costs. If it is assistance with the interpretation of the caption, that comes out of that 10 per cent as well.

Mr Hill: That is correct. All the needs are taken from that same 10 per cent.

Senator URQUHART: I am not sure whether you are familiar with how universities assist students with hearing difficulties, but is there a comparison between what happens with a student who goes through university who has hearing difficulties and what happens with someone who chooses TAFE as the desired outcome?

Mr Hill: I know many deaf people have pulled out of TAFE in the past due to access difficulties. I have not gone to university myself as yet, but I know deaf people who have, and they always have interpreters provided and always have note takers for every class, tutorial and workshop. I am not sure how it is funded, but I know for a fact that they say that they are always provided. So it is whatever the student needs.

Senator URQUHART: What happens to those students who do not get the assistance and pull out of TAFE? Where do they go? What happens to them?

Mr Hill: Often they end up on the disability support pension and they are at home, and it does not allow them to participate in the community. They do not have the skills to get a job, or they may end up in very low-level jobs that do not allow them to achieve their potential. They may be stuck in shelves doing something very basic.

Senator URQUHART: I have one final question. I have just had a very quick look at the training New South Wales government website, and in particular the Smart and Skilled 2014 skills list. I do not know whether I am looking at the right document, but there is no mention of assistance for students with hearing difficulties or anything anywhere that I can find in that document. Is it something that is hidden and that you have to go and search for, or is it easily found by a student with a disability?

Mr Hill: I did some research in relation to the 10 per cent loading fee. It is only based on the courses on the list as far as I know. How the students find out about it I am not sure.

Senator URQUHART: I cannot find anything. I can find many, many courses, and they are either a qualification, an apprenticeship or a traineeship. There are pages and pages of that. I can find information about part qualifications, and it talks about priorities for part qualifications. That is the only part that talks about priorities being given to particular groups, but I cannot find anything at all about the 10 per cent or any other services.

Mr Hill: I believe it will start at 1 July next year from what a particular teacher had told me in TAFE—that was my understanding. Sorry, could you just repeat your question again.

Senator URQUHART: It was really about the fact that I could not find anything within this document I am looking at, which is from the 2104 Smart and Skilled website. It is a document from the education and communities office of the New South Wales government. I cannot find anything in there that refers to assistance for students that have hearing difficulties.

Mr Hill: We consult with the consultants for disability in TAFE. As a deaf person I would approach the consultant in the TAFE who is based at the TAFE that I want to study at. I would have a consultation or discussion with them about my needs and they would explain what funding is available, what support is available and that is how deaf people generally find out.

Senator URQUHART: Okay. I find it a bit bizarre. People with hearing difficulties are no different to any other student apart from the fact that they have a hearing problem. They are quite savvy with the internet yet I cannot find anything in that document that provides some assistance to you; you have to go and search for it.

Mr Hill: That is correct.

Senator RHIANNON: Is it correct that if you are an Aboriginal person who is deaf living in the country that rather than qualify for three lots of 10 per cent, you would only get one lot of 10 per cent?

Mr Hill: I believe deaf Aboriginal people who live in remote locations get the 10 per cent the same as everyone else and then an additional 10 per cent because they are Aboriginal. But I am not sure how the funding works for the remote location.

Senator RHIANNON: That is something we will follow up.

Senator O'SULLIVAN: Mr Hill, are you familiar with any data relating to older folk who suffer from this disability seeking recreational training or retraining? Or is this really confined to younger entry level people trying to get base skills for their employment?

Mr Hill: I do not have the statistics for deaf older people enrolling at TAFE; I am focusing on the deaf community in general. All I know is that the 10 per cent loading will be for all students but the truth is that more younger people do go to TAFE. If older people do go and require the funding then they will have the same issues and the funding will run out very quickly.

Senator O'SULLIVAN: Is this a disincentive? Do deaf people find issues like this a disincentive to participate in the first instance?

Mr Hill: I believe that maybe deaf people who are older who had previously tried to access education and found there was not enough support would feel that this is too difficult. I think young deaf people are more capable with technology in general and have a slightly better education now than what older deaf people had access to so I think often they are not starting at the same level. I find that there are a lot more older deaf people on the DSP, the disability support pension, compared to younger people so perhaps that is correct.

CHAIR: Thank you, Mr Hill, for coming today. Thank you for your submission and, personally, for reminding me that Auslan is your first language.

Mr Hill: Thank you very much.

Proceedings suspended from 10:40 to 11:03

RYAN, The Hon. Susan, Age Discrimination Commissioner, Australian Human Rights Commission

SIDDLE, Ms Adriana, Senior Policy Officer, Age Discrimination Team, Australian Human Rights Commission

CHAIR: I welcome representatives from the Australian Human Rights Commission. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee has your submission. I now invite you to make a short opening statement, at the conclusion of which I will invite members of the committee to put questions to you.

Ms Ryan: My opening statement will really just be a summary of our submission. I see a great opportunity for TAFE not only to continue doing the things that TAFE has always done so well in the past in terms of training of young workers, new workers and so forth but to specifically target the needs of older people who have lost their jobs through restructures, redundancies, et cetera, and who face enormous age discrimination when they try to re-enter the workforce. They often find they need new skills. They often find they need to go into a new area, not the area they were in previously. In order to do that, they need very focused qualifications that actually relate to the jobs that are available in their area.

We know that all members of parliament are very concerned about, for example, the growth of the numbers of people on Newstart, the growth of the numbers of people on disability benefit and, indeed, the ballooning costs of the age pension. If you look at a breakdown of those growths, particularly in Newstart and disability, you will see that, of over-45s and over-55s, there has been a very large expansion. From various research that I either have undertaken or have available to me and from my many discussions with older people facing this kind of discrimination, it is very clear that a lot of older people are on Newstart far too long because they cannot find the pathway back into paid employment, and this is where I see TAFE. In some areas TAFE performs this role very successfully, but I see a much greater role for TAFE generally in providing those pathways.

In terms of the growth of older people drawing disability benefit, it is also very clear that, if an older person spends a year or more on Newstart, which is not unusual, they can become very discouraged, anxious and depressed and sometimes then unable to work. They then move onto disability. In my view, although any of the recommendations for assisting TAFE and Job Services Australia to provide this coordinated and focused attention on older workers does have resource implications—we are aware of that—it seems to me that it would be a very good investment of public money to assist older people who lose their jobs at the moment they lose it and not leave them for six months or a year before any effective assistance is available. There are jobs—we do have a growing economy—but they will often be different jobs than the older person has done before. Hence the crucial nature of getting the appropriate job training, which in most cases is best provided through TAFE. That is my opening statement.

CHAIR: Thank you. Ms Siddle, did you have an opening statement?

Ms Siddle: No.

CHAIR: I have a couple of questions. We heard from Mr Christian Hill from Deaf Australia, who talked about the way into the future for deaf people whose first language is Auslan. They will be provided interpreters and note takers, and the funding seems to be inadequate because the cost of those services is much higher than the benefit that is being provided. Is that something the Human Rights Commission has had a look at and that you have any comments on?

Ms Ryan: Certainly my colleague Graeme Innes, the Disability Discrimination Commissioner, would have a lot to say about it. Certainly he and I agree that, in terms of assisting people who are not working but who wish to work, be they people with disability or older people, there needs to be much better targeted and much better focused assistance and support for them, and that would of course involve more resources.

CHAIR: The other submitter that we heard from this morning was Mr Robert Paton from Manufacturing Skills Australia. He talked about a range of issues, but two issues that stood out for me were: the role that TAFE plays in assisting workers, particularly those requiring retraining, with literacy and numeracy; and taking those who need a second chance, as he described them, and moving them into appropriate areas. So there was that issue about how TAFE responds to that need. The other issue he talked about—and this is certainly in a number of submissions—is that TAFE often as a public provider takes the risk and innovates into new skill areas and high technical skills. He was very concerned that that was at risk. He quoted the manufacturing statistic that 40 per cent of those workers do not hold a post-secondary qualification. With the downturn particularly in the manufacturing industry, both of those areas were of concern to him. Is that something that you have come across in the work that you do as well?

Ms Ryan: Yes, very much so. In the case of the manufacturing industry—car manufacturing in particular but also other forms of manufacturing—we know that there have been closures. We know that there have been a lot of workers left unemployed and with very little chance of getting back into a similar job where they can use the skills they have developed all their lives. What I think a TAFE retraining opportunity can do is a proper skills analysis of such a person. Even though, say, a man who has been working for a car manufacturing company might say, 'I've been doing this all my life,' when you look closely at what he is doing you see that he has probably been managing some staff. He has probably been doing occupational health and safety. He has probably been doing quality control. They are basic abilities and skills that can be transferred into another area, but you need the opportunity to have your skills assessed.

The TAFE systems now have recognition of prior learning tools where they can establish what you know and what you do not know, and I think they are ideally placed to do this. As I said, I know some TAFE institutions are doing it, but I think there is scope for TAFEs nationally to be picking it up. It is getting a new focus on the older worker who needs to come to TAFE not so much for general interest or general education purposes, which are fine, but specifically to get job skills. To do that, their previous experience—to go back to manufacturing—should be assessed so that they are then put into training at the right level and 20 or 30 years experience does not go to waste. It can happen. It is happening but I think not on a large enough scale to deal with the structural changes in the workplace.

CHAIR: Mr Paton mentioned that he was at a manufacturing symposium yesterday that had John Buchanan from the University of New South Wales, who said that in the future the labour-intensive jobs will be in the caring industry—aged care, disability et cetera. Even though it is not required, most employers do impose at least a certificate III or diploma for those particular staff, so I am wondering where older workers fit into that but also wondering if it is of concern to you in your role that they are also low-paying jobs and what impact that has on older Australians. Do you have a view on that?

Ms Ryan: To start with the last question: yes, they are low-paid jobs—too low, many people would consider. Certainly I consider that they are too low paid for, first of all, the importance of the work—the child care, the aged care. The pay is too low, the training is often inadequate and the two things are interlinked. Take aged care. We would all like to see people with much better training—not only training in the basics of, say, delivering physical care but also cultural awareness because of our multicultural population, awareness of people who have a disability as well as being old and so on. All of that requires more training than most care workers get in their certificate III. In order for the providers, who might pay for their employees, to do this, there has to be a return. With the wages so low, first of all, a lot of people do not go into those areas even though they might find them personally very satisfying, and the providers are not always anxious to encourage their employees to take more training, because they think, 'If they're going to have more training, we'll have to pay them more, and our business plan doesn't allow us to pay them more in the current climate.' So it is quite a difficult situation.

But, for all that, it is very much my view that aged care in particular is a most suitable second or third career for many people, including men. At the moment it is pretty much a feminised area; but, if you look at the way, say, a retirement village operates, there are lots of jobs. There are gardening jobs. There are maintenance jobs. There is driving the centre's bus around. There is doing activities with the older people that men as well as women can and do find very satisfying. So the idea that aged-care is for women with very little education and no career plan in mind I think needs to be overhauled. I could say similar things about child care, but I am rather focused on aged care, for obvious reasons.

Senator URQUHART: Your submission does really home in on older workers, and you have highlighted that this morning. I have a lot of history in this area. In my previous role I represented workers in the manufacturing industry and I saw a lot of workers lose their jobs over that period of time because of new technology and a whole range of things. I have seen a few good examples and many bad examples of where training has been offered to older workers, retraining, opportunities for growth and that. There has been an expansion in Newstart and disability payments for the 45 to 55 age group, but you see a greater role for TAFE in retraining people to become job ready. We know that TAFE has a role, but you are saying it should be a greater role. What role do employers play in that?

Ms Ryan: It would be very constructive if employers were much clearer about their business plans and the skills they need so that they could go to the local TAFE and say: 'We are expanding into this area. We need 10 people with these skills and six people with those skills. Are you offering appropriate courses?' As you would know from your background, employers do want people to be job ready. There are jobs. I think TAFE can provide those skills, but the employers need to be quite clear about what it is they are looking for. We do see these sorts of improved connections in some regions but it is really a regional approach. I mentioned in my submission the very

constructive experience with the South Western Sydney Institute of TAFE. In order to have an expo to encourage people over 50 in pathways back to work they did go to all the local employers to find out what the skills needs were. They had in any event good working relationship with those employers. They did have the federal employment department, Centrelink and all of the services engaged in this, so they were able to advise the few hundred people who came. For some people it was the first time they had been in an education institution, because a lot of them were newly arrived migrants, and some had not been anywhere near a training institution since they were 15 and they are now 55—

Senator URQUHART: They probably had a really bad experience when they did.

Ms Ryan: Probably did, and anyway it was in the dim, distant past. So they were able to say: 'You have worked in manufacturing. One of the big household supply stores is starting a new warehouse here. They need all sorts of people—for quality control, stock control, physical jobs, management jobs, driving trucks that bring the goods in and sends them out. They need 20 people in six months time.' The South Western Sydney Institute of TAFE said, 'We have these courses,' and then they attempted to match people up and had quite a degree of success. It is the interrelationship between the TAFE, the employers and other organisations that are there to support the over-50s in this case. You can get some very fruitful developments.

Senator URQUHART: Was driven by the TAFE or by the employers? What led that drive?

Ms Ryan: I think that TAFE college has a lot of very capable people in it. I do not know if you are all familiar with Sydney, but the South Western Sydney Institute of TAFE services the area out towards Bankstown, so it is a region that has the highest unemployment, the highest number of newly arrived migrants, the highest number of non-English speakers and the highest poverty. So they are an area with many, many challenges, and so I think the staff at that TAFE have for some time been aware of what they need to do. And they have, I think, actively sought relationships with the local employers.

I should say too: this particular exercise came about because I was part of a panel advising the Treasurer in the previous government on initiatives to improve the economic participation of older people. That panel brought in for discussions of all sorts of organisations—people we thought could assist in improving the participation of older people—and we had some senior TAFE people from New South Wales coming in, and from that the idea grew of, well, could you target the over-50s? And they said: 'yes, we could; we have got the resources, we have got the tools, we have got the trained staff.' And so they did a great deal of planning, all of their senior staff were involved, local community groups, local employers; and it was a successful exercise. So I think it sort of came about from that TAFE wanting to do more of what it was doing, and those of us interested particularly in older people saying, 'come on, what can we do?'. There were quite a few departmental programs available to assist in this activity then. Some of those may not continue. We are waiting for the budget to see which ones will continue and which ones won't.

CHAIR: Okay.

Senator URQUHART: Okay. So—and that is obviously an example that is very good—do you see that there is a need to get that model out into the wider Australian community? Do you see that we would require some legislative change, in terms of a requirement for employers, TAFEs, and other organisations to really work together to try and cut the nexus of people that are getting onto Newstart and those sorts of things? Or are there other ways to tackle it, rather through legislation?

Ms Ryan: Well, Senator, I had not thought of it as a challenge that required a legislative approach; I have not given it a lot of thought. Certainly, the right kind of government incentives can assist, and there have been some, and some are continuing under the present government—but we don't know in detail yet. But the incentives that I believe are most successful are the incentives—there were some under the Experience+ program—where an employer can have an amount of money—it was in the vicinity of 4½ thousand dollars—for the training of a person over 50. But it wasn't just handed over; there had to be, you know, which people, which course, which job, which training are they going to do, I think those very targeted training allowances are much more effective than just a general subsidy to take on an older worker.

The previous government did have a subsidy of \$1,000 for businesses to take on an older worker who had been unemployed for a period of time. My best understanding is that there was not a lot of take-up of that, because the amount was not very great and, for small businesses particularly, the processes, the paperwork and so on; it was pretty daunting. Now the present government has announced they are going to increase that amount to 3½ thousand dollars, and the funding for that—will that come in the forthcoming budget?

Ms Siddle: I'm not sure.

Ms Ryan: Or it is already there. We had that discussion with Minister Abetz, and he is hoping that he will be able to fund that commitment. And I think that that 3½ thousand dollars will be more effective than the \$1,000 but, on the other hand, my own view is that those moneys are best devoted to training rather than just a general incentive to the employer.

Senator URQUHART: Yes. So they put them into something.

Ms Ryan: So they put them into training and, usually, that would involve a TAFE.

Senator URQUHART: My final question is this: when I asked about the role of employees, you talked about prospective employers. What about the role of employers who are making workers redundant, in terms of providing them with opportunities? I will go back to older workers particularly. I have had lots of experiences where people who have left school, with awful thoughts about school, when they were 15—and who left with less than impressive literacy and numeracy skills; if any at all—and have worked their way through an organisation just purely because they knew the feel of it and how to get through it, and then all of a sudden they are confronted with a situation of redundancy, and they really are not ready to retire—either financially, or mentally and physically. They do not know what to do. They do not have qualifications as such.

I have seen really good examples where employers who are making workers redundant go through a process of doing the RPL, the recognition of prior learning, and giving workers the skills. But that is usually a negotiated process; it is not a requirement or whatever. Do you think that that would again enhance the opportunities for people to gain further employment if they left? I had a brilliant example of a worker in a food-processing plant in Northern Tasmania who walked out of a redundancy situation with what he called a BA. I thought he meant a bachelor of arts, and I wondered when he had ever had the chance to do that, but his BA was a breathing apparatus certificate. He had never been very good at school, but he walked out with that certificate, and it was as good for him as a BA would have been to anyone else who had gone and studied at university for years. It is the confidence that that instils. I just wonder about your view of employers who are making workers redundant and what responsibility they should have to share some of the load in terms of offering that to workers.

Ms Ryan: I think they have a moral responsibility to take what steps are available to them. Obviously a bigger company with a human resource department and so forth can do that. I know that at the higher levels, the senior levels of management, usually if you are made redundant you do get outplacement counselling and assistance for the next step, but I am not sure that very much happens at the middle or lower levels. There is a real need for it, and I am pleased that some are doing it. Also, again, smaller businesses are not doing it. Perhaps that would be an appropriate area for the government to say: 'We have a fund. There's a cost to doing this. You can draw on this fund to prepare your redundant workers for the next step.'

Senator URQUHART: That could be done in conjunction with a TAFE, obviously, because they would have the skills.

Ms Ryan: It could, absolutely, because they would have the techniques to do the RPL and so forth. I think it is so important that that action is taken right then—that is even before they have been out and have been unemployed for a while—because, the longer an older person is unemployed, the less the likelihood that they will ever get employment and the greater the likelihood that they will end up on disability pension and the like. So I think that, even though there is a resource issue there, it would be public money extremely well spent.

Senator URQUHART: Great. Thanks very much.

Senator RHIANNON: Thank you very much for the evidence. At the moment we are seeing the institutional capacity of TAFE considerably eroded, and you would obviously be well aware of the situation in Victoria and now similar situations in Queensland and New South Wales. You are putting forward something that is very much needed, but there are funding issues and there are capacity issues. Have you given consideration to the enormous changes that are coming down the track to TAFE in one form or another and how that fits in with what you are proposing?

Ms Ryan: I think it is concerning that the capacity of TAFEs—which are, after all, under state government management—in some states is being eroded, as you say. While some people have a view that the market will provide, that private providers will come in to offer training, the picture is not very encouraging in that, yes, there are a lot of private providers, and some no doubt give value for dollar and do a good job, but some do not. There is a lot of documentation now. ASQA, the Australian quality body that looks at TAFE training quality, has found that a lot of the cheaper, shorter courses offered by private providers are of no value to the person taking that course because employers are not impressed, whereas a TAFE certificate III should be at a standard we all know: 'That's a TAFE certificate III. We more or less know what you know, and we know that it's a good building block.' So, while it is up to each state government to make its own decisions about to what extent it wants to open

the door to private providers, I think the question of quality of training needs to be perhaps more considered than it has been in some of the examples you have given.

Senator RHIANNON: Considering that at the end of the day the job of private providers is to make a profit, so they are looking at where they can make a profit, would that mean that the courses and the ideas that you have outlined in terms of development in this very important area of catering for older people could lose out if they were situated in the marketplace? Is that how you would see it, or are these profitable?

Ms Ryan: I do not want to get into the area of the business plans of these private providers' businesses. As I said, I do not want to sound as if I am a critic of all private providers, because I am not. It is a question of how much they are charging, the quality and the access—how much they are charging for the courses and whether the quality of the course is guaranteed.

ASQA recently did a review of the training offered to people going into aged care. I recommend this report to the senators. They looked at all of the providers, RTOs, private providers, TAFEs and so on, and amongst private provision they found that about 80 per cent failed to comply with existing national standards. They did go on to say that some of that lack of compliance was quite minor and the providers were able to rectify it, but others were quite serious. So they were very concerned. Would you like to quote from that, Adriana?

Ms Siddle: Yes. The report states:

This creates an environment in the competitive training market where there is a 'race to the bottom' in terms of continually reducing course fees to attract students, reducing course times to attract students and reducing training and delivery effort to cut costs. Quality and sufficient time to enable adequate instruction, learning and assessment are the 'casualties' in this environment.

That is on page xi of the executive summary of the ASQA report.

Ms Ryan: Obviously that is of great concern to all of us who are looking to see more training of people for aged care and better training of people in aged care. We know that some people go. People think: 'Oh, this is cheaper. I can do it in a weekend instead of six months at TAFE.' But it is a very poor outcome for everyone concerned.

Senator RHIANNON: Also, could you comment on the fees, because the potential for a massive fee increase is huge.

Ms Ryan: In TAFE or outside?

Senator RHIANNON: Outside, but TAFE also is under pressure if it is pushed into this marketplace arrangement.

Ms Ryan: TAFE is increasing its fees, and some older people who have been unemployed for a period of time say that they cannot afford to do a course. If they cannot get some sort of government assistance to pay for the course, they cannot afford it. I think that is alarming. Again, I think that, if government is looking to where its assistance dollars are best spent, assisting the older unemployed person to do the TAFE course which is linked to a job—a potential job, at least—is something that government should look at very favourably.

With private providers, I guess it is the market, so they charge what they think the market will bear, and they are entitled to do that. But, on the other hand, when you have an ASQA report that raises these very, very serious problems of quality, I hope that this Senate committee will pay some attention.

Senator RHIANNON: Thank you.

Senator O'SULLIVAN: My initial question—and I hope the answer does not rest in your submission—is: do you have any data that specifically shows the success of retraining of older workers in their efforts to get back into the workforce as opposed to those who do not undertake retraining or upskilling and make it back into the workforce?

Ms Ryan: It is a big question, because I am not sure who would collect that data. Individual TAFEs may collect data on what happens to the people who come in, do the course and go out. I think that, for example, the South West Institute of TAFE will be following up to see whether this initiative I spoke about so favourably produces long-term employment opportunities.

Ms Siddle: In their report they did find that out of the people who attended I think it was 81 per cent went on to either undertake training or get a job. That is a small program but that is indicative of the people who went to this forum who were interested in retraining, what they did next with that outcome.

Senator O'SULLIVAN: That is a very positive number. My next question is in the area of older workers who are transitioning from in many cases a long-term profession, about their aspirations and their ambitions versus the practicality of what they have in mind. I have had relatives who have been farming and it has got too

hot and too dry so they are going to go and sell real estate. They have got about as much as of doing that as I have of farming. So my question is directed at whether there exists or is there a need for some vocational guidance to deal with this issue. I think there is a place for industry and employers to participate in that.

Ms Ryan: Yes, I think you are quite right. While we want people to feel positive about new opportunities, we do not want them to have huge disappointments and perhaps waste some savings investing in a business that they are not able to run successfully. First of all I go back to Senator Urquhart's reference to some employers who actually do give the employee some assistance and direction and some sort of formal recognition of what they have done in that job so that when they go to the next potential employer or to TAFE they have got something to say, 'This is what I can do.' TAFE can do that sort of vocational guidance and your farmer relations could have gone to a regional TAFE and said, 'I am finished with farming, I am interested in real estate. What is entailed?' They would have said, 'We have these courses but what are your skills?' If they are not suited to real estate, which is a pretty crowded field, maybe they could be directed to an area where they would have a good chance of success. But again I think TAFE does have that counselling advisory role and it does have a lot of these very clever techniques of how they work out what you know and what you do not know. So the answer is yes, that sort of advice and counselling is needed, otherwise there will be huge disappointment and waste of resources. Then those people who think they are going to work in real estate but are not suited to it and maybe splurge their savings are the ones who will end up on Newstart and then they will be so distressed and down about what has happened that they might end up on disability. It is a downward spiral and if we can get the right counselling and advice in early enough, a lot of that can be avoided.

Senator O'SULLIVAN: My final question really is a supplementary question to some earlier questions in relation to redundancy. I have been a politician for two minutes but an employer for decades and my firm employs 150 people. In modern circumstances, for many businesses opportunities have a beginning, a middle and an end where you employ people because, for example, you have won a contract for a duration of six or 12 months. In those circumstances many of the employees know at the outset that they have employment for 12 months. But if you have to have further rationalisations within your workforce, if an employer were to put staff on alert for three or six months time when a staff member does not have an expectation that their employment is coming to an end, that would not be a very wise thing for the business to do because you have got a lame duck environment where many of these employees will in many cases start to be distracted looking for other employment opportunities and it has the reverse effect to what you are trying to achieve. Do you have any view in relation to how to manage redundancies where there can be no notice, particularly with those in line with your submission who have aged and have a bit more difficulty in the transition?

Ms Ryan: I think it is always best for the employer and the employee to go into the relationship with eyes wide open, if they can. I understand what you saying. If you say, 'We've got work here, but it's only for 12 months', then by month 9 that employee will be thinking, 'Gosh, I've only got three months to go' and be looking around and being distracted. I think that is a human resources challenge. But I think it is probably better for the employer and the employee to be clear that the employee has this work for 12 months and at the end of the 12 months will have to look for something else and perhaps while working can start to do some TAFE work at night. There are a lot of online courses now. This requires a lot of motivation and discipline; I understand that. And it is quite hard to do it just by yourself. But I think even in a medium-size business, like the one you have described yours as being, you can give them some realistic direction.

Senator O'SULLIVAN: Without wanting to debate, I have had a personal experience where a division of the business was sold, and it was clear during those negotiations that many of the employees who were in that division of our company—people who had been with us for a very long time—were not going to be retained by the new owner. There were certain amortisations whereby this blending was going to occur. First of all, we could not secure their ongoing employment. We could not accommodate them where we were. But the moral issue was that we wanted to help them transition, whether that was through training or by paying them for a period of time or getting on the phone and finding other employers and making recommendations. They are the circumstances I was asking you about—where there was no way in the world that we could tell them we were in negotiations to sell the business.

Ms Ryan: No, but it is encouraging to hear that an employer like yourself does have in your mind to offer, as soon as things are clear, to assist in whatever way they can. It is the world we are living in, isn't it? So much employment these days is what they call insecure employment. A lot of young people have not had what we used to call a permanent job. They are going from job to job. I do not have any expertise in how you would manage it, but, I must say, I am encouraged to hear you describe how you managed it in your company and I hope many employers do that.

CHAIR: I have a couple of questions coming out of comments you made, Ms Ryan. The report that Ms Siddle referred to, from the Australian Skills Quality Authority, is alarming, particularly with the older people. They are watching their pennies and if they are out of work they are going to be very conscious about costs and would be driven to the cheaper course rather than the quality course. Certainly in my previous role as a union official aged care providers and early childhood education and care providers constantly complained about commercial courses and the poor quality of them. So, what impact are they having? I know that where there is a choice an employer will sometimes not take the person who has done the cheaper, inferior course. So, what impact is that having for older unemployed workers who are faced with paying for those courses? In Western Australia the TAFE fees are running to about \$3,000 for a Certificate III, as opposed to a private provider who is well and truly at the cheaper end in terms of cost.

Ms Ryan: It is a very bad situation, and there are only bad outcomes for the person themselves, and I guess that is where my main interest is: what is going to happen to that person? Well, they are not going to get a job, and they have wasted some savings, and they will find it harder to get back into the workforce. I think it is a situation that does need to be addressed, and maybe this committee, in its report, will vigorously address it, because it tends to happen a little bit under the radar. In your case, Senator, as a union official you saw it happening. We now hear about it at the Human Rights Commission, because people bring these stories to us, and I go out and about and talk to people. But I think we have a responsibility to say that the training should be adequate to the task. And, as I said, the ASQA report is quite alarming, because so much training is not adequate. On the other hand, we know that TAFEs, for example, are capable of giving appropriate training and with a bit more encouragement could do more.

In terms of the TAFE fees—again, it is not for me to make budgetary decisions; it has been a long time since I have been in a position to do that—I think assistance that goes towards helping the person do their proper TAFE course, which will give them a chance for a job, is a much better use than a general subsidy to take on an older worker. That is my personal view.

CHAIR: I guess the difficulty is that we have now created an environment; we have created market competition. What we are hearing now is that that market competition in one end of the market is really competing around cost, which does not always deliver the best outcome. Will you, in your capacity as the Australian Human Rights Commission, be making any recommendations around that competitive environment?

Ms Ryan: In general, yes. We are fundamentally concerned with people's rights and protecting people's human rights, but it seems to me that a person who has been badly dealt with in the market and is deprived of the capacity to earn a living is going to have their basic rights infringed pretty soon. I get into it that way, as did my fellow commissioners.

I had discussions with ministers, with shadow ministers and with parliamentary committees and the like. I suppose, given my background as a parliamentarian, I see parliament has a big role here; to focus on these issues, to try and align on these issues, and then to make recommendations and encourage those who are now making budget decisions to make them in a way that is most beneficial.

I also think what we are talking about are bipartisan issues. Every government, everyone in parliament has an interest in seeing older people being able to get proper employment, improve their circumstances and have superannuation savings for when they retire. Everybody benefits. It is an issue that can be pursued in the parliament. There are not many issues as bipartisan as this one. Every parliamentarian I have had a discussion with agrees that this is what we want to do; we do want to make it possible for older people to keep on working, and to find jobs when they have lost their jobs. TAFE has a role in this.

There are a whole lot of pieces out there, where everyone says: yes, that's right. But they have not come together in a coordinated set of policies that can assist people. We also have to remember that people with limited education—often with limited English, if they are migrants—are in a very difficult situation trying to find their way around: 'What sort of training is good? Where should I go? Who can advise me?' So I think the connections need to be clear and strong. I think the parliament has a role in this.

CHAIR: Thank you, Ms Ryan and Ms Siddle, for your submission and for appearing before us today.

Ms Ryan: We are very happy to provide any further information that may be of interest to you at any time.

SOBSKI, Ms Jozefa, TAFE Community Alliance

[11:49]

CHAIR: I welcome Ms Sobski from TAFE Community Alliance. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee has your submission. I now invite you to make a short opening statement. At the conclusion of your remarks, I will invite members of the committee to put questions to you.

Ms Sobski: The TAFE Alliance is an advocacy and strategy group that recognises and promotes the central role of a strong, comprehensive public VET provider—in particular, in building social, cultural and economic capacity of communities. In this case we are concerned with New South Wales but we have a broader concern about the future of the TAFE system in Australia.

I am a member of the alliance, but I have been a TAFE institute director in the South Western Sydney Institute, which former Senator Ryan alluded to or gave examples of. I have also been a principal of a TAFE college. So I am here with rose-coloured glasses and a lot of love for an organisation that I think has served this nation well for decades.

In New South Wales it is a very large system. It has over 120 campuses and many associated centres. When I looked at systems in Germany, Taiwan, United States and China, during my period as an institute director and subsequently as a senior member of the education and training department, I thought our system compared favourably—indeed, I felt it was probably amongst the best in the world at that time.

We view public education and training as focused on building a productive and skilled workforce and also an inclusive and fair society. Our submission has comprehensively focused on those issues to do with social inclusion, affordability; the needs of disadvantaged and vulnerable people in our community, the needs of retrenched workers and so on. I think it is comprehensively dealt with by way of case studies as well as an argument, a narrative, which paints a picture of a system which is important for the nation, important for maintaining a productive and skilled workforce and important for enabling the economy, our economy here in Australia, to compete in a very competitive Asian market.

We are very concerned about the decline in commitment to funding technical and further education, and the shift or transfer of costs from the government, which is the hub, the husbander and securer of public funds, to the student, or the 'customer' as many TAFE institutes now refer to them, and to businesses. We are concerned about this transfer of costs to students that can often ill-afford to undertake courses, and to businesses, mainly small businesses, whose profit margins are very narrow and who cannot afford to send their employees for training programs at their own cost. Larger businesses of course deal with this issue in a different way.

The networks of TAFE colleges in New South Wales have been around since the turn of the century, and I present for the information of the committee 'A history of TAFE New South Wales from 1949 to 1997', which may assist the committee in providing the foundation for its views. The TAFE systems in Australia have evolved differently in different states. They have different histories. But in New South Wales we have had a system here since about the 1880s. I present that as information for the committee. Really I could talk for hours. I am happy to respond to questions from the committee.

CHAIR: Senator O'Sullivan, would you like to start.

Senator O'SULLIVAN: My first question has been asked of other witnesses. It is about—and I am going to use the word 'burden', not that it is an appropriate term—the burden of community service obligations on TAFE as opposed to whether that exists with some of the private training organisations. In this field of contestability, do you believe that TAFE finds itself having to provide additional services—services that might not necessarily make sense from a profitability/commercial point of view? The others do not find themselves in that position.

Ms Sobski: I would not couch that in terms of being a burden. I believe that is the responsibility of the organisation as being the public system. To that end, it has developed over two or three decades—really since the Kangan inquiry—all sorts of specialist services and it employs specialist staff to support the most vulnerable and disenfranchised in our community. For me it is not a burden. The TAFE Community Alliance sees that as one of its invaluable assets. But, if you then throw it into a competitive market, where the bottom line rules the agenda, obviously it is going to be at a disadvantage, because it has to meet all those infrastructure or student-support-service costs in the first instance. From that point of view, if you were looking at it as a business—which I do not see it as—you would say it was a burden.

Senator O'SULLIVAN: I tried to qualify the use of the word 'burden'. 'Handicap' is probably a better term—'commercial handicap'.

Ms Sobski: Yes. In that sense it is not operating on what you might call a level playing field.

Senator O'SULLIVAN: What we do about that? What are the prospects of us being able to regulate the environment and impose community service obligations on the private sector providing training?

Ms Sobski: There are various figures on how many private providers there are across the nation. I think the figure of 5,000 or 5,300 is bandied about; it depends on what report you are looking at. Imposing any further regulation on those providers I think will result in their hitting the wall. I am not advocating that. I do think, however, that the free-for-all market out there needs to be looked at in terms of the quality of what it is providing. We do not oppose the existence of private providers per se, but we do believe it is critical that they supply quality training and that there is an outcome from the training for the individuals they teach.

Senator O'SULLIVAN: A quite impressive young man from Deaf Australia, Mr Hill, gave evidence here this morning. He talked about the requirement for deaf people whose primary language is signing to be provided with—

Ms Sobski: An interpreter.

Senator O'SULLIVAN: An interpreter and sometimes a note taker, at a cost of about \$50,000 for the student through the course. Would you agree that it is impossible to translate that to the private sector?

Ms Sobski: Yes. I believe the value of a system is that it offers economies of scale. You have a collaborative framework and you have specialists who are available, who are on tap, who are already employed. Economies of scale, from my understanding of the terminology, enable you, for something that might cost a single provider \$50,000, to lower those costs considerably, because you are spreading those costs across an entire system. That is the value of the public system. It has many other values, but that is one value of that system.

Senator O'SULLIVAN: This is a key issue. Over the years I have seen the delivery of community services suffer from economic rationalism. It is as simple as that. In my state I have seen hundreds of rail stations closed and railway lines removed and so on and so forth. We are feeling the effect of that now at a social level and an economic level. My question here is: how do we avoid that happening? We are seeing rationalisations of TAFE colleges—which I imagine are driven by economy—we are seeing a reduction in the amount of government financial support and we are seeing the expectations of people rise as to what they want from the system. Do we need to regulate the environment so that the TAFE has an edge?

Ms Sobski: I do not think that throwing the public provider into a market is a very sensible policy from the government's point of view. If we are going to avoid the very examples that you have provided about railways, community services and so on, you have actually got to reduce the number of providers out there.

Senator O'SULLIVAN: That is what I mean.

Ms Sobski: And you have to secure the funding base for the public system. It should not have to operate in an environment where its future is in peril or appears to be in jeopardy because it cannot be assured of a certain level of funding to continue its operations. Specialist equipment, specialist facilities and specialist staff are all a cost to the public purse, but they also offer enormous benefits to the nation as a whole. If those specialists disappear, we will see the entire VET system flounder. The TAFE system offers the codification of training. It offers a quality standard. There is consistency across the country. If you see that disappear, you will see fragmentation and fracturing. I wonder about the quality and the sustainability of that market.

Senator O'SULLIVAN: Draw no inference from my next question. Are you saying that you would support or advocate something along the lines that if a TAFE college were best served to provide a training service, taking into account issues of remoteness and a range of those sorts of things, as opposed to perhaps a very specific skills based provider, particularly one that might be regionally linked, that the TAFE college should have priority and there should be disincentives, at least to the extent that the government does not support or subsidise the purchase of that training from private training providers?

Ms Sobski: You are a man after my own heart, Senator O'Sullivan. Yes, I am saying that. If the TAFE facility is there, the equipment is there, the trained teachers are there, the relationship with industry is there and an understanding of industry needs exists, why would you be creating the incentive for somebody else to set up shop in the same area? It does not even make sense if you talk about it as a business. The competition has to drive improvement, responsiveness and flexibility, not drive a perfectly adequate provider into the ground. I cannot support that. I have seen the dire effects and the counterproductive effects of that kind of approach.

Senator O'SULLIVAN: Quite apart from choice, competition is meant to try to create that sort of tension to provide the very best you can. So how does one avoid the slovenly slumber that bureaucracies tend to gravitate towards when they do not have competition? It does not matter whether it is private or public. How would we

oversight the operation of the TAFEs to see that we are getting the very, very best out of them, as if they had competition at their gate every day, assuming we were to go down a path to regulate—

Ms Sobski: You create performance and outcome standards against which they need to report for the use of the money that they are allocated. It was done in the past. It is a proven method. If you are failing to deliver, that failure becomes apparent, because there are outcries from industry, commerce or business leaders or people out there in the community. If you are failing to deliver, you simply cannot continue. It is not a failure to deliver that has led TAFE to the situation that it now finds itself in—in some states in quite dire circumstances. It is not failure to deliver at all; it is cost of delivery and the government's intention—successive governments of both political persuasions—to transfer the costs of training from the government purse, which is after all the public purse, to the individual and the business. That is what is driving this entire market agenda. It is not failure to deliver.

Senator URQUHART: Thanks, Ms Sobski. I just want to go back to your opening statement, where you talked about your role as a director et cetera. You talked about comparisons with other countries, and I just cannot recall—

Ms Sobski: Germany, the United States, Taiwan and China.

Senator URQUHART: I think you said that we compare very favourably.

Ms Sobski: Yes.

Senator URQUHART: Is that still the case?

Ms Sobski: At that time in the nineties.

Senator URQUHART: That is what I gleaned.

Ms Sobski: I am an active retiree. I am here representing many voiceless people in communities that I have worked with for many, many years—non-English-speaking backgrounds, disabled people, people from Indigenous communities, women returning to work and a lot of mature-age male workers retrenched as a result of businesses closing down. So I speak from that perspective now. I am on the Sydney Regional Development Australia committee here in New South Wales. I maintain very close links with those communities, and I see that there is a great deal of concern now that these people are not able to voice, either through lack of knowledge or understanding of what is happening or through just not having the means, the language or the education to front a committee such as this. But you could bring them in in droves. I shook the hands of many of them as they graduated from various programs in the TAFE system. But I am here really as a member of the community.

Senator URQUHART: I understood that. I just wanted to get a bit of—

Ms Sobski: At that time it compared very favourably in that international sphere. The German system is a much-lauded one, but what it does is actually to separate or stream children at a particular point in their education into a vocational stream. There are both strengths and weaknesses and both benefits and disadvantages in that kind of streaming very early in a child's life—say, 14 or 15 years of age.

Senator URQUHART: I guess I raise that just because I gleaned—and I may have misinterpreted the way you said it—that you talked about the 1990s and how the comparison was good. I just thought that maybe we are not so good now. Is that where you were—

Ms Sobski: My concern is that it is now a system that appears to be lurching from crisis to crisis—funding crisis to funding crisis. There is a drive by government to force it into a business mode of operating where the bottom line becomes the most important element of its objectives.

Senator URQUHART: Rather than a service to people who desperately need it.

Ms Sobski: Rather than a service to a community and a focus on client needs.

Senator URQUHART: Yes.

Ms Sobski: At the South Western Sydney Institute, we had the most marvellous relationships with employers, who made huge contributions to us in kind in terms of equipment, donations to our student prizes and so on. We had fantastic relationships with industry out there. Where they had a problem or had reservations about what we were offering, we sat down with them to make the appropriate adjustments. So we were responsive and we tried to be flexible.

Senator URQUHART: I think that came out of the last witnesses' evidence. I think it was that same—

Ms Sobski: Institute—although I would not present that institute as particularly unique, because across New South Wales similar policies and practices applied.

Senator URQUHART: So the fact that it may not happen in all institutes—and I asked this of the previous witness—is that a model that would be something that could or should be adopted by other institutes around the country as a model for what TAFEs should deliver to communities?

Ms Sobski: Yes. And it can be replicated. There is nothing new there. We were doing that in previous decades. There is nothing new. Replicating models, however, is reliant on a level of community and business support as well as a level of government support for them to be delivered in another location or whatever. And there may be constraints. We have campuses in New South Wales, from Boggabilla to Broken Hill to Coonamble to Coonabarabran—across the state. You cannot offer everything at Boggabilla, but you can avail yourself of the system's infrastructure to put together a course that might be relevant for a small business starting up in Boggabilla. Do you know what I mean?

Senator URQUHART: I know exactly what you mean.

Ms Sobski: If you have the resource and the depth of understanding to draw on, it is easy to make that work. A small private provider does not have that capacity.

Senator URQUHART: Exactly. Thanks for your very comprehensive submission. There are a couple of areas I want to go into. I want to get a comment from you in relation to a line TAFE New South Wales have in their report. I cannot ask them, unfortunately: they were listed to appear, but now they have deemed that their submission is adequate. I am not sure what the rationale behind that is. In section (f) of your submission you talk about the 'application and effect of additional charges to TAFE students'. You said:

The impact of additional charges will be felt most strongly on those who most need access to TAFE.

We heard recently from Mr Hill from the deaf community about the cost and about how many of that community drop out because they simply cannot get the services that they need, which is a real shame. TAFE New South Wales, in part of their submission, say:

TAFE NSW is ideally placed to support low socio-economic status and otherwise disadvantaged students through vocational programs into higher education programs.

I would like your comment on that. I am not doubting that they are not, but surely that is linked back to the issues of funding—

Ms Sobski: It is.

Senator URQUHART: back to the issues of their will to negotiate with businesses, to link with businesses and others. If I could just have some of your thoughts around that.

Ms Sobski: Let me comment on that. I do not wish to disagree with the submission, but the fact is that institutes are making decisions now about the staff they will be keeping and the kinds of services—the specialist services—they will be offering to students. They are making those decisions.

Senator URQUHART: And that is based on funding?

Ms Sobski: It is based on funding and the need for them to cut costs so that they can compete.

Senator URQUHART: So it is not based on what they can provide to the community, but on what they are able to provide.

Ms Sobski: But once you jettison a certain level of expertise from your organisation, getting that back or arguing for that again is going to be difficult—in my view it is gone. It is also about the message you are sending to the community. The community will say, 'Well, we won't get those services any more from that institute'. I know that South Western Sydney Institute has, for example, eliminated all its outreach workers. People who were skilled in reaching out to communities—I mean, by its very title it indicates what they do. They reach out to communities; they customise and tailor programs to meet those communities' needs and assist those students to then move to either further education or to suitable employment. I am saying TAFE New South Wales may have that capacity somewhere in some institutes, but it is not going to continue if the current funding approach of the present government and previous governments continue.

Senator URQUHART: I am a product of TAFE—the old technical college actually, if I can go back that far—in Tasmania. I know that it was very different 30-plus years ago to what it is now, and obviously the landscape is different in terms of the jobs and the requirements and a whole range of things. But one thing that concerns me greatly is that the provision of people to be able to afford education, to get themselves into employment or back into employment one way or the other, is a real restriction on those personnel at the moment. With the changes, based on TAFE and the model that you talked about with the funding, what does that society look like? I know that question is a bit crystal ball gazing, but with your experience in TAFE—

Ms Sobski: My concern is this: for those who have been disaffected by their education in the first place—who are suffering from low standards in literacy and numeracy, who have had very poor experiences in the school or whatever institution that they were in—it is hard enough to encourage them back to look again and perhaps avail themselves of training that would be more relevant to their life circumstances and the kinds of aspirations they have, without imposing a fee barrier that will mean to them: 'Look, I've got to travel there. I've got to pay for that.' They might be paying rent or they may be living at home and making some contribution, although these days that may not be the case. They may or may not be in receipt of some benefits. Then you impose a fee. You have to get them across the line, to say, 'Look, you can survive this program; you could probably do well in this program'. You have to get them across the line into the institution in the first place.

A fee barrier—at the moment we do not know what that is going to be. The New South Wales government has not made the announcement yet. It has the IPART—the Independent Pricing and Regulatory Tribunal—making recommendations, but the report has not been released. I understand they are currently working on the fee structure. We are very concerned as an alliance about the impact of that fee structure on those very people who, for me, are socially excluded now. What happens to that population of socially excluded people? It is a cost on the society in the future whatever way you look at it. We are either ignorantly moving forward with this policy or we simply show a lack of care about those people. TAFE has always been that—'meal ticket' is the wrong word, but it has been that second chance for education.

Senator RHIANNON: Thank you for your passion and your information; it is really useful. One issue that does come up a bit is about quality control. Do you have any comments on the Australian Skills Quality Authority? Obviously that leads to the job it has to do with so many private providers in the business now. How do you—and can you—maintain quality?

Ms Sobski: Well, you can't. The cost of compliance with any standards that you set becomes an issue not just for the provider, but also for the government and, therefore, the public purse. We have got a situation where we have to monitor and control very closely 80 per cent of the providers—say 4,000 or 4½ thousand of the private providers. The compliance costs there—just inspecting these providers, auditing these providers to a standard that is appropriate for any framework you might be operating within—is prohibitive for government. It seems to me that we have created a market now, but we do not really know—we can say: 'Let the thousand flowers continue blooming, or wilt in the wilderness. We don't actually care, just as long as we've got a market.' Now I cannot support that. As policy maker in the past, as a person involved in education all my professional life, I think that society has a duty to ensure that the public dollar is well spent.

Unfortunately, at the moment, there is no research or evidence of this. There are plenty of concerns about providers, but there is no research or evidence to say that this market is producing a more skilled, productive and efficient workforce. Where is the evidence to say that that has been the outcome? A simple EST count does not tell you the story of the quality of what those people have received.

Senator RHIANNON: You have made reference to costs. You spoke in some of your early responses about the cost to society. Can you expand on that. When you make those statements about people not in productive work, are you implying that the cost of their pension is a burden on the public purse? When you say 'cost to society', can you expand on what you mean by that.

Ms Sobski: It is not just the pension burden. It leads to dislocation and disharmony in communities. It can, in the end, lead to crime. But there is a whole lost generation. Out there in either Aboriginal communities or non-English-speaking background communities where settlement services and education levels may not be optimum these are costs for the future that our society will bear in various ways. It creates conflict in society and it engenders prejudice in people, who ask, 'Why don't they pull their socks up? Why don't they get a job?' You get that commentary from individuals who are largely ignorant but also fearful of this growing group of people who are not contributing productively. I think TAFE had an important role in contributing to a civil society and to social inclusion and cohesion over the decades that I was involved with it, and the continuation of that is imperilled by the policies of the current governments.

Senator RHIANNON: Just picking up on an aspect of those policies—my guess is that when it plays out it will come back to the comments you have made about the cost to society—you said that a student only gets the subsidy for one course.

Ms Sobski: That is the intention, yes.

Senator RHIANNON: So that is where we are headed?

Ms Sobski: Yes.

Senator RHIANNON: In your experience, do many of the students often change courses? Would that be the nature of what we are dealing with?

Ms Sobski: It is not even just changing courses. They may wish to move on from a certificate II to another course. It is often the case that they are provided with some foundation skills and then they want to move into something that has a more vocationally specific set of skills. I do not think you can simply subsidise a student to undertake one course. Apart from anything else, they may enter a workplace and realise they have a deficit of skills in a certain area and then say, 'I have to do something else but I am not able to afford that either in terms of time or because of the cost.'

Senator RHIANNON: Just taking one example that has dominated the headlines over the years and is back in the news, there has been the experience with the pink batts. There is much speculation around this. Is that an example of where, if you do not have a skilled workforce that has had training, there can be dire consequences? As well as talking about people becoming dysfunctional—

Ms Sobski: Absolutely. Let me tell you about a case study of one. My electrician said this to me only just recently about the pink batts, and he is not a political animal at all. He said, 'I don't blame the government for what happened with the very good idea of insulating most houses. I blame the fact that the employers were employing unskilled people. They themselves in many cases did not have the skills either.' In the past what would have happened with such a program, if there had not been so much haste and not enough thought, TAFE would have been approached to offer a three-week or four-week training program. Workplace health and safety would have been an element of that. There would have been an investigation into what exists in roof cavities, asking, 'What do you find in a typical roof cavity?' Courses would have been put together and what happened would not have happened. We would not have had the lethal consequences that arose from that program. You do not blame any single individual, but you do blame a government that was bent on implementing a very good program without giving proper consideration to who was actually going to implement it.

Senator RHIANNON: You have heard other senators refer to the very useful evidence we heard from Deaf Australia (New South Wales) today. On the issue of the 10 per cent, the recommendation from IPART that has been picked up, there is much evidence that that will clearly not provide the support that these people need. Is that an area to which you have given attention, and how will this one play out?

Ms Sobski: We gave evidence to the IPART inquiry and we made a submission. My recollection is that we made a recommendation on what percentage would be required to provide adequate levels of support for students in various categories of disability or disadvantage.

Senator RHIANNON: Can it be done by percentage?

Ms Sobski: No. I go back to my comment about economies of scale and a system. The system's infrastructure is there; if it is paid for by the public purse, it is available. If you did not have TAFE institutes themselves competing against each other, one TAFE institute would provide that service for another if there was a need. The sharing of those resources was commonplace once upon a time.

Senator RHIANNON: What we are talking about is momentous. You talked about how we were probably leading the world at one stage, but one cannot see that now. It sounds like you are very involved in this sector. From your experience, what is the morale like? Are people staying with TAFE, or are they moving on to set up as private providers because they think they can make more money? What is happening?

Ms Sobski: You seize the opportunities. If you are faced with a redundancy, you will eventually find work elsewhere. You may find work as a casual back in the institution from which you were made redundant. That happens frequently. Or you may find work as a consultant providing a support service yourself. Costs will increase as a consequence. If I were a 30-year-old disability consultant, I would set up a business to provide that very service—and in the end it will be a cost to the individual or the pressure will be back on government to provide the service. What are we doing, what kind of future are we painting for the country with that kind of stupidity? What are we proving here? We are approaching it with an ideology around market without looking at what the system actually provides.

I concede that there is always a need for reform, and there is a need for the kinds of tensions that Senator O'Sullivan referred to. You have got to stay responsive, you have got to stay ahead of the game, you have got to be out there finding out what the needs are, and you have got to be able to deliver outcomes for the public dollar. But what are we doing now? I am really not sure. It is one of the most distressing and retrograde developments I have seen in the last two decades. I have been in education since the early seventies. I see the unravelling of a fine national system with policies that have neither proven to be effective nor demonstrated in any way to be effective

except to drive down the costs of delivery. Do you want quality, or do you want low costs? Sometimes that is the choice you are making.

Senator RHIANNON: Are you picking up examples where industry is not happy with what government is doing? There are people who can make money out of the system but there are people who need a skilled workforce who need to be able to find that readily. Are you finding examples where they are not happy with Smart and Skilled?

Ms Sobski: I heard—I think it might have been—the Australian manufacturing industry association representative at the IPART review speak passionately about what has happened in Victoria with, I think, motor manufacturing but I could not be sure; I would have to look back on my notes with respect to that. They cannot believe how gutted the system has become there. We may not be there in New South Wales yet, but we are heading in that direction.

CHAIR: Thank you very much, Ms Sobski, for your submission and for appearing before us today.

Ms Sobski: Thank you very much.

Proceedings suspended from 12:30 to 13:19

RORRIS, Mr Arthur, Secretary, South Coast Labour Council

CHAIR: I welcome Mr Arthur Rorris before us today. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee has your submission—actually, we do not have your submission; I am sorry about that. We have looked for it, but I understand you have brought it with you.

Mr Rorris: Yes, I have brought it.

CHAIR: And it has been tabled. My apologies. I now invite you to make a short opening statement, and at the conclusion of your remarks I invite members of the committee to put questions to you.

Mr Rorris: I am here representing the South Coast Labour Council and the 50,000 workers in a geographic area spanning from Helensburgh to the south of Sydney down to the Victorian border. I am also an officer and executive member of Unions New South Wales.

At the outset, Senators, can I say that I appreciate the time that you have given me today. I know that it has not been an ideal situation in the last 24 hours, but I am pleased that you have made some time today. I trust that some of the evidence that is available from some of the other members of our community will at some point be considered.

CHAIR: Just on that point, Mr Rorris, as chair I have asked for us to try to reschedule Wollongong as soon as we can, so if you convey that to people who missed out yesterday I would appreciate that.

Mr Rorris: I will convey that to them, and I think they will be pleased to hear it. I appreciate that you are a little short of time and you have other witnesses, so I will get to the heart of the matter. Having listened to a very powerful and elegant submission earlier from a former TAFE director, I will not go over some old ground, but perhaps I will give some historical and regional application to what she was referring to.

At the outset can I say that as secretary for 14 years and a member of the Regional Development Australia Illawarra board and all of its predecessors over those 14 years, and previously as a specialist officer with the Department of Employment, Education, Training and Youth Affairs, and prior to that heading up the Migrant Employment Taskforce and in my studies and teaching duties at the University of Wollongong, I have spent most of my life considering the questions of the labour market, particularly in regional areas, and the scourge of unemployment. I know that that is something that is universally felt across party lines in parliaments federally and at the state level. The question is what is to be done and how it is to be done. In that, can I say that I, amongst others, am very saddened to see the direction that vocational education and training is taking in this country at this point in time.

I say that because in the region that we represent, the Illawarra, we are exhibit A. People do not have to theorise about what happens when you get an industrial downturn of a huge magnitude and where you have very specific and great challenges. This happened to us. We do not have to look into the theory books. It happened in the late seventies and early eighties, when we had a simultaneous downturn in the steel industry and the mines. People talk about this location, but when you consider a steelworks that, at its height in the seventies, employed 23,000 full time and now employs 3,000 to 5,000 you get to the scale of what a challenge industrial restructuring poses not just to the nation but also to individual communities.

Part of the reason I am here is to say that, whilst the baggage and legacy from that period have not been overcome, we still, courtesy of that downturn, enjoy—I say 'enjoy', but 'suffer' would be a better word—one of the highest unemployment rates in the country and one of the highest youth unemployment rates. The Brotherhood of St Laurence indicates in our submission that it is around 16 per cent. It is actually, we believe, much higher. The thing that upsets us most is not that we have not been able to achieve the miracle of redeploying and re-employing everyone. We would dearly love it if we could.

The thing that upsets us is that the situation would have been so much worse had it not been for what we consider a Herculean effort by our service providers, our TAFEs in particular and others to retrain, re-engage and ensure that as few as possible of those unfortunate people who happen to be working in those traditional industries would fall into not only long-term unemployment and that their children and now grandchildren would not get caught up in a cycle of intergenerational unemployment. That is the real tragedy.

The reason we do not have more people in that boat is that we had a provider called TAFE whose chief focus and accountability was to the people of this country and locally to our region. There was no concern in as to competing with other providers. TAFEs were not distracted by seeking to get one up on their competition, cutting costs and cutting corners because the corners themselves were the issue. The issue was not the ones who could

look after themselves; they did take care of themselves. The whole point of TAFE was to be able to deal with the ones who needed that special assistance.

A comment I made yesterday in a gathering was this: the region of the Illawarra is the perfect example of what happens when you are able to devote your whole energy to the problem. Because if you did not then we would be devoting it to hospitals that were designed to work perfectly without patients and schools that are designed perfectly to work without students. This is the current direction which I will turn to.

There are numerous reports on this. I will direct you to one very good one which is insightful. It is called *Immigration and industry restructuring in the Illawarra* by Morrissey et al. I will also directly forward it, if it is suitable to you, to the secretariat the bibliographic details. Suffice to say what happened during that period was a range of initiatives and innovations that were only possible because we had that provider without the distractions. I am going to turn to the distractions as I call them because I think this is at the heart of the issue and this is what really is upsetting communities like ours. I understand some of you may have had the chance to look at the media today. We do not want to get hooked up on whether committee hearings are attended. The real issue is the services. I think you can feel from this the passion in our community for TAFE and that service provision. The distractions are the hub of this.

What happens when you throw out to the marketplace the services that were once conducted by a key public and central agency whose accountability is back to the taxpayers who fund it? I take it that you have seen the Victorian example or soon will get some evidence from there. Without going over the recent example from the Illawarra case, I can honestly say this: when you have got a region that spans all the way down to the Victorian border, there is the problem of geography. In essence, this gets to the flaw in contestable models. Critical mass is critical to service provision. It is critical to efficiency and to the cost savings that governments hope to make by cutting those corners and by cutting costs. Quite simply, it would be ridiculous and totally ineffective to try and cover with two or three providers what one is covering in Batemans Bay, Bega or the Southern Highlands. Why? Because the simple maths and economics tell us so. You cannot do it. You would have to give it to one provider. This gives rise to chief flaw in the contestability model: how do you capitalise for the machinery and for the workshops?

If you look at the Illawarra, the home of heavy industry, how do you capitalise for a three- or five-year contract that you have just won as a private provider? Do you invest in the machinery plant and equipment that you need to train those people for a three- or five-year period? How do you amortise that for a loan—for example, is problem No.1. Problem No.2 is what happens if you do not win the next contract? What happens to the program, innovations and other things you have developed? We regard these as the problems with a lack of institutional continuity and programmatic continuity. In TAFE and in VET, those of us who have been looking at this area for decades will tell you that it is central. Some people call it corporate memory and other things. When you are constantly looking at the hard yards—working not only for those who need to be retrained and those who seek training in particular vocations but also for those who need pre-vocational assistance and other things—you quickly get to the heart of the matter, which is a seamless transition from one learning activity to another. That is something that becomes almost impossible when you fragment that learning process into two, three, four, five or a dozen bits.

You quickly see the fallacy in seeking to cut corners and save costs by trying to outsource—and by getting people, in turn to cut their costs—when you realise that you are not getting the outcomes. The whole point, for many of these people, is that the outcomes are dependent on that continuity—and on those institutions having the corporate memory beyond the three or five years of a contract to do it—and, from a geographic and community perspective, being able to do these courses locally. Otherwise you are faced with the inequities of having the students travel, and other things. I am sure those things will be addressed, if they have not already been addressed, by others.

I want to drill down briefly, if I can, on another aspect of this. I regard the contestability arguments and privatisation as at least a three-tier problem. The first tier, as I have indicated, is one of capitalisation. There is a second level in terms of regions, and the critical mass required—the minimum numbers of students et cetera. I have already touched on that.

Let me focus on the third tier now—that is, the support services. This sometimes gets overlooked. We hear the arguments about deaf students, the hearing and sight impaired and others. We hear the problems of students at risk of long-term unemployment and the early interventions through pre-vocational courses. We also hear of those recently arrived from overseas with language, literacy and other issues. The real question arises when you put it all together and—if I can extend the previous witness's argument here—you do not have the critical mass as an organisation to fund these services. Then you have a problem.

You no longer have the one provider—whether it is in a regional area or not—which has the ability to fund, on an equity basis, a certain portion of services. As administrators I am sure you would have that work—you take a bit from each area and put it together so that you have the critical mass again to justify that position. Whether these are multicultural services officers, language and literacy officers, or those dealing with disabled and others, if you have one provider you have the ability to provide this. How are you going to do this if you have 10 providers? We know the answer to that question, too. As I am sure you will hear in further evidence, TAFEs have begun cutting these services or have begun to question the need for them to continue. It is cutting our noses to spite our faces. TAFE exists for students like that, to give them those opportunities.

You do not get those efficiency gains by going down that model. If you put the three together you get a picture of why certain things are different, in terms of their provision, to others in our society. I put it this way: if we want to turn our vocational education and training system over to the market, as is currently the intention federally and state wide, we will be treating our 'VET market'—if we want to use that term—or our labour market a bit like a used car market. The question I pose is: do we want used car salesmen basically running the show? That is what you are going to get if you use the same model. Selling or buying a car is very different to taking care of those who are slipping between the cracks, those who need to be retrained and those who need that opportunity.

I draw an example from the royal commission in Queensland on batts. I support what the previous speaker said. It was not the scheme that was the problem; it was its implementation. Do we really want electricians working on our houses if we have a doubt—any doubt—as to the integrity of the accreditation or the accreditation process behind getting these people to the position that they are in? That is exactly what is happening here before our eyes.

I will finish on this point. The whole system of training in this country for key trades, occupations and vocations—from bricklaying to electrical engineering to plumbing and other things—has come through as part of a regime that we understand is an apprenticeship and traineeship system. The backbone of that has been the public provision of those core modules. Let me be clear here: there has always been a periphery of private provision and no-one is doubting that. The question in regard to those modules of key, core competencies and occupations, whether they be plumbing, construction or others, is whether we can maintain not just the standards and access to those but also the integrity of the accreditation system behind them. That is a matter not just for the kids coming through the system now and their parents but for every taxpayer and consumer who relies on those services. I might leave it there. Once again, I appreciate the time. But as you can see, it is a matter about which we are passionate because we have lived through this and we would hate to see a situation where even the backstop goes. Currently, we have that and we would hate to see it go.

CHAIR: Thank you.

Senator RHIANNON: You picked up on the issue about safety and pink batts, and that was an interesting discussion earlier. I have a memory of what happened in Wollongong and I think it would be good if you could expand on it. I think it involved electricians and reduced face-to-face hours or reduced overall teaching hours. Can you run through that? It was where a company made the decision that the changes to TAFE were detrimental to how the course was being taught.

Mr Rorris: Our understanding is that—and I stand to be corrected with all the details about it—changes have been made to those courses which we believe are due to the direction that many TAFEs are taking which is to streamline some courses and in particular teaching hours, moving to online content and delivery, and changes to their placements in many cases. In this particular case, the reduction in face-to-face teaching hours, as we understand it, was the prime motivation for that employer that you referred to shifting students from the Wollongong TAFE to Gymea TAFE, which had maintained their face-to-face teaching hours. That is as it was reported in the Fairfax Media and, as we understand it, more and more of this is likely to happen as TAFEs make those sorts of decisions. They might say that they are not required to make those specific decisions, though our understanding is that two plus two equals four and if they are meant to make it equal three then they will start cutting corners as well. These are the sorts of corners that we referred to and this is about the loss of confidence—and this is not us talking; this is an employer. If the employer of these students is so concerned that they shift them from there to another TAFE to maintain the integrity of that training regime, that tells us a story.

Senator RHIANNON: It sounds like your Illawarra TAFE was preparing for Smart and Skilled or for the funding cuts. Why were they doing that?

Mr Rorris: We cannot be sure of the precise motivation. Only management, at the end of the day, would be able to answer that. Our understanding is that this is all part of the changes to the funding systems whether they be through Smart and Skilled or broader afield. But this certainly has been prompted by the so-called Smart and Skilled pressures and the cuts, which we understand could be as much as a third of their current budgets. Can I

say at the outset that, even though we do not agree with them, we do not hold the managements necessarily to blame here. They have got those pressures and they will make those decisions accordingly. It comes back to government policy.

Senator RHIANNON: You have also given emphasis to the loss of corporate knowledge. You have this contestability model and these providers come in, and it might just be for a short time. Are you already starting to see that loss of TAFE corporate knowledge that has been built up?

Mr Rorris: Unfortunately, yes. We have seen a loss of TAFE staff. We are seeing an increasing number of people go. The sad part is that some who have hung in there hoping for some changes are leaving now and are taking with them a lot of experience as well. We badly need and urgently need a reappraisal, and we would say a change of direction to arrest that slide. Our fear is that you get to the point where you wipe out some of those gains, and the pride frankly that the previous witness spoke about in terms of being the envy of the world. That goes when these people go, without the opportunity to pass on their knowledge, the innovations and their thinking, and that supportive environment that continues that process towards excellence.

Senator RHIANNON: Can you talk about these issues in the regional context. This is a very large regional outfit. I think there are 14 campuses and you have a huge area. Everything you are talking about has an added intricacy because of the geographic spread. How is that all being managed and is contestability even more challenging in a regional area?

Mr Rorris: There is no doubt for the reasons that I noted earlier about critical mass. Let me give you one example. At Dapto TAFE, they intend on cutting the canteen and other support services like libraries and things.

Senator RHIANNON: What do you mean by cut? Do you mean there will not be a library?

Mr Rorris: As we understand it, that is what is under threat now, if it has not already been cut and I would have to check that. But as I understand it, these are the sorts of support services that will be cut as a result of the funding pressures, and we cannot see any other reason behind it. These things have existed since the fifties and the sixties. The whole point of this is to actually improve the services for students and others. To actually take these things away, you start to wonder about exactly what sorts of services and what sort of learning environment these students are going to have.

We strongly suspect that if this is not able to be provided by TAFE then it is very unlikely that any other successful tenderers are going to be able to either. That is where you will see some of that real damage with the loss of some very basic things like a library and a canteen, let alone social spaces where it would be nice if students could sit down, have a cup of coffee and talk to each other. This is the learning environment, particularly for the disadvantaged kids of which we have an overrepresentation, as I am sure you all know. It is particularly important to get them into a learning environment that is supportive. You have this view which is pervasive of 'That's okay, it's all online.' This is the point: a lot of these kids need to be taken into an environment where they are learning from each other, where they actually have a physical experience, a presence and an engagement. The whole point with many of these kids is to actually engage them not isolate them and alienate them further. Once again, the theories have been tested and the results are in, and that is why we encourage you to have a look at some of those examples, which no doubt you will.

Senator O'SULLIVAN: Is it the case that the performance indicators for a private training provider have to do with placement into the workforce? Have you seen or heard of any evidence of them screening a student they are prepared to take in the first instance on the basis that they are striving for a higher result?

Mr Rorris: No doubt—yes is the answer. As to actual examples of that, to be honest, I do not want to take up your time. I understand that AEU representatives will appear later and I would encourage you to put those specific questions to them. But, from a more generalist perspective, I will not take advantage of privilege here, but let us just say that evidence is emerging of not only taking advantage perhaps of certain situations but also some very questionable and perhaps illegal activity in terms of securing those. The point is that this environment promotes and fosters that because, if your outcomes are based on a placement, it is logical to assume that, if you want to keep the money coming in and meeting your targets, that is going to be your bottom line, as opposed to what training and skills are actually being formed. This is another obvious problem of a model that is based on fairly short-term and shallow criteria.

Senator O'SULLIVAN: Is there room here for private training operations in the space, perhaps not on the volume that is there but—

Mr Rorris: As I think I indicated earlier, one of the misconceptions in this argument is the either/or. The historical truth of the matter is that there has always been a periphery of private training, niche areas and

particular areas that have shown, for the right reasons, whether it be due to expertise or beyond general competencies, where these things have existed. It has always existed.

What has not existed previously is governments that intentionally vacate a space and accordingly de-fund core competencies—I will use the word 'core' because it covers a broad area of competencies. So it is not a question that there is no role for private training provision or on-the-job provision and other things; it has always existed. What we are specifically concerned about is the de-funding of the primary vocational education and training driver in this country, which is the TAFE system. That is our concern.

Senator O'SULLIVAN: Assume you all accept this. How do you regulate the environment to get this balance that is required? Perhaps in answering that you might reflect on how that space was regulated and whether it is self-regulated or the market found its own levels—whatever it was historically.

Mr Rorris: Our view of that is that you start with need. You start with what the needs are as opposed to what a theoretical economic model tells you how things should work. Rather than being prescriptive to you and saying, 'Regs A, B and C,' or, 'I agree or disagree with the whole lot,' let me put on the record that I think everyone agrees that there can be some changes and innovations and modifications to how things are done. I am not suggesting a steady-state model or that what is there is perfect; I want to make that clear. What I would suggest to you is that, in quantifying both the cost and the outcome of any vocational education and training system, we should take into account a holistic approach of the true costs of what it means when, for example, one person slips between the cracks on the basis of access—a whole of a lifetime, in many cases, on unemployment benefits, with health and various other concerns—and to cost that and factor that into a system. How do we cost in the issues that I described earlier about seamless transitions and duplications? Where you do have support services, what are the duplications and inefficiencies in those where you have a market type system where everyone is doubling up on specialist and other services?

Moreover, when we are talking about regulating a system, unless we have an approach that is flexible, the ultimate flexibility is not being locked in by a contract between a government and a private provider that says, 'We will give you X amount of money if you do this,' which we decided to do three years ago—and I will tell you why. If one of the main objectives of the VET system is to address the issues of skill formation, retention and gaps in this country, anyone who looks at this space will also tell you that there are lags of three to five, if not more, years in what we know—the known knowns.

How can you react, be flexible, responsive and effective to a skill gap you think—because that is what your labour market economists are telling you—will arise in three, four or five years time when your providers are locked into a contract for the next two or three years providing something completely different? Surely, it is precisely for flexibility and economic efficiency, and I am talking national stuff, let alone aspects of productivity. Sure, we can talk about workers earning less and working harder. Let us also talk about how we train them and what they know when they come to the job. That needs to be factored in our costing in terms of costs and benefits of those things and our regulatory frameworks.

I am deliberately not giving you a prescriptive answer because, to be honest, I do not have all the answers. I think that something needs to be worked out that is holistic. That is one thing I think should be done. But what I do know is this: commit to the current Smart and Skilled in New South Wales or a privatisation by stealth framework, as we call it nationally, and you will get a narrow inflexible system that will not account or regulate these things and will in fact do one thing and that is, frankly, make it a good payday for big business which, as you know, is rapidly moving into this sector. That is our chief concern.

So if we are interested in regulation and accountability, then ultimate accountability surely comes from being able to get the taxpayers' dollar address those outcomes for the individual and the national economy. If that is your concern, the last thing you do is commit to inflexible contracts over three, four or five years and the duplication of those services. Sorry if I am speaking—

Senator O'SULLIVAN: No, that is fine. It was a very comprehensive answer.

CHAIR: I am not sure whether you know this and I certainly will not hold it against you if you do not. How many freestanding individual TAFEs have you got in the Illawarra region?

Mr Rorris: Unfortunately, some of those chop and change. I think we have four within the inner Illawarra. We have Shoal Harbour, Dapto, Wollongong North and Wollongong Central TAFE. Nowra TAFE is further south. We have Southern Highlands and then further south you have got the Bega institutes and others, which do not go under the Illawarra as you go further inland. I can get you a more comprehensive view on that.

CHAIR: It might be useful. Have you got trade training centres in the Illawarra?

Mr Rorris: Once again, we have had a very interesting experience with some of them, particularly with funding. I would have to come back to you on the numbers. But yes, they do exist. One of the concerns at the moment concerns trade training. The other is in areas where our TAFE has shown a lot of leadership with emerging skills, one of them being around solar, renewable energy centres and other things. They have just built a new campus. You have to ask yourself about the future of that. In fact, I would table that as a good example of one area where only a TAFE could do this: focus its attention on actually getting for electricians, plumbers and builders the basics and other things they will require for construction.

CHAIR: I was going to get to emerging skills, because my understanding is that, certainly when Labor was in government, that was one of the planks of what we insisted had to be part of the COAG partnership.

Mr Rorris: Absolutely.

CHAIR: TAFE, as a public provider, is the only provider that is able to pick up on emerging skills. We heard evidence from the Australian Manufacturing Association this morning supporting that. Are you aware of the interaction between TAFEs and schools in the Illawarra? What is the take-up there of trade training or indeed TAFE training within the schools sector?

Mr Rorris: It is very strong. Once again, I will make sure that we get you some of the levels and extent of that. Obviously, given the historical role that heavy industry—steel and others—has played, you would expect that. But the interesting thing about that is the retraining part I touched on. This is particularly relevant now. Another reason why I highlighted our experience in the eighties is that the rest of the country is about to go through this. We will continue going through it, but Geelong in particular, which I understand you are visiting, is about to go through all of this. It will be very interesting to see what happens. To answer your question, it is strong. Once again, I would have to supply you with actual details.

CHAIR: I will hand over to Senator Urquhart because we are nearly out of time. Do not supply that if it is too much trouble. I know Labor councils are not big on resources. If it is too much trouble, we can get that ourselves.

Mr Rorris: It is publicly available.

Senator URQUHART: I want to pick up a couple of areas in your submission. I have not actually been across the Illawarra, but I have a sense of the figure that you quote there of 16 per cent youth unemployment. I come from an area that has about 20.5 per cent, as at February this year. So I get a grip about what it is like in those areas. One point you make is the role of TAFE being critical in retraining thousands of displaced workers but also preventing the deskilling of the region.

One of the earlier witnesses from the Human Rights Commission talked about the needs of TAFE and that it should target the needs of older people who need new skills, particularly in cases where they have had a loss of employment and they need to be retrained in areas. I would like to get some feedback from you in terms of what the role of TAFEs in your area has been, given you have gone through the reduction of a significant number of jobs. I am not sure whether that was over a longer period or how it happened and what role TAFE played in that. Also, I am interested in what role the employer, the steel places, played in assisting workers but also in prospective employers in the area and how they might have, coupled with TAFE, assisted in that sort of process. Is there any correlation between employers and TAFE and businesses within the area that helped that?

Mr Rorris: Very much so. Taking the steelworks as an obvious example and the major one, it was a holistic response—not as great as we would have liked obviously, but it was holistic. You pretty much had a sense of duty on the part of everyone involved, whether they be unions, employers and providers at that time, to take care of a hell of a lot of people and families. To put you in the frame, there was a very high proportion of non-English-speaking background, particularly Greek, Macedonian, Italian, Portuguese and others. You had a whole spectrum of issues—it was not just a case of training. The example that I always use in the Illawarra is what a good friend of mine once said: 'People didn't migrate to Australia; they migrated to Port Kembla Steel.' Their job was not just occupation or industry specific; it was plant specific. To go from there to what you do with the rest of your life at the age of—in those days—30, 40 or whatever, is tough. TAFE and the employers and the unions formed a very strong tripartite bond on this, so much so—and people find it hard to believe because it tends to be quite a militant area—that throughout that whole time, as I understand it, there was not one whole-of-plant strike, despite the fact they lost that number of people, because they understood that they had to either make this work or they would lose the entire plant. It did not go to 3,000 overnight. It went to 12,000, 15,000, then down to 10,000, to 6,000, 7,000 and now it is 3,000. There was that sense but, from the TAFE end I will say this: they were able to develop specific programs and packages for those workers that pulled in strands of language and literacy, whilst using their existing skills—that stage was the birth of the CBT, competency-based training—and recognising some of

those skills. Not only were all of those modules applied but new ones were developed specifically for it. We are talking thousands of workers. That is capacity.

Senator URQUHART: What would have happened at that time with that need had TAFE not had the capacity to do it, if it had been more reliant on private providers to provide that service? Your comments earlier were: 'Defunding of the TAFE system is what we should be concerned with.' I am assuming that, if you defund that, then private enterprise or whatever has to pick it up. What would be the picture for those workers in terms of the assistance?

Mr Rorris: They would be sent to provider A for their language and literacy training. They would be sent to provider B in terms of their resumes and various other things and their prevoc. They might be sent to provider C in terms of a particular industry that they want to retrain in.

Senator URQUHART: How many would have given up before they went to B or C?

Mr Rorris: No doubt. It was hard enough with many of them to keep them engaged as it was, because at the end of the day they knew there were not the jobs at the end of it for them straightaway. They were convinced, because there was total buy-in and trust, that the people who were doing that training were on their side, were publicly accountable and were working hand in glove with their local government, with their employer, with their union and with the rest of the community. Everyone was behind them to sort of say, 'You've got to hang in there and do this.' The chances of being able to go from A to B to C, especially if you had some sharks in there with some of the dubious practices that we are now starting to hear about—it would not have been a pretty picture. It would have been difficult to maintain, frankly, a level of community spirit and support at that time, which you can only get when people actually have got faith that people are in this to help them, not to make money out of them. That, I think, is a key thing that we come back to. Let alone their kids, many of whom are showing up as long-term unemployed now, who have to go through the prevoc and various other sorts of things.

Senator URQUHART: I know we are short of time, so, if I could just ask you to sum up in one short sentence, what would you say to the underfunding or defunding, I guess, of TAFE? What would be the message you would want to send out there about it?

Mr Rorris: In short, it is the wrong way. A U-turn is required. I will sum it up by referring to my opening remarks that this is no longer an unproven or untested theory. We know what happens. We know the needs at times when there is massive restructuring and retraining required. The evidence is in. What we see now is that we are approaching another period like the eighties with massive cuts in our manufacturing and other sectors. This is the worst possible time to defund, which is what is happening, and to fragment a vocational education and training system that has proven its effectiveness and worth in precisely these sorts of times.

CHAIR: Thanks very much, Mr Rorris, for making yourself available in Sydney today. Hopefully we will see you in Wollongong in the not-too-distant future.

Mr Rorris: That would be great, and I know that there are people there who, frankly, in a more powerful way than I have—I am summarising things—can tell you their personal stories, including, if it is the wish of the committee, some people who did go through the retraining process in the eighties, and you can get it directly from some of those people.

CHAIR: That would be good. Thanks very much.

HEYS, Mr Kevin, Public Officer and Treasurer, Australian Vocational and Education Training Research Association

[14:04]

CHAIR: Welcome. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee has your submission, thank you. I will invite you to make an opening statement and at the conclusion of your remarks I will invite members of the committee to put questions to you, but, first, is there anything you would like to add about the capacity in which you appear today?

Mr Heys: I have been a member of AVETRA's executive for the last 10 years. I have come to that because of my background in TAFE. I retired from TAFE as of July last year. I spent almost four decades in the organisation, with a keen interest in research, and had been a faculty director in south-western Sydney. So that is what informs my background and my interest in the research association.

CHAIR: Do you wish to make a short opening statement?

Mr Heys: Yes. On behalf of AVETRA, I wish to thank the Senate committee panel here today. I also wish to acknowledge the Cadigal people and the Eora nation, the traditional owners of the land upon which we are meeting. The panel has chosen to meet on the land of our traditional owners of the land.

Also AVETRA does wish to thank you for this committee of inquiry, because we are really a keen research association. We have been in organisation for 17 years and we were born out of some of the national bodies. We have run conferences over that duration, going back into the late 1990s. We represent the 250 members of our association. Those members come from a wide range of VET practitioners and managers and students and industry groups, and there are international links. A large proportion of the people who are members of that association are members of the VET teacher professional area, from the university sector and also from the TAFE sector, and also from policy areas, as I indicated. We also have a large number of members who are teachers, amongst that body of professional people from around Australia, and of those 250 members about 15 per cent is from overseas.

As well as addressing the inquiry's terms of reference and drawing your attention to some of the research, our view is that research is of critical importance to TAFE, as it is to the economic, social and cultural capital of Australia. Without research, we really do not have much substance in that economic, cultural and social capital of Australia. And what we are keenly highlighting, in relation to our submission, is that research is very critical in the area of education, in the VET sector, as opposed to training. Training is a foundational sort of area, but really what we are looking at is something which is a bit more substantial: we are looking at educational capability.

Professionalism requires VET practitioners, and, in particular, the TAFE teachers and educators, to take on a more complex role in a more complex age. Research is also there to ensure that practitioner inquiry is part of the culture and also part of VET overall, so that it is not just part of the practice but part of the student practice as well.

AVETRA's role in working with governments to support this professional research base should underpin the quality of teaching and learning, and it is fundamental to an innovation sector, because what we are keen to have, as part of Australia's economy, society and culture, is truly an innovative capability. So that is part of what VET's research underpins.

As to our submission: Professor Terri Seddon from Monash University has highlighted some points, saying that there are productivity challenges in Australia and there is a case for professional renewal of the VET teachers and arguing that VET reform since the 1990s created disturbances and uncertainties in VET teachers, and that many managers' and workers' lives have also been turned around by a lot of the changes that have been happening in the last 20 years. In particular, these reforms failed to recognise and to endorse the teacher expertise that sits at the very heart of the VET practice. Top-down reforms and funding constraints, coupled with a lack of recognition of the VET occupational expertise, created some perverse behaviours. She goes on to say that much of the innovation has not, consequently, been supported and is therefore not necessarily sustainable, and the new initiatives and identities cannot compete with the established identities. So there is a tension happening there.

The model of reform is not followed by other countries which recognise and deploy teachers expertise in a productive way to build capacity for innovation among the young and the older workers. There is more of a profession stance taken, rather than a compliance performance stance as is the case in Australia. She suggests that VET teacher expertise is a productivity resource, that professional renewal can help to mobilise this productivity, and also that that practitioners increase not just their productivity but their participation.

AVETRA supports the view that we should be educating students both young and old for an occupation and not locking them into narrow skill sets. TAFE has always had an important role in education and we are concerned that moves to marketise the VET system are removing this role and pushing VET into the lowest price and the lowest common denominator. There is concern about the marketisation from our research point of view. In our submission, we have quoted from AVETRA's submission to the Productivity Commission, in which we said, if skilled development is critical to national economic development, it should follow that those charged with such a development, the VET workforce, should be encouraged to obtain higher education standards and be appropriately supported in achieving those standards—so the profession needs to be supported—and for continuing employment in that workforce. At the moment, it is being fragmented.

AVETRA strongly supports a professional teaching and educational VET workforce, particularly in TAFE, which has the responsibility—and should have—of educating a diverse range of students in a wide variety of disciplines. We support a professional teaching workforce with tertiary level educational qualification and urge the government to lift the current mandated standard of Certificate IV in Training and Assessment to a higher standard, commencing with the diploma, which is also supported by Innovation and Business Skills Australia. The President of AVETRA, Professor Michele Simons, said at a recent workshop that, if we are to start to develop workers that have the capacity to think critically, be flexible and be creative, educators need to possess these dispositions and model them to learners. So we need leaders who have got those nuances if we are going to have a workforce come through in that regard.

We are taking a number of steps to help support and increase the development of the culture of practitioner research and inquiry into VET through our association. Initially, that was led by TAFE. We have set up a VET practitioner hub which enables those interested in research and inquiry to form a network that will link them to others across the country and to explore innovative practices and develop their research skills. It will provide opportunities to develop these skills through webinar events, access to resources and mentors and, hopefully, research scholarships and opportunities. We have established an MOU with TAFE Directors Australia to promote a culture of research and we have offered a scholarship this year for a teacher researcher. We hope to encourage other organisations to come onside, with other scholarships and opportunities to come from that. Given the diversity of the sector and the fact that many of our teachers are now teaching at the degree level as well as the traditional VET subject areas, the need to develop their research and scholarly inquiry skills is more important than ever. We are happy to discuss these issues further in answering the questions that the panel may wish to present to the association today.

CHAIR: Thank you. Certainly your submission goes to a key issue that I am interested in—how the VET sector fosters a research base—and I agree with the comments you made. I have a number of questions that I want to pose to you that sit within a bit of framework. I met recently with TAFE Directors Australia and they were at pains to point out that what TAFE does is respond to industry needs. It seems to me that what you are painting is perhaps not a conflicting picture but a slightly different one. You are talking about occupation and not a narrow skills base. I will just add something else to the framework. As a former trade union official, there were many times that I sat opposite an employer and the employer said to me, 'We only want to pay for skills used not skills acquired.' So go figure that one. How does that research, pedagogical excellence and ongoing development of teachers sit with the TAFE Directors view that they are responsive to industry and that they are there to provide the skills that industry needs—which, I do not think, really goes to the heart of this holistic approach that you are painting?

Mr Heys: That is true. As you heard from TAFE Directors Australia, they have their particular view. We as a professional association have our view. Our view is a much more comprehensive and inclusive one. We see that TAFE is a public provider and VET should be serving the whole public. The school system is very much geared towards a university pathway. Forty per cent of students from a high school situation go to university and 60 per cent go to other pathways of continuing education. We are very concerned about that 60 per cent. We are concerned about the professional skill levels and we are also concerned about those who missed out on what we consider to be an effective foundation education in a school situation or who never went to school because of refugee situation and integration of that sort of nature.

AVETRA is, as a practitioner association with individuals from the wider spectrum of policy and practice, university arena and so forth, the only independent research association. So we have a much more comprehensive view than that which was purported to be the view of the TDA. Our view is to be much more inclusive, much more equitable and much more looking at what we would describe as being the public enterprise and the social enterprise dimensions. Whereas TDA is looking more—from what I have heard that they have said—at the industry or commercial enterprise end of the spectrum. I think that sells us very short in terms of the capacity of a

workforce, it sells us very short in terms of our capacity as a society and it sells us very short in terms of our ongoing capability and a reality check which we might be able to link in with other nations around the world that have less established educational foundations and frameworks.

TDA is probably more at the cutting-edge in an industry domain, from the comments that I heard you mention; whereas, we are much more inclusive, we are much more professional and we are much enabling and engaging. We have the idea of cultivating a situation whereby we have learners engaged and enabled and where we take them from being what we might describe as dependent learners, at the certificate I and II level or pre-certificate I or II level because they do not have the language because they have come from a non-English speaking background, to becoming an independent learner, which is more at the certificate III or IV diploma level. They then can self-direct their own learning and so become part of those choosing which directional career, skills or interests domain which they wish to pursue into what we would say is the third domain, which is the interdependent learner status. That is where you have people at the diploma level, working off and working with one another to take professional responsibility and take on that professional stance. That is out take on that.

Senator URQUHART: I have a couple of other questions that arise out of that. We have heard today from, I think, every witness about this second chance role that TAFEs play. Obviously it is a very critical part of what TAFEs do in our community. Secondly, I note in your submission that you give the stats on disadvantaged groups—kids from Aboriginal backgrounds who attend TAFE and then you give the stat for university. I suppose that is a bit of damned if you do and damned if you do not. It is telling us very clearly that kids from disadvantaged backgrounds are still not getting to university—I guess we know that—but that they are getting into TAFE. So I suppose we have to make it a seamless transition for those who want to go on. Given that and the research that you have talked about as being critical to TAFEs, how does that all operate within this contested, competitive market? I do not see in your submission that you are asking private providers to do the sorts of things that TAFE does. Where does that sit in a much tighter funding space and in a competitive marketplace?

Mr Heys: The inclusiveness, I suppose, and being more selective—a targeted sort of position. Our view is that one needs to have a managed market situation. If you have a free market situation, that is a recipe for failure and collapse and lack of confidence in the overall system.

Senator URQUHART: What does a managed market look like?

Mr Heys: A managed market has authorities, regulations and allocations of resources. It is a bit like in the broadcasting area, where you have the ABC and also commercial, free-to-air and different commercial radio lines. It is influenced by the public sector coming in and ensuring that you have a key cornerstone capability of a significant and diverse proportion for access points. The point that you were raising about universities having less profile in access elements is critical to us. TAFE is an adult learning environment, a VET learning environment and a technical environment. I am somebody who came out of the Kangan age, which was not just the technical skill domain but also the further education skill domain.

What TAFE has taken on as a charter—and AVETRA seeks to support this—is an inclusive, enabling foundation and further educational capability along with the technical components. Our research and intelligence says that, if you begin to hive off for the haves, then you will have more haves, but you will have a great deal of reaction. We are witnessing that through social disruption in our society. We are very aggrieved by the social circumstances and the gap. We talk about Indigenous people and closing the gap. Women's issues were related to closing the gap. There are migrant issues related to closing the gap, on wages. There are social issues and there are welfare issues that need to be inclusive.

AVETRA, being an independent association, represents the scholarly approach to inquiry, with evidence based and responsiveness related to a VET sector which meets all needs. Part of the meeting of those needs is through a very strong, robust and leading public component of that. We are meeting in this Clifton conference centre at a nice base downtown, in a nice comfortable discussion space, which is really in an uptown part. Within business there are structures and a real need for ongoing provision of this type of facility in which we are meeting today. This is less accessible to people who might have to travel two hours from the west and travel two hours back home in order to access a venue such as this.

Our view is different from TDA. We are in the privileged position of taking on an inclusive approach. Also what we can see is more effective approach, a more efficacious approach, as well as an efficient approach in relation to the way in which we see the evidence coming forward, that we should have a VET sector which does that at a local, regional, national and international scale so that it is much more robust in that sense.

Senator URQUHART: Thanks, Mr Heys. It is very interesting. In part of your submission you talk about what factors affect the affordability and accessibility of TAFE to students and business. There are a couple of

lines in the submission that particularly talk about government responsibility to ensure that TAFE, as a public provider, remains accessible financially, and that it continues to offer a range of courses in a range of locations. There are a couple of questions arising from that. We heard evidence earlier this morning from Deaf Australia NSW, who were talking about some of the difficulties that some of their students have in accessing services they need to be able to do a TAFE course of some description; things like note takers and the general sorts of assistance that they need. The figures were quite astronomical as to what they do. Christian Hill, the vice-president, provided the evidence, and he talked about their examples of students who simply had to drop out, because there is a 10 per cent loading and they couldn't afford to do that. So your submission is saying that it is a government responsibility to ensure that TAFE remains accessible financially. It is actually not that now, is it?

Mr Heys: No. Well, that is the position which governments—of many persuasions—have taken; but not all politicians have that sort of view. The shift in the public sector has been more or less to outsourcing, and self-funding has been the increasing trend. Governments have looked to supplement taxpayer contributions with the user-pays principle for different incentive schemes, and they have created different sorts of funding arrangements—the National Disability Insurance Scheme, when it arrives and comes into play, might begin to provide an offsetting which provides financial streams for people with those profound disabilities, or identified disabilities or needs. But we prefer to talk more about abilities rather than their disabilities.

I am privileged to have worked with deaf students at Granville TAFE and at TAFE Miller College. And we had the Signing Art program, whereby with a funded program we flew people in from all around Australia and they did a Certificate II and III course and learned Auslan, and they really matured—because they didn't have a common language, which left them feeling isolated in their communities. But they could Skype; they would go back home and do a flexible delivery, a very contemporary, digital sort of age; but also fly-in, fly-out—a bit like the mining industry but in the student industry—but of course a high cost. But what sort of returns did we have—to look at the return on investment for this. We have to look at community development, and how these people took on leadership within their communities, and how they grew in confidence, and how they had the courage initially to sort of take on those enormous barriers and come together as a learning group, with professional support, in a creative and contributing way.

There are other programs as well that I have been connected with, with the deaf community, in the TAFE arena. But people are looking at things now in terms of, increasingly, the cost of things, rather than the return on things.

Senator URQUHART: Yes. I guess that was borne out in the answer to the question that I asked about what happens to those students who actually can't get the services and therefore fall out of the system. And the answer was, shockingly, that they end up on a disability pension because they have not had the ability to finish their training in order to look at getting full-time employment or something. So the circle just keeps viciously going around, where the costs that are not put in eventually come out somewhere else, because the public purse is paying a disability pension for someone who, if they had had the appropriate assistance to finalise their certificate of qualification, would probably have been in a very good position to not only look after themselves financially but also to participate in their community in general, and also to provide an income back to the Commonwealth.

Mr Heys: Sure. I hear the point that has been made and been raised. My view, and that of the research association as well—we have had many people present on disability needs at our various annual conferences; we have around 80 different papers presented on an annual basis—people are coming together, looking at practitioner background, policy background, pedagogical background, learners' situation, and things like that, and doing research papers on those across Australia, and internationally with those coming into the mix in that space as well.

Our view, which has come to light and has been represented by some of this research, is that for a return on investment you have to make up-front payment but long term. The market, unfortunately, is too geared to a short-term, narrow cost. It is about the cost of everything rather than the benefit of the actual intervention. When people sit down and look at the costing of it, they see that you do get the return on the investment that comes forward into that. I have a Down syndrome brother who is in his 50s. He worked in a sheltered workshop. His contribution through that sort of supported labour market environment has been a very positive one, and he is now 57 years of age. So you have people who can make a positive contribution. I think the same of the special needs arena; it is really what the old TAFE looked at. Whereas now, with the modern TAFE, people are looking much more at marketisation and cherry-picking. They are looking at the cost and return but in the relatively short term. Therefore, we are getting a public provider, who, due to pressures of funding requirements, is being required to become more selective. It is selecting markets in which it will actually choose to work. I think that is a bit of travesty and a bit of a confusion from the point of view of a public provider, which, to my surmising, is about an inclusive, supportive and representative system which helps to enable people, as we talked about earlier, to pick

up their own technical skills and make contributions in enterprises—social enterprises, public enterprises and commercial enterprises—in that supported environment. That is my take on it.

Senator URQUHART: In the last sentence, attached to the accessible financiality were the words 'continues to offer a range of courses in a range of locations'. We heard earlier about the consolidation of different areas of TAFE, whereas, over many years, every TAFE used to offer almost every course, but that is just not a financially viable option anymore. Can you explain what you mean by 'range of courses in a range of locations'. You are not talking about chopping up the consolidation and putting everything back out, are you? Can you work me through that.

Mr Heys: TAFE in New South Wales had been a comprehensive one. Each state, as you know—this being a federal inquiry—has had a variation in the way in which it approached its provision of technical and further education. The genesis of it over 100 years has been that of a working person's institute, out of community argument and provision. What it sought to do was to create a TAFE which was not only technically leading in the world but also socially inclusive in the world, which has been the Cancun sort of vision of '75 on.

I am a product of comprehensive education and continuing education. I think in TAFE's charter, its purpose needs to be seen to be comprehensive but also realistic, which is that it has a range of courses in a range of places. It needs to have some foundation and courses that are reasonably accessible to people. Friends in Moree are traveling to Armidale or to Tamworth to do a plumbing course. We are talking about accessibility. We need to have a mix or a measure whereby we have got a reasonable representation of relevant courses to the region, to an emerging workforce and to an educational foundation, which we talked about earlier on. Our vision and AVETRA's view is that we need to have a robust education system—and we have been privileged to have one and we still do have one, but it is being sort of pushed to become much more selective and much more minimalist as opposed to accessible.

The technology has shifted and has quite significantly enabled things in the last 20 years, as mobile learning and online learning units, supported by Skype and other learning tools, provide people with more mobile access. So it is about how we get the right mix of the technology and the right access to hands-on learning, because TAFE is very much about an applied practical learning environment. It is an adult learning environment. That is why it really has the appeal. More people are coming to TAFE from university than they are going from TAFE to university because they like not only its practical, hands-on sort of arrangement but also its accessibility to local economies and regions. That is what we mean by that.

Senator O'SULLIVAN: We have heard evidence today that there is possibly as many as—I cannot remember exactly—3,000 or 5,000 private training organisations now in the marketplace.

Mr Heys: Five, yes.

Senator O'SULLIVAN: Just to help someone who is new to this issue, how did that happen? Did the market expand so quickly and so greatly that the opportunity was there, or did it happen despite TAFE's best efforts to be the provider?

Mr Heys: I think it is about how it is that we have registered training organisations, RTOs. A little over 5,000 of those exist. I think there are something like 61 different institutes of the public sort of domain. It depends on the constituency. If you are in Victoria, TAFE provides more like 40 per cent. Different people are talking about the level of the market. It was 70 per cent a couple of years ago, but contestable marketing has actually decreased TAFE's market share in terms of the post-school VET provision.

How is it that we have had this plethora and explosion of private providers? I think it is also borne out of TAFE's success that it has created an educated workforce—and universities have created that as well. So there has been a real need for a how-to approach to learning and implementation of practical and technical knowledge. Also, if TAFE was unable to provide it then other providers came in. There has been a competitive market created from the national policy makers of both parties. There was Keating and Dawkins and the deregulation and the restructuring processes. Creating competitive markets was seen as the way to go. Governments have increasingly put out contestable funding in the productivity placement program and in the workforce development fund area; \$600 million has been put out into contestable market. It was bid by people who could provide it at a lower price. It cut TAFE out, and that is how you have got this sort of fodder growing.

Senator O'SULLIVAN: That is my question. Why wasn't TAFE able to keep up? If you are talking about a loss of market share of 30 per cent over a couple of years, the word 'success' would not come into that sentence at all.

Mr Heys: The question is: why hasn't TAFE been able to provide courses at \$2.50 an hour per contact arrangement or \$3 or \$7 an hour? There is the quality of the educational provision. TAFE has been an established

provider. It has an industrial structure whereby people are paid certain wages. It also has a way of delivering standard and guaranteeing standard, and a way of providing a program within a number of hours. If we look at the literature that is around, there are some really good private providers and there are some excellent registered training organisations in-house and also as enterprises in their own right. They do contribute to the overall effort and they are increasingly doing online courses. There is a cherry-picking arrangement that tends to happen. So there is a selectivity that comes into the market. People are selecting to provide a particular training at a level, at a standard and at a price and, therefore, they get the guernsey.

Senator O'SULLIVAN: I accept all of that. I need the answer to this question before I pose the next. What that explains to me is the story of any number of institutions, whether it is private or public sector, who failed in the past. They have not been able to compete for whatever reason, such as: fixed labour arrangements; we do not move quickly; we have got to respond to government; we have got to fill out too many forms; we are not as nimble. Is it not clear that TAFE was unable to compete with the new players in the market; hence, the loss of market share, whether it was the cost of delivery or whatever. Is it as simple as that? Or was this the new black? Were some of these people delivering courses that, for example, TAFE decided might not have been a useful curriculum?

Mr Heys: I think that the bulk of the private providers have come to the market with integrity but there are a proportion of them, maybe 15 to 20 per cent, who come into it really as a for profit situation and are motivated by profit whereas TAFE has been more committed to ethical standards and educational achievement and attainment and skill, meeting the particular qualification which they had underwritten to provide. So there is certainly as a culture a mindset but there is also a nimbleness in terms of TAFE but also a standard on this.

Senator O'SULLIVAN: What does your managed market environment look like? There are no more 5,000 private trainers but from the government's point of view, from the duty of care, for want of a better term, for government to make sure that Australians get the best bang for their education dollar, they would need to satisfy themselves, would they not, that whatever this restructure looks like, Australians are getting the best possible training at the lowest reasonable price, allowing for a community service obligation, which I am a big supporter of. There are aspects of this that we could set aside that simply have to be paid for. Our good friends from Deaf Australia, the private sector cannot provide that unless they are properly compensated. If there are 10 cubits of education to vocational and TAFE provision being provided by 5,000 plus one 1 institutions, what does your managed space look like and how do we guarantee that we are going to get this bang for the buck, given that TAFE have shown that they cannot give bang for the buck on some fronts—I do not say all fronts—competing with some of these private providers now?

Mr Heys: We do have a system over the last couple of years. ASBA has come in as the regulator of the standards. It is finally that increasingly a number of those RTOs are not working to the standard and are working to a lower price arrangement and a misleading advertising arrangement and a misleading promise about outcomes and employment at the end of courses. So there are these findings which are creating an undermining of the confidence in the overall VET provider market. My view is that what we need to do is that, yes, TAFE does need to look at its costs and it has become increasingly cost efficient as it looks at the online and at the out-supporting and outreach programs which are also run in a community or collaborative way to reduce costs because of doing collaboration in its overall provision. TAFE has been quite innovative in its online capability and its collaborations, and also in its commercialisation of some of its programs as well. But it still does really need to have in the managed market situation, to my way of thinking, a commitment of taxpayer's money so that what we have got is a strong, robust and capable public provider. It is a bit like somebody looking after the ports, looking after the railways, looking after transport or looking after health, that you have got a strong, confident, robust public provider but you also have that supplemented by and also challenged by and also collaborated with from a number of commercial providers as well. So my managed market situation is to have standards but also scale and also responsibilities allocated but also spaces for the private providers and business providers to work with that. That is my take on that.

Senator O'SULLIVAN: To achieve that you are talking about virtually a regulated and licensed market. You could not leave the non-TAFE providers to a free market environment, could you?

Mr Heys: No, we still have to have a level of regulation for any player to come in, any business.

Senator O'SULLIVAN: But the key to me is the question of licence. Regulation will set the framework, with which a free market could compete.

Mr Heys: Yes.

Senator O'SULLIVAN: But if it is limited, and all other things are equal, you are going to have to come in with a licensing arrangement, are you not?

Mr Heys: Yes. We do have a licensing arrangement as a registered training organisation as it stands at the present time, and that is subject to the audits of ASQA.

Senator O'SULLIVAN: I imagine that anyone can attain a licence now—the number of licences is not limited; there is no capping involved. So, if I am able to qualify for a licence I get a licence at the moment—hence 5,000 of us in the marketplace. But under your managed model, isn't there a limitation on what part of the market they are going to provide and hence a limitation on the licences you could issue?

Mr Heys: It is a little bit like private schooling and public schooling. We have public schooling covering 65 per cent of the market at the present time and private schools covering 30 per cent of the market. So, a licence is given such that they are going to teach board approved courses, and they conduct themselves accordingly. There are concerns about how the private school system sometimes off-loads students onto the public school arena. And the same thing happens with what we are talking about in a post-school learning environment. There are a number of employers who are really concerned about the inadequacy of the training that is done in a private pay arena and a cost return for that, as opposed to what they would see as a government guaranteed standard with qualified educators and practitioners of the industry who are maintaining currency as they are required to maintain that at a reasonable price. A parallel sort of happens in private secondary schools, going to a post-school environment—the TAFE one is the one I see. That is how the managed scene goes, as far as I can tell. Licensing comes into it.

CHAIR: We will have to leave it there, because we are out of time. Thank you very much for your submission and for appearing before us today. You have raised lots of interesting points for us. Thank you very much.

Mr Heys: I did want to say, as I am wrapping up, that we run an international journal, and we have a website about that. We run annual conferences, which I talked about, with about 85 different research papers. Our next one is coming up in two weeks in Queensland. We have people from New York and also from Singapore coming to present their particular takes on their VET sectors. Last year people came from Switzerland and Germany, and the year before they came from the UK. So, we have different international contacts that are happening to form that. And we have workshops that are run by our researchers, so there is an exchange. We are in that process that I talked about in my introductory opening remarks about experienced researchers and setting up a hub in order to actually create the ongoing professional capability within that research domain. Thank you very much to the committee for the questions.

CHAIR: Thank you very much.

HART, Ms Marilyn, Director Tertiary Education Reform, Australian Workforce and Productivity Agency
SHREEVE, Mr Robin, CEO, Australian Workforce and Productivity Agency

[14:48]

CHAIR: I welcome representatives from the Australian Workforce and Productivity Agency, Mr Shreeve and Ms Hart. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. I remind witnesses that the Senate has resolved that an officer of a department of the Commonwealth or a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

The committee has your submission, thank you. I now invite you to make a short opening statement. At the conclusion of your remarks, I will invite members of the committee to put questions to you.

Mr Shreeve: The Australian Workforce and Productivity Agency welcomes this inquiry into technical and further education and its operation. The agency believes the TAFE sector plays a vital role in delivering the skills required to lift workforce participation and enhance productivity. Our modelling shows that demand for skills will be strong in the years to 2025, with the total demand for qualifications expected to increase by between three and 3.9 per cent on average each year. TAFE, along with other providers, is a major player in the VET sector and will have a significant role in supplying the required qualifications. The agency's research has demonstrated a return on investment in training to individuals, enterprises and the economy at large. Without more skills we risk shortages that will negatively impact on our national economic performance.

TAFE's role is especially important where off-the-job training requires ongoing commitment to specialist facilities and to staff with extensive industry experience and strong industry networks. TAFE is central to the vocational education and training system in Australia and provides a wide range of qualifications, a geographic reach and a critical mass of expertise, facilities and resources that could not readily be replicated. As a state-wide, government directed service, TAFE is able to ensure reliability, availability and accessibility to skills training to meet local, regional and national needs. As such, it is a core civic institution and an integral part of the public education system, alongside government schools and public universities.

TAFE makes a considerable contribution to the provision of vocational training opportunities to disadvantaged Australians, as do some other providers, and has a critical role in providing second chance education, including in language, literacy and numeracy. Studies have shown that people with poor language, literacy and other core skills are less likely to find a job or benefit from training that depends on those skills. In this way TAFE provides an important part of the nation's institutional framework, by offering a training safety net for those without the means to engage within the job market.

It is the agency's view that other registered training organisations play a very important role complementing the TAFE system by increasing the competitiveness and diversity of training available; however, under our current system, the unique role played by TAFE cannot be entirely substituted by private or other community provided training. The agency considers government policies at both the Commonwealth and the state and territory levels should clearly recognise and articulate TAFE's distinct status as a provider of training under government direction and for the public interest.

CHAIR: It is very good to hear you say that TAFE provides a distinct service. Are you able to articulate what the federal government sees those distinctions to be?

Mr Shreeve: I am speaking on behalf of my board. My board provides advice to the federal government. Over a period of time we have done a number of policy statements, which come out from Marilyn's area. A couple of years ago we did a document on the future of the VET sector in Australia called *Skills for prosperity* that looked at the VET sector per se and we talked about TAFE's distinctive role within that.

CHAIR: What does the board see as the distinctive role then?

Mr Shreeve: The board sees that one of the most distinctive characteristics is that TAFE is a government owned and government directed education provider. You can have private and community providers, some of which are charities and some of which have a public good purpose, but they are not in government direction so in a competitive training market they can always decline to offer a particular service at a particular location. The government can direct TAFE to offer a service in Boggabilla or somewhere that someone else in a tender market might decline to offer. Government can uniquely, as was said earlier, identify community service obligations.

There are other providers who have access and equity programs, but TAFE is a government provided service and part of a civil society. If you believe in core institutions, it is one of the core institutions in the land.

The other thing is that, historically, it has had far wider geographic reach than many other providers. If you look at the location of TAFE campuses, especially in regional Australia, they are far more widespread than, say, university providers.

CHAIR: And unlikely to be sitting in a contested marketplace.

Mr Shreeve: Yes. I was once a country institute director so I know the importance of a TAFE facility in that type of locality. Obviously historically TAFE has done a lot with disadvantaged groups of any particular type, whether it is SES status or Aboriginality. For example, at the North Coast institute, three per cent of the population but six per cent of TAFE enrolments were Aboriginal. It has played that core role. Especially in those particular areas, it has played a vital role in trade training. There are other areas that may be a bit more contested, but TAFE has had the opportunity to provide excellent services in many places.

CHAIR: When you said that government can direct TAFEs to do a particular thing, presumably you are meaning state governments.

Mr Shreeve: Yes. They are the owners of the system.

CHAIR: We have heard a lot today from witnesses about how TAFE has a unique role in developing emerging skills. There is the role you just pointed out of often being the only provider in regional and remote areas and probably the only provider that can afford to be in those areas. So how do those unique features of TAFE—and I have just named a few—sit in a contested, competitive market? If TAFE has to chase the student dollar in the same way that a smaller RTO does, how do we preserve the TAFE uniqueness?

Mr Shreeve: In the end, I think it is about institutional capability and institutional history, amongst other things. To a certain extent, if you go to a tendered market you can specify to anybody a community service obligation and you can say, 'We want you to target a particular group of students in a particular location,' and I am sure you would get a number of providers who would choose to do that. In all the TAFE systems that I am aware of, TAFE is a provider of skills but also sees itself as a further educational institution. So it is grounded in an educational response. If you look at the Australian VET system, by international standards it is an amalgam of two things. It is an industry skilling system. We are providing training in specific occupations for particular groups. But it is also a further education system which is providing second-chance and initial training in foundation skills and core skills. Having that educational background is something that TAFE has developed over a period of time. My board is concerned about whether the unit costs which all VET providers are currently working to and have consistently gone down are an indicator of increased efficiency or an indicator that maybe people are potentially jeopardising the range of services they have traditionally offered.

Senator URQUHART: Has there been no announcement on the reason for that?

Mr Shreeve: It is all a question of what outcomes you are measuring. If you look at our reports, we have taken what they call the dollar cost per student contact hour. Historically that has been declining, which is unique amongst educational sectors. Despite universities being very good at PR and complaining, they have been getting more money. The school system has practically doubled its money over a period of time. This is all in our reports. What we know is that you can take things like completion rates and employer and student satisfaction but we do not have any comprehensive measure of what the impact has been on the quality of learning and teaching.

I will make a comparison. I know policy tourism is dangerous, but I have had the privilege of running a TAFE institute in Australia and a college of further and higher education in England, and in England they have an inspectorate called Ofsted which goes in and makes judgements about the teaching and learning, so they can tell you what the average class observation profile is. So they make very distinct judgements about the quality of teaching and learning for anybody who receives public money, whether it is private or in the public system, which is further education. So they have a handle on what the impact of changes of funding is on the nature of teaching and learning.

Senator URQUHART: How do they measure that in England?

Mr Shreeve: There are huge cultural differences. They have inspectors—and they still call them inspectors—go in, sit a class and make a judgement on the teacher.

Senator URQUHART: So it is subjective as opposed to objective, and it could be considered—

Mr Shreeve: It is subjective, but the one thing I will say is that, if you are being inspected in, say, electrical installation, the teacher who will be inspecting you will be a teacher of electrical installation, so they have deep subject knowledge. So it is very difficult to question their educational background. I am not saying that is

something that we should replicate here, but what I am saying is that it gives them a benchmark about the quality of teaching and learning, whereas we have a benchmark about things like completion rates but we do not have the same comprehensive look. The point is that my board is concerned that, with declining unit costs, we might be seeing a decline in the quality of the learning experience for students.

CHAIR: You may not have this figure, but we have heard from every witness today about this second chance group. Does anybody know how big that is? What proportion of TAFE are we looking at?

Ms Hart: I do not think we have that figure to hand. It could be found.

Mr Shreeve: We could take it on notice.

Ms Hart: Yes, we could certainly take it on notice.

CHAIR: Okay, that would be great, because everyone has talked about it as a key component of what TAFE does.

Mr Shreeve: About 20 per cent of enrolments in the VET system are apprentices. About 10 per cent are diplomas and advanced diplomas, so that is 30 per cent accounted for. VET in schools is quite a big proportion; my guess would be that it would be about 30 per cent.

CHAIR: But you think you have that figure and you can give it to us on notice.

Mr Shreeve: Yes.

Ms Hart: Yes, I could provide that.

CHAIR: The other question I was going to ask you—I think you can respond to this—is: does each state have a clear definition and role of what it sees its TAFE as providing or being?

Mr Shreeve: When we were doing our research for the report Marilyn led on, there were two states that did. Certainly New South Wales has a Statement of Owner Expectations which talks about a comprehensive service, and South Australia also has a state-wide policy for the role of TAFE. We thought those were very useful in helping to define the role of TAFE in this diverse training market.

CHAIR: Are you saying the other states do not have a mission statement or a goal about—

Ms Hart: To our knowledge, they do not have very clear statements at the same level provided by, say, New South Wales and South Australia, which have made it very clear and documented it in one or two pages. They are not huge documents, but they are very clear about what they expect of their TAFE systems. Our board is certainly of the view that that is a very helpful approach.

CHAIR: Yes. Is it fair to say, then, that the funding flows accordingly? When their governments are making decisions about TAFE, does the funding follow the mission statement or their objective of what TAFE is?

Ms Hart: I could answer that in very general terms. To be really accurate, you would probably have to do a complete analysis of what the objectives are and what money has actually flowed, which we certainly have not done. But, for example, in South Australia it is very clear that for the public provider there are some additional funds provided to support some of those additional requirements the government has.

Senator URQUHART: I just want to go back. In your opening statement you talked about RTOs complementing the TAFE system, and you compared this and that. We have heard other evidence today that the competitive nature is not always a good thing because, if you are trying to compete for things, sometimes it pushes the standards down a little bit. So can you just expand on the statement about how they complement the TAFE system.

Mr Shreeve: I would say that the majority of our board believes that some competition raises standards. They take that as a viewpoint. However, they would also say that you should only have competition where you have quality and regulation sorted out first. For example, my board was very clear that we should not move to a demand based funding system until quality had been established because of the reasons you have just articulated, but they do think that competition and diversity within limits is something which could possibly have positive benefits for the system, provided you have the overall framework right. They certainly saw a distinct role for TAFE within that diverse market.

Senator URQUHART: If there were that boundary and the standards, what sort of competitive edge could a private RTO have?

Mr Shreeve: People see opportunities. One of the things about TAFE is that it is a mass provider. To a certain extent, TAFE has—the Sydney institute has probably 80,000 students. So it is a volume provider and I know it aims to be a volume quality provider. If you are looking to provide on-site services for two or three students, that can be quite difficult. For example, we went to have a look at aged-care training in western New South Wales. If

you are a TAFE institute where you have a teacher of aged-care who already has a full teaching program of 20 hours per week, how do you take that person off at different times of the week to teach two or three students when they will happen not to be on shift? Or do you have supernumerary staff sitting around waiting to win those contracts? Potentially you have some overheads which somebody who is a very small provider might not have. I think you can see the competitive advantage of TAFE as being a mass volume provider. It is a bit like the adult and community education sector which, traditionally, has had a competitive advantage while having no facilities, so they do not have to keep them; whereas the competitive advantage of TAFE is having very good facilities.

Senator URQUHART: In your submission on the second page you talk about decreases in funding for TAFEs. It says the most significant decreases between 2011 and 2012 were experienced in Tasmania at 13.7 per cent, in Western Australia 11.1 per cent—and I am Tasmanian so I obviously have a keen interest in that. You then go on to say that there has been an increased flow of public funding to private providers. Do you know whether the increased funding has been picked up in those jurisdictions where the funding has been cut?

Mr Shreeve: There are two things there. There is the cost per unit, whether it is TAFE or a private provider it has been decreasing, and the proportionality of the budget, which has been going between TAFE and private providers, has been increasing for private providers in most states. It is less pronounced in Tasmania than in many other states actually.

Senator URQUHART: And do you see—I raised this before with the previous witness—that where I come from in north-west Tasmania we have a very high youth unemployment at 20.5 per cent as of February this year, according to the Brotherhood of St Laurence?

Mr Shreeve: Yes.

Senator URQUHART: Is there any correlation between the youth unemployment figures and the prospects of those youth getting jobs to funding cuts in TAFE? Has there been any analysis done on that?

Mr Shreeve: The one thing we can absolutely say is that the worst thing you can be is a person with no post-school qualifications. There is a very demonstrable link between participation in the workforce and post-school qualifications. Clearly that link extends to wages. So the higher the qualification you have the more likely you are to be employed and also, on average, the higher the qualification the higher the wage. In terms of the linkage between cuts per unit contract hour and 20 per cent, we have never looked at that.

What we are concerned about and the board is concerned about is that, if we are going to increase workforce participation, if we could get it up to 69 per cent—I realise that this is an even greater issue in Tasmania, but the national average is 65 per cent—there would be huge economic benefit for the economy, but to do that you would have to get people into the workforce whom we have not seen for a long time, and they require very specialist wraparound services to help them in. It is not a question of just saying, 'Go along and do a cert III.'

Senator URQUHART: Yes. So we are talking about long-term unemployed who might need some literacy and numeracy or a whole host of other skills as well?

Mr Shreeve: Yes. We have identified three groups we are specifically concerned about in Australia. One is actually men of prime working age.

Senator URQUHART: Yes.

CHAIR: What is the 'prime working age'?

Mr Shreeve: It is 35 to 55. If you think about it, that is North Adelaide—

CHAIR: They are not much good before and not much good after!

Mr Shreeve: No, they—

Senator URQUHART: We might all agree with that!

Senator O'SULLIVAN: I should come back Independent!

Senator URQUHART: Sorry, I couldn't help that!

Mr Shreeve: It is people like North Adelaide car workers who have got that—

Senator URQUHART: So the general sort of blue-collar trades sort of—

Mr Shreeve: Yes. There are older Australians. We would like to increase their workforce participation, but that might have something to do with superannuation rules as well.

CHAIR: When you say 'older', what is that group?

Mr Shreeve: It is 55 plus. And then, obviously, there are what used to be called 'women of child-bearing age', which is an issue. And obviously in some parts of Australia youth unemployment is a major issue as well.

CHAIR: That is nearly all groups. There are not too many groups outside that. I do not know what the women between the ages of 35 and 55 are doing, but they obviously are doing okay.

Senator URQUHART: Or they are child-bearing.

CHAIR: They might be child-bearing, yes. Sorry, go on.

Senator URQUHART: They are in that group.

Mr Shreeve: It depends on your educational background and whether you can achieve that. But getting disadvantaged groups back into the workforce does require more effort, because there is always a churn of people, as you say, who are changing jobs, but it is the long-term unemployed, who are not in the churn, who need that extra help.

CHAIR: And then—if I can jump in there—cutting across that is obviously kids or people from Aboriginal backgrounds, migrants, refugees et cetera.

Mr Shreeve: Yes. It is language, literacy and numeracy skills to get a start into a course to get your first job.

Senator URQUHART: From your board's perspective, how important is the relationship between industries and employers in an area and the TAFE college within that in terms of not only providing employment but also providing the right types of courses that deliver?

Mr Shreeve: I should explain that my board is an industry led board. The chair of the board used to be the head of IBM. We have had people on the board like one who was the chief operating officer for Woodside. We have the Australian Chamber of Commerce and Industry and the Australian Industry Group—

Senator URQUHART: That is very industry—

Mr Shreeve: yes, it is all industry—and the ACTU. They see a relationship with industry as absolutely critical. But I would say that one of their philosophical positions is that they believe that in most cases, where there are jobs, the labour market works. What do they mean by that? There are 20 per cent of jobs which we call specialised occupations—to give you two examples: an electrician or a dentist—which are licensed occupations, and the qualifications are not transferable. Without knowing the background of anybody in this room, I think it is highly unlikely—I might be wrong—that people could hang up their shingle as a dentist or as an electrician tomorrow, whereas managers move around different industries and people in the hospitality industry move into the retail industry because their service skills are transferable. So my board, in terms of targeting programs, says that often the targeting should be on those specialised occupations, because if we have a shortage of dentists or electricians in Australia we probably have a five- or six-year lead time to fix it, and the only other alternative is skilled migration, whereas in other industries people move around because their skills are transferable. And that means that, while the board believes that they have to have very specific occupational skills, it also believes they have to have a general education so that people can move to where the labour market has the opportunities.

Senator URQUHART: Thank you. I am being wound up by the chair.

CHAIR: No, it is very interesting.

Senator URQUHART: Yes, it is.

Senator RHIANNON: Thank you for your evidence. I am just looking in your submission. I want to ask you some questions about that. In the final paragraph, in the first sentence, you say:

... we consider careful management is required to ensure that the TAFE sector continues to deliver the skills our economy needs ...

What 'careful management' have you identified? I really am asking in the context of all the enormous changes that are going on for TAFE.

Mr Shreeve: Firstly, if we talk about charges and funding, my board does believe in a co-contribution model for people who can afford it. The beneficiaries of having an educational qualification can be the individual, the employer and the economy as a whole, so the board believes that, for example, for industry training, there should be a government contribution, but the enterprise should contribute as well, and similarly for individuals there should be a government contribution, but the individual should contribute as well, except where the individual has not got the means to contribute. Fees should not be a barrier to accessing TAFE training. It might be a deferred payment scheme, but there should not be a barrier which means that people who are looking to get a qualification to help them get a job have to make a big up-front payment which might prohibit them from getting into an educational program.

Senator RHIANNON: You go on in that section to talk about the 'general lack of transparency for students and, potentially, inequity'. Do you think that that is currently a problem?

Mr Shreeve: My colleague could probably talk a bit more about this, but sometimes, if you do a bit of mystery shopping and you ring up an educational provider, trying to find out how much you pay for a course can be quite difficult.

Ms Hart: I will just add that our board's view is that in a competitive training market what is really important is good consumer information. It is an underlying principle that should be there so that people actually know, if they are purchasing a product, if they are undergoing training and they are paying for it, what they are up for and what they are going to get. As my colleague indicated, certainly in our mystery shopping, if you like, where we have been looking and wondering how things are going in terms of fees, it is sometimes very, very difficult—and, we assume, very difficult for students—to actually find out what the fee level will be. It is a complicated matter.

Senator RHIANNON: Do you think it is possible to make the comparisons, considering that there are so many providers doing different things, often not being very transparent about the information? Is it possible under the current system, where you apparently rely on the goodwill of these companies, or is it even possible to regulate when there are so many in the market?

Mr Shreeve: I think that under some government funding, whether you are a public or a private provider, a maximum fee is set. That is not true of all systems. In some systems there is no maximum fee. I think the difficulty is that people will come back and say that it all depends on the level of public subsidy; it depends on the modules you take; it depends on a number of factors—which is all true, but, if you are a disadvantaged 22-year-old, that can be an inhibiting factor in itself if you do not know what the fee you might have to pay will be.

Senator RHIANNON: Just sticking with money but looking at some of the other comments that you have made, I think on page 5 of your submission you say:

... we advocate providing the TAFE sector with a stable source of core recurrent funds.

And then over the page you say:

Additional funding is required to expand training delivery strategies and wraparound services ...

Have you made those representations to the government—

Mr Shreeve: Yes.

Senator RHIANNON: for the coming budget?

Mr Shreeve: No, not for that. Our policy advice we do when we are asked to do something. In *Skills for prosperity*, we made a number of recommendations. One of the recommendations that we did was for enterprise training, for example, where the government is funding an enterprise. We have just released a manufacturing report. I can give you an example. Say that a motor manufacturer of specialist vehicles—not Ford or whatever—wanted to reduce its costs per unit by up to \$8,000, and it put all its workforce through a certificate III in lean manufacturing. There was a contribution from the government, there was a contribution from the enterprise and there was a payoff to both. My board believes that everyone should have an entitlement. We defined an entitlement as a free course up to cert III and then there should be higher level fees beyond cert III including inter-contingent loans for diplomas and higher diplomas. The board believes that cert II and increasingly cert III is now the entry point for the labour market.

Senator RHIANNON: But if you are talking about equity, would not that go against equity because there are a lot of people who cannot afford it?

Mr Shreeve: No, we are saying cert II and cert III should be free or very low cost.

CHAIR: Did your board make a submission to the Commission of Audit?

Mr Shreeve: No.

CHAIR: Did they ask to meet with you?

Mr Shreeve: No.

Senator O'SULLIVAN: On the first page of your submission it says:

... the TAFE sector must adapt in order to compete with a broader spectrum of tertiary education providers ...

Was that suggesting it is lagging?

Mr Shreeve: I think it is variable. I could give you examples of institutes that are probably more advanced in their adaptability than others. I think it all depends on the market you are operating in and whether your prime source of students is people doing fairly conventional courses. I can think of a TAFE institute that is a highly specialised facility that gets three groups of apprentices in a specific discipline every year and there is a constant flow through. Some of our most adaptive institutes are in the country. I know that lots of country institutes, for

example in New South Wales, have got into highly flexible delivery because it is a fairly thin market so they have developed customised programs for small groups of students. I think it is variable.

Senator O'SULLIVAN: Does your department do over-the-horizon work with respect to needs for training?

Mr Shreeve: Yes.

Senator O'SULLIVAN: I know the dentist example was not meant to be your example because you can probably work out how many dentists, an average age, how our teeth are going and decide that in five or six years we are going to run out of dentists.

I want you to focus if you can on agriculture because there is an argument that it will be one of the sectors that will play a part in the next economy, after the resources sector.

Mr Shreeve: There are two things. We do a national workforce development strategy every three years. Because labour market forecasting is very difficult, we do it on a scenario basis. We have got four scenarios: one is called the long boom, which is the economically most prosperous; and one is called primitive fire, where everything goes wrong. What we then do is look at industry structure. We model industry structure and from that we can model occupational structure and from that we can model the types of qualifications and the number of qualifications needed.

It is a model so the different outcomes enable you to not only look at the extremes but also see where the commonalities are. We estimate that Australia will need a three per cent increase in tertiary qualifications per year up to 2025 or else we will have skills shortages and those numbers include 100,000 skilled migrants a year. I am happy to say we also do individual workforce reports with specific industries. We released one on manufacturing yesterday. We have done one on agri business. For example, our belief in agri business and agri-foods is that there are huge opportunities for the sector, for the food bowl, for the dairy industry and for a protein-rich diet in Asia. The number of workers probably will not go up—it might decline—but the workers there are will need to be more highly skilled, because of capital intensity, larger farms, the fact you have GPS tractors and all the things like that.

Senator O'SULLIVAN: This leads me to the heart of my question. I can only talk about Queensland with any authority. We have very highly labour-intensive horticulture in the likes of the Lockyer Valley and the Bundaberg-Maryborough area. We have 80 per cent of the nation's banana sectors up on the Cassowary Coast, and so on. This is not just about horticulture. It is also in the fruit markets and I am told it is creeping into the meat-processing sector. To a person they tell me that without the advent of 457 visas, and the new change for backpackers, who can work and stay another year if they work for six months, their industries would have to shut down. They tell me that despite all of their efforts over the last 20-odd years they cannot get a stable local workforce made up of young men and women. Some of these areas have extraordinarily high unemployment, they have the colleges and they have private training, yet these people are having to provide on-farm training. For example, they do not really get that much productivity in the first six months from a backpacker, and then he or she has to shift to get their second six months, so they go across to his neighbour, who picks up the productivity returns from the training they have had. It is a question I have been waiting to ask all day, and you are the appropriate people to ask.

Mr Shreeve: We do have a look at backpackers and things like the harvest trail and older-worker labour, especially in rural areas. We have some figures on what we anticipate the need will be. I was in Toowoomba a few months ago and the horticulture industry there were telling me that the Certificate II is the baseline qualification. A number of horticulture providers up there were using the Certificate II traineeship very effectively.

Senator O'SULLIVAN: But this is lower labour input. We are not talking about requiring any skills at all, apart from being educated on workplace health and safety and knowing how to hold a knife.

Mr Shreeve: You would know better than I, but the industry there were saying that everybody who comes in now has to do a Certificate II.

Senator O'SULLIVAN: I promise you that 2,000 workers down the Lockyer Valley cannot even speak English. They are living 10 to a room and eating noodles. Where I am trying to go with my question, but I will not labour on it, is that no matter whether it is TAFE or the training operators, I just see that there is a complete disconnect between the opportunities that exist in those industries for people to take up labour positions. Admittedly they are low-skilled and boring jobs, but they are paid at \$20.40 an hour, which is not to be sneezed at if you do not have a broad skills base or other opportunity. I just do not know why we cannot hook the two up.

Mr Shreeve: TAFE is a training provider. It is not a labour supply organisation.

Senator O'SULLIVAN: But workforce and productivity agencies are looking forward to how we get people to participate and what initiatives we need to get them to participate—

Mr Shreeve: Absolutely, and we are both looking at—

Senator O'SULLIVAN: Why can't we get the unemployed in Bowen to participate in banana cutting? That is the question.

Mr Shreeve: I think there is a whole range of factors, including the social security system and other systems, like the literacy and numeracy systems. There are issues about long-term illness, long-term mental illness, family responsibilities, the age of the workforce, and the fact that the long-term unemployed might be 55 to 60, meaning that manual labour would be more difficult. That is not trying to dodge the issue. That is saying that I think there is a range of complex issues. If you look at many occupations in Australia the reverse is true where you have an oversupply of qualified people chasing a few jobs. It is interesting to compare the characteristics of those occupations with the characteristics of the occupations you are talking about. I acknowledge the problem and there is—

Senator O'SULLIVAN: I think the problem there is that one has an air conditioned cab and the other has a cane knife. We could talk about this all day and I would be interested in taking the conversation offline, because it is of keen interest to me in my home state to pursue any changes to policy, whether it be in training or incentives for employers or employees to take up these opportunities.

Mr Shreeve: One of the issues we touched upon is the whole question of Job Services Australia and the way that works in terms of labour supply. People have told us that there is a number of issues. Maybe the incentives are structured in the wrong way to actually help them match between where the jobs are and who can supply the labour.

CHAIR: Finally, can you tell us what is happening to your board?

Mr Shreeve: We anticipate that from 1 July the functions of AWPA will be folded into the Department of Industry.

CHAIR: So you will not exist?

Mr Shreeve: As a board, no.

Senator O'SULLIVAN: What is the thinking there? Has the board model proved not to be successful enough?

Mr Shreeve: I think the minister is of the view that this is part of the simplification process—rather than having lots of boards and committees have the advice come just from the department.

Senator URQUHART: Who advises the department on that then? That would be what you would have done as a board.

Mr Shreeve: No. That was announced earlier this week.

CHAIR: Thank you for your evidence.

Proceedings suspended from 15:31 to 15:48

SIMON, Ms Linda Joy, National Convenor, Women in Adult and Vocational Education

CHAIR: Welcome. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee has your submission. I now invite you to make a short opening statement and at the conclusion of your remarks I will invite members of the committee to put questions to you.

Ms Simon: Thank you for the opportunity to make this presentation to the Senate inquiry this afternoon. Women in Adult and Vocational Education, generally known as WAVE, is the only national organisation to focus on women and post-compulsory education and training. We represent female teachers, students, trainers, academics, industry and community personnel. We are interested in and involved with adult and vocational education. We are a member of economic Security4Women, one of the six women's alliances, and they have endorsed our submission.

In making this presentation today, I want to emphasise a strong support for TAFE from WAVE members. They wish me to alert you to the important role that TAFE has played in providing educational pathways for women and girls and in helping some of those most disadvantaged in our society. We are concerned that the cuts to TAFE funding across the country and the creation of a competitive training market, based primarily on addressing skill shortages and meeting industry short-term needs, will ignore the social impact of a quality vocational education and training system. We are concerned that VET courses will be made financially inaccessible for many women and that courses which do not immediately appear to lead to employment outcomes will be cut or significantly reduced.

It is important in this country that we have a strong public vocational education and training provider, and that it has a role in providing low-level access courses and second-chance education courses for those who have missed out on earlier opportunities. This is critical for many women. TAFE has a proud tradition in running outreach courses in the community that provide opportunities for many women to learn new skills and/or gain confidence to re-enter the workforce. Government recognition and support for such courses must remain and TAFE have the qualified teachers and support staff to ensure successful outcomes.

In making this opening statement this afternoon, I wish to express concern around the federal government's recently announced proposal to cut the National VET Equity Advisory Council. I am not aware of the complete nature of these proposed changes, but do know how important it is that we have such a body in Australia that ensures that the equity groups, which include women, are not forgotten in this increasingly marketised VET system. For a start, NVEAC has undertaken critical work over the last few years that point out the dangers to the educational opportunities of equity groups of a competitive training market.

Some members of WAVE undertook research last year into women's programs being conducted by TAFE and compared the operation and outcomes to the NVEAC equity principles. Principles included supported learner pathways and transitions built into the learning experience, training being integrated with work experience and/or aligned with areas of labour market need, embedded support for foundation skills and the voice of the learner being heard and acted upon. Our paper entitled 'A course for a lifetime' demonstrated how well these women's programs met these principles and the successful outcomes obtained by many women who studied at TAFE.

Whilst we would suggest that all quality vocational education and training programs should meet these principles, it is particularly important for those from the equity groups who may have experienced previous educational failures. WAVE also wants to place on record other areas where TAFE continues to play and must continue to play an important role for women and girls. TAFE has an important role to play in partnership with industry associations and community groups in supporting girls to expand their career options and take up positions within what are generally considered to be male dominated occupations.

TAFE New South Wales has implemented the mentoring scheme where female teachers provide support for girls in these non-traditional areas to assist with completion rates and to help girls to be aware of and to make the transition into male dominated workplaces. We believe the current schemes promoting these occupations and encouraging girls to work in them will be more successful if governments were to fund TAFE and industry to work together in this endeavour. Again, we have recently undertaken research entitled 'Where are the female trades teachers?' which has highlighted the need to increase the number of female role models within TAFE itself. We believe TAFE has and can play an important role in helping to break down gender stereotypes in this way.

In its rush to create a competitive training market with hundreds of training providers, WAVE is urging the federal government to consider that education is not just about economic returns but also about life-changing experiences to individuals, including many women and girls, and to question whether the changes will diminish the role of TAFE.

Senator RHIANNON: Thank you for your submission. We also had one from the Australian Federation of Graduate Women, and it was interesting to read both together. You set out very clearly the role TAFE can play in helping women to come back into the workforce, to gain their confidence and to gain skills. In terms of the support services and the face-to-face teaching, could you just outline how important that is. Where I want to go is the changes that are coming for TAFE and how that would impact. Firstly, how important are those support services in bringing women into education in the first place?

Ms Simon: Obviously they are very important. Obviously, in talking about women, there are a whole range of women out there at all sorts of different levels of education and expertise. But often our concerns are most for some of those women who have been a long time out of the workforce with caring responsibilities or women perhaps from multicultural backgrounds or non-English-speaking backgrounds—women who need extra support to gain confidence and skills before they can actually undertake vocational courses. As I mentioned, some of the outreach courses and other courses that TAFE undertakes in the community often provide that very important initial support.

So TAFE has the ability. It has teachers who understand the issues and have the qualifications and professional knowledge to be able to work with these women not just in providing them with the education and skills that they initially need but also in helping them to find the pathways into undertaking the vocational training that will take them into jobs and help them to work with communities and with industries that will also support their particular interests. The outreach courses may be in areas such as horticulture. I am aware of a group of women up in the Blue Mountains area who have undertaken that course and then set themselves up in their own business and gone out undertaking the work there.

But the issues around needing to build those skills and that confidence are an important area that other providers, particularly private providers, do not take on. They do not see it as being their particular area of interest and expertise, nor is there generally a lot of money that goes with it. So we have to make sure that we do not take away that foundation that enables people to take that next step.

Senator RHIANNON: You used the word 'foundation' there. We have seen what has happened in Victoria. Smart and Skilled is possibly coming down the track here. What does that mean for what you have just outlined, particularly with all these diverse pathways? You just cannot see that continuing under a Smart and Skilled system. Would that be the case? What happens?

Ms Simon: It has certainly been the case in other states, and we are unsure of exactly what the New South Wales—

Senator RHIANNON: When you say it has been the case, do you mean that those pathways have been lost?

Ms Simon: Yes, and in fact I am aware that in Victoria AEU Victoria were considering taking a case to the antidiscrimination court, because what has happened with the contestable funding there has meant that many of the women's programs and courses have actually been cut. So you have a range of issues around needing to make sure that we build into the skills shortages and the opportunities for women to go into a variety of areas but also to ensure that a competitive market does not mean that the money only goes to areas where there are considered to be skills shortages and not to areas where people can actually build their skills and knowledge to be able to undertake further training. In my understanding, there is only one state that still runs women's programs and has a women's unit, and that is South Australia.

Senator RHIANNON: Which states used to have women's units?

Ms Simon: They all did at one stage.

Senator RHIANNON: They all did? Wow. When did we lose it in New South Wales?

Ms Simon: The last women's coordinator in the Northern Sydney Institute left last year. She was the last one standing. So it has been a gradual process but certainly it has been a process that has been exacerbated and pushed ahead, I think, because of the way that funding is seen to be targeted.

Senator RHIANNON: I know there has been an enormous shift in women's units within government and women's organisations et cetera, but coming to TAFE and knowing how critical many of these courses are to bringing women back into the workforce, with the loss of those women's units around the country, are there figures to show that it has been detrimental in helping bring women forward? Do we know what the impact has been?

Ms Simon: I do not think there has been research, that I am aware of, that has been done into that area. We certainly have a lot of anecdotal information about the effects, but in terms of aggregated data it is probably an area that is sitting out there just waiting for us to do some research, I would suggest.

Senator RHIANNON: We have the diverse pathways, and women gain in confidence and start getting an education. But then we are obviously hoping there are jobs down the track. What do you see the key issues as being? Is it more funding? Is it ending contestability or changing the form? TAFE has come into these enormous changes and women usually lose out more than anybody else when there are these types of changes. I am trying to identify where the big problem lies. Is it a bit of everything that needs to change? Do we go back to how it was? What is WAVE'S advice?

Ms Simon: I think the most important thing is that governments need to recognise the important role of TAFE in terms of supporting these women and girls through the low-level courses—the certificate Is and IIs—and certainly in supporting girls in feeling that they are able and comfortable and have the skills to be able to move into the non-traditional, male dominated occupations. Whether that is necessarily just a funding issue—I do not think so; I think it is more where you use your funding, where you target it, making sure that in addressing areas of skill shortage needs we do not forget that there are other areas. We need to build and make sure that when we say we want more plumbers or more electricians we also say that we want to have more girls and women going into that as well. What can we do to ensure that that happens? We need to make sure that we build the pathways from the certificate Is and IIs through. There is no point in us saying in this country that we want people with higher level qualifications unless we make sure that they have the skills and knowledge to be able to get to those higher level qualifications, and that is not necessarily the case for many women, particularly some older women, who want to go into the workforce perhaps for the first time or to re-enter the workforce.

Senator RHIANNON: With the contestability model, will that still be possible?

Ms Simon: It will depend upon whether it is a recognised area where I guess RTOs could compete for the funding if that was what happened. But it needs to be acknowledged as an important area by governments, and at this stage we do not see that happening.

Senator RHIANNON: With both state and federal?

Ms Simon: Yes.

Senator O'SULLIVAN: Am I to understand that you would advocate that there might be particular pathways that are unique to women—a concessional or provisional pathway—because they have a need, a gender based need, for example? You were talking about confidence. I am interested in whether you think that men who have been out of the workforce for a long time might need the same confidence boost.

Ms Simon: They absolutely might, and I am not saying they do not, but I am not representing them here today.

Senator O'SULLIVAN: No, I appreciate that.

Ms Simon: It is widely recognised that there are a lot of women who have either not been able to undertake their careers or the initial education they wanted early on or who have left jobs for caring responsibilities and then want to come back into the workforce. We recognise in this country the need to build up our workforce so that productivity can be expanded by having more women and girls in the workforce. If we are going to do that we do need to recognise a lot of those needs. There are a lot of women who do not feel all that comfortable going straight into vocational areas.

Senator O'SULLIVAN: I accept that.

Ms Simon: Therefore you have to make sure that you have the proper courses and support for them so that there are those pathways.

Senator O'SULLIVAN: I am going to get myself into trouble with this question.

Senator URQUHART: You are the Lone Ranger here!

Senator O'SULLIVAN: No. You have got to cut me some slack. Would you agree that sometimes when we have attempted to do this that that part has been littered with failure—that it has gone to the extremes like, 'We are going to set a quota'; 'We are going to do this and we are going to do that'?

Ms Simon: I have not raised quotas, because I do not—

Senator O'SULLIVAN: No, I am talking about where we create special policy or special conditions.

Ms Simon: I am talking about options. I am talking about one important option, and it is not the only option that is out there. Failures? I suppose it depends on what you define as a failure.

Senator O'SULLIVAN: You are going in the wrong direction. I am talking about an all-girls school versus the same opportunity being open to everybody. I may have mistaken. I know you are advocating for women. Were you advocating that potentially some women have an issue with some confidence and therefore we need to

build a women specific curriculum to give them the confidence they need? Then we are likely to see that go to a women only class who get delivered this curriculum.

Ms Simon: In some of the outreach courses there are women only classes. Some of the women are from migrant groups who feel the need for that. There are also women coming in to re-start their lives and careers who have been victims of domestic abuse. They need that sort of support as well. So there are certainly cases and times when it is necessary. At others, it is not. I am aware of outreach courses where they set up a women's only class and then a whole lot of men want to come and join them, because they saw themselves as having those same particular needs. I am not advocating only one pathway. What I am saying is that it can be an important one.

Senator O'SULLIVAN: You have answered my question. Please ignore my ignorance, but are TAFEs mum friendly places? Do they make an effort with, for example, child care or the hours that they run the courses that might fit with what might be easier for a mother?

Ms Simon: TAFE does have childcare facilities—not everywhere but it certainly does have some. I am particularly aware of some in New South Wales. I am also aware that, in these days of tightening budgets, it is not as accessible as it should be for many women.

Senator O'SULLIVAN: Which is another issue. I am more interested in the availability.

Ms Simon: Certainly a lot of the courses that, say, would target women—like work opportunities for women, career education and employment for women—would be run at what you would call mum friendly times.

Senator O'SULLIVAN: So you would not run a course between 7.30 and 9.30 in the morning, because you would know that that would exclude every mum who is trying to get children off to school or into child care?

Ms Simon: I have to say that it has become an interesting issue when you talk about women going into the male dominated occupations and taking up apprenticeships. There certainly can be workplace and training issues because of that conflict between perhaps your caring responsibilities as a mother and your desire to learn as a person and to take on a different career. But those are things, hopefully, that a good flexible training organisation, such as TAFE, can work itself around.

Senator O'SULLIVAN: There is a generic question and I and others have been pursuing today. We have got 5,000 private providers in the space at the moment. TAFE is competing and has lost market share. The pie has grown perhaps in terms of choice. We have had people talk about a managed market as opposed to a free market. Do you have a view about that? If you do, how do you think that it would be achievable to have a managed market where there are probably fewer providers and TAFE probably has an edge or an advantage given its additional community service obligations?

Ms Simon: We would certainly support a management market as opposed to an open market. We certainly support the fact that community service obligations need to be recognised and funded so that, whatever organisation—because this is essentially an inquiry into TAFE, we will focus there—might pick up that funding, it actually has to make sure that it delivers, assesses and then answers to what it does in terms of gender equity and breaking down gender stereotypes.

Senator O'SULLIVAN: Thank you, Ms Simon. I am very pleased I made it through there without getting myself into serious trouble!

Senator URQUHART: The day is still young, Barry!

CHAIR: We thought we should deal with you in private!

Senator URQUHART: I just brought up the National VET Equity Advisory Council. I am quite concerned, because you are the second witness in a row who has come along and talked about an agency, a council or a board that is now going to be disappearing into the responsibilities of the Department of Industry to look after. I am sure that you, along with other organisations, have concerns about that given that these bodies were set up for specific purposes and when they get pushed back into it there is a question of whether or not the whole intent of what they were developed for would get lost. But I am looking at the National VET Equity Advisory Council, which you talked about earlier. It says here that it was established 'to improve training and employment outcomes for those at risk of disadvantage in the national training system, by providing leadership for cultural and systemic change in vocational education and training'—something you clearly know. We have heard through the course of today that those at risk of disadvantage include women. We heard from Deaf Australia. We heard that men in the 35- to 55-year-old age group are in a vulnerable position. We heard about older Australians, women of child-bearing age and the high levels of youth unemployment. We have the 35- to 55-year-olds who predominantly work in the vulnerable manufacturing industries that we are seeing disappearing. Is there anyone left? I am sorry. I guess I raise that because—

Ms Simon: It is just a sad state that you have to say that, isn't it?

Senator URQUHART: It is, because I think to myself that we have these councils set up to specifically look at groups that need assistance in terms of VET either to get back into the workforce or to continue in the workforce because of circumstances that are out of their control—because their industry has closed or been ramped down through technology changes and people need to reskill et cetera. We have bodies that look after predominantly those groups, which are vast groups. I have to say that there are not many people left in our society that do not fit into some of those groups. So I am really concerned, and I guess you would have to be concerned too, about those groups. What would be your view about the focus, from your organisation's point of view, that will be coming out of the Department of Industry once these bodies disappear?

Ms Simon: I think that the minister has made it fairly clear that his focus is on industry and what industry has to say about vocational education and training. We are always concerned when people within government take only that view, because there are many, many stakeholders, and they include communities and individuals. We would urge this inquiry to make sure that that is one of the issues that are raised.

Senator URQUHART: If it is just left to industry, what happens to those disenfranchised groups that make up what I would say is most of society? What happens to those people?

Ms Simon: There are, of course, some very good industry bodies. If you look at, say, the construction industry skills council, the mining industry skills council and the manufacturing industry skills council, you will find that a lot of them are running specific programs that are targeted at women and girls. They are recognising the need to address the gender stereotype issue. They are recognising the need to try to look at ways in which they can encourage more women and girls to come into their workforces and have workplaces that are friendly to them. However, if you do not have a body that gives a particular focus to and raises those issues with government because it is their role to do so, then the chances are that, in that everyday business, it will just get rolled over the top of and they will not become important issues.

Senator URQUHART: I guess that is what concerns me: that people slip through the cracks, however good industry bodies are or however good the people advising government are. But there are specific groups, such as your group and others, who focus on a particular group, and if such a group is not there to focus the attention onto them then some will slip through the cracks and will probably never be recovered.

Ms Simon: And VET has a responsibility to make sure that we increase the number of people with high-level skills, that we build them as individuals, and that we give them opportunities to have good jobs within our workforce. That is not necessarily what you see coming through from industry and employer bodies. That is not necessarily what their focus is. And we have got to make sure that we do allow, within government, groups being set up that will ensure that focus.

Senator URQUHART: I do not want to sound too critical of industry, because they have a role to play, but I think perhaps the issue is that their focus is on other things as opposed to the differential of these other groups. I fear what the future holds in terms of that, particularly in rural and regional areas and with groups such as those from non-English-speaking backgrounds. Where do they get picked up when they fall through the cracks? That is a real concern.

Ms Simon: Yes. One of the reasons that we are committed to supporting TAFE is of course that they do have the support services, they do have the trained and expert people there to be able to provide help for all those different equity groups, and that is not necessarily the case, particularly with smaller private providers. That is not their role and that is not what they have. We have got to make sure that we have the public provider that can do those things.

Senator URQUHART: Yes. I guess I am just looking at a part of your submission that says that now is the time when we should be strengthening not weakening TAFE. That is on page 6 of your submission. And you say that we should be looking for more comprehensive and sophisticated indicators of educational quality rather than investing precious training dollars cracking down on rorting that has been allowed to flourish through poor public policy. Is that the picture that you paint if we do not strengthen TAFE—that we will be running around spending money, looking at making sure that other people do things right and not putting the money and the focus into the areas where we need it: upskilling and reskilling or whatever?

Ms Simon: Exactly. We are seeing that already. Enormous amounts of money are going into the whole audit regime and quality-checking regime. We would suggest that you need to make sure that your standards are higher to start with before you allow the registration of more training providers.

Senator URQUHART: So are you suggesting that they are not?

Ms Simon: Well, obviously not, as we saw in the paper over the weekend, with the beauty therapy college here in New South Wales that was simply signing people up, taking the government subsidy—and that was through the PPP program—and then not delivering anything. How did that go on year after year after year? That company should not have been registered in the first place, because it obviously had no intention of delivering to the industry. So I would suggest we have to take a serious look at where the 5,000 providers are actually situated—in what sort of industry areas—and to ask: 'Do we need more of these? And can we ensure that those who are registered do have the skilled personnel and the wherewithal to be able to actually deliver what they say they are going to?' Otherwise, government money should not be going there.

CHAIR: Thank you very much, Ms Simon, for coming today, and thank you for your submission. Let us look for more women getting through TAFE.

Ms Simon: Absolutely!

COUCH, Dr Camilla, Representative, Australian Education Union

HIGHET, Ms Kristine, Representative, Australian Education Union

[16:20]

CHAIR: Welcome. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. I invite you to make a short opening statement. At the conclusion of your remarks I will invite committee members to put questions to you.

Dr Couch: We come to you today as representatives of the AEU at Ultimo TAFE where I am an outreach co-ordinator and where Kristine is a foundation studies teacher. We also come very much as coalface deliverers within the VET system who are living the changing environment on a day-to-day basis.

CHAIR: Would you both like to make an opening statement?

Ms Highet: I am happy to do that. I put in a submission on behalf of my section, which you have. Also, I thought it might be useful if I talk about people. I can tell my own family story, plus I can talk about the sorts of students I deal with. I am happy to tell you about the impact of what has been happening to us on staff and students. That is what I would like to deal with.

Dr Couch: I would like to talk to you about the nature of the social inclusion work and the social equity work I do, which is very much within the social policy framework, and how valuable the off-campus work is that we do not just to TAFE but to society overall and to the economy.

CHAIR: That would be very good will.

Ms Highet: What I would like to say first is that we talk a lot about the intellectual and vocational stuff that TAFE does but I see what we do as providing the heart of TAFE. We do things that other providers do not do.

CHAIR: Other non-TAFE providers?

Ms Highet: Other non-TAFE providers, yes. In my section in particular we look at the underpinning things that people need before they do other things in TAFE. We take in the beginners, the people who are second-chance learners. We have a number of older students, people who may be retired who are looking for something else in their lives. We have people who have been injured and come in to retrain. We have people who have been made redundant and need retraining or are facing a changing skill requirement for work. In the classes I deal with the majority of people would in fact be women. A large majority are from NESB backgrounds. That is not to say we do not have people from Anglo backgrounds—we do, but they would be mostly in the second-chance group of people who, for some reason or other, were not successful at school and missed out or did not do well, did not go, all of those sorts of people. We have Aboriginal students as well.

I can talk to you about the changes that have happened in the section, but I thought I would just look at some students first. I want to give you a sense of why we get so passionate about it. I will talk about my family's connection with TAFE. I am the first person in my family to do further education. My parents and grandparents were skilled workers, but they came through the system where it was mostly on the job or self-educated. They left school at 15; you know what it was like at that time. My uncle did retraining at what was the arts college that belonged to TAFE postwar; he was one of the ex-servicemen who did the retraining through TAFE in that way. He became an artist, but not as his job, but it was the biggest thing in his life, in fact. I went to teachers college—it was CAE then—but later on I went to Ultimo TAFE and did Indonesian. That gave me a whole new perspective in my life and also put me on a pathway to upgrading my skills so that I could also teach Indonesian as well as being an entrance primary teacher. My mother went to Ultimo TAFE after she retired and did a welfare course, and that gave her a whole new perspective in her life and a way of being that was quite different for her and kept her really active. She is still going at 90. My younger sister left school before she completed her HSC. She went to Ultimo TAFE and did her HSC there after a little time out. She then went on to do pathology at Ultimo TAFE and then went on to university, did a science degree and kept travelling until she started to do a PhD, so she had a successful pathway in that way as well. That is just one family's connection with TAFE.

I have an Indonesian student who came to us. He was injured at work in the hospitality industry. He was living in fairly basic accommodation and did not have a lot of money. He was on a pension—that kind of story. He came to us and went into our foundation course to do reading and writing, mathematics and computers. He had no access to a computer at home. He was not allowed to have one in the accommodation he was in—it would use too much electricity, apparently—and he would not have had the money to buy one anyway. His skills and confidence in learning were remarkable. He started to do a double course where he was working with us and also went into an entry program in floristry. He was given part-time work with Interflora on the basis of his developing skills, and he was promised a full-time job if he completed a floristry certificate successfully, which he did. He is

now in full-time work. He is one of our successes. We supported him through his floristry training with our learner support program, which is also what we do.

So approximately half of what we do now is those entry-level programs—the basic reading, writing, maths and computer skills that people need to do whatever else they need to do. The other half is working with students who are in vocational programs who do not have the reading, writing and maths skills to successfully complete those programs. We sometimes go into class and work with them there. Sometimes we have them in small groups outside class and we build those skills so that they can get through those programs.

CHAIR: Thank you.

Dr Couch: I suppose I need to talk to you about the history of equity in TAFE as well. It has a long and very proud history, particularly in New South Wales. Outreach came into being, I think, post Kangan. It was an idea that was imported from the US, from the streets of New York, where they did a lot of street education for people who were homeless. The ethics or values of that community development, adult education and social policy combination have been something that have ensured our longevity over the years.

I think it is important to recognise how much the community has already invested in TAFE and equity programs, particularly in New South Wales. We have built up a very strong, professional workforce that knows how to work with not just communities but also business, local government and all other tiers of government. We can go out there and professionally present TAFE as being that very important pathway for people who are very disadvantaged to take that step into something that may well get them off the streets if they are at risk of homelessness and get them into temporary accommodation. They can work their way through the whole spectrum of TAFE courses, up to diploma level, and come out the other end being, in effect, taxpayers—rather than being on income support—and living in appropriate circumstances.

So we take a very holistic view of what we do. We take our work very seriously. Basically, I can go out and do this sort of work in the community because I know I have a very strong TAFE system behind me. I know the pathways. I know the inner workings of TAFE and, therefore, what I do in the community and all of these complex partnerships that I work in, which I will talk to, or the PLACE program that we have just finished, which was part of the federal government DEEWR innovation social fund. We were part of that project. There are some amazing success stories about going from the street into housing, into work, that came out of those particular programs.

We have a professional workforce dealing and interacting with the other agencies that work with those particular target groups. We have a professional partnership with St Vincent de Paul down in Woolloomooloo, a level 4 learning, we call it, and Sydney Institute runs courses down there with Matthew Talbot and clients in the Woolloomooloo public housing community as well. Once we have worked down there, we bring them onto campus and then they are on their way, on their journey. At the same time, we are creating communities around the classes. We are creating networks. We are creating really good, strong community and social networks for people to spring from, I suppose, into other life opportunities.

So it does concern me that we do not have some strong equity—like NVEAC not existing anymore—with the dynamics we are looking at. We live in a very polarised society in inner Sydney. We have so much very expensive building going on in the area, and that is jutting up against some very poor communities in community, social and public housing. We work very hard to bridge those gaps. We have done some very successful programs with agencies such as Lend Lease. They are complex programs that bring a whole range of organisations together that do corporate and social responsibility as well as social policy development and community development through Outreach and the other agencies involved.

Sometimes I would like to think that TAFE is part of social policy, but we seem to be moving more into the economic policy framework—or does economic policy sit under social policy? In terms of those most vulnerable, the groups that Outreach works with across the inner Sydney area—across New South Wales, actually—include the homeless and ex-offenders in particular. We run a program called PEET, which is Pathways to Education, Employment and Training, for people post their release from corrective services. It has this amazing capacity and power to change that particular target group. As soon as they are on campus, they become socialised into a whole community network and they become TAFE students. Their identity changes.

What I am worried about is that, with the PLACE program, we came up against social policy fragmentation in the job network area, the JSAs. It was very difficult. Where the JSAs were liberalised in the same way they are proposing with the TAFE networks; it ended up being a very fragmented and miasmatic situation for people who were the most vulnerable. They found it very hard to work their way through who was doing what, what that job

service provider was doing for them, what that particular RTO associated with that job service provider was doing, and whether that was going to get them on a path to further life and work opportunities.

So there is a lot to be said for a very informed and strong institution, like TAFE, being part of a broader community and business community, and working successfully and very professionally to educate not just the most vulnerable, but the future workers for industry, future workers for local government, all levels of government.

My major thing is that we need very strong gender inclusivity. Women-specific programs are very important. Outreach runs quite a few of those. Those programs are very important, particularly for women who have suffered domestic violence—those women's only classes. We work a lot with temporary accommodation for people who have suffered alcohol and drug problems and domestic violence as well.

With all of those issues—the acquired brain injury that might come with alcohol and drug abuse—that are very complex, you need very highly skilled and professional people managing that process and moving that through so that in the long run you have people contributing to society.

CHAIR: I will ask one question then I will pass to Senator Rhiannon. In the outreach role, Dr Couch, are you interfacing with agencies that have Youth Connections funding?

Dr Couch: Yes, I do. There are so many different buckets of funding out there, although they are diminishing at the moment.

CHAIR: Are you picking up concerns from Youth Connections about their potential loss of funding?

Dr Couch: Yes. Definitely.

CHAIR: What sort of impact would that have?

Dr Couch: We have very defined and linked roles—if you think about that. For example, Weave, which is a youth agency down in southern Sydney which has specific dedicated workers that work with post release young kids, JJ kids. If I work with Weave, it is essential that I work in partnership with them on those educational and training issues. Without that sort of support, there is no guarantee that we can work with and get that young person through to higher skills training in the long run. It is really important. It is absolutely critical to have the external support as well as the internal support. You need a very informed person working out in the community so you are not stepping on toes. You need someone who knows what is going on and what the different agencies are doing.

CHAIR: If they are missing, that is a link in the chain that is gone?

Dr Couch: Yes. We could well see more re-offending, more alcohol and drug issues, all of those sorts of things. I must say that the change that education and training can make is fantastic. I have to sell it. It is not everything; but it is certainly a really huge, transformative influence in people's lives. It is just amazing to watch someone come in who cannot even look at you and then nine weeks later they are off to a trade course in auto or something like that.

CHAIR: Senator Rhiannon?

Senator RHIANNON: Thank you. You just said how transformative this is, and what you have outlined is incredibly impressive. I want to ask about what impact you expect will come with Smart and Skilled and these changes. I was thinking that maybe the place to study is Victoria. Do they have similar programs to what you have outlined now? Or did they in the past?

Dr Couch: That was a slightly different system. Victoria has a different history to New South Wales. Somehow we were lucky enough to come through strongly as an equity provider. I think the ACE colleges in Victoria did a fair bit of that work; or it was presumed that they did that work. A lot of our work came through the Adult Basic Education sections in Victoria TAFE. So they did not have outreach coordinators per se but other sections of TAFE, disability and the ABE, were doing very similar work to what I would do in New South Wales.

Senator RHIANNON: I ask the question because of the developments in TAFE and the shift into private providers—and contestability seems to have been more rapid in Victoria. If we look at what has happened in Victoria because of changes to programs like what you run—have you looked at it, post these big changes? And can you draw conclusions about what could happen here with Smart and Skilled?

Dr Couch: Do you want to talk first?

Ms Hight: You can answer for outreach and then I can tell you what we are already seeing in our program.

Dr Couch: Okay. If you look at the economic modelling they are doing in terms of the new pricing of TAFE courses, in our sort of program area they value us and they love the work we do—TAFE NSW does love that. But

if you are looking at the funding model now, we will actually be squeezed out of the equation. Down in Victoria the community service obligation money disappeared pretty quickly. We are considered to be under the community service obligation umbrella.

Senator RHIANNON: So the money went and then—

Dr Couch: It was budgetary pressure, and it went. Whether it was subsumed into the recurrent funding of other areas I have no idea. I do not know the ins and outs of that particular policy agenda in Victoria. I know for a fact that we will not survive that mix. We have some incredible enrolment in outreach across the state. I am not quite sure but I think it is something over 20,000 a year. So if you are looking at those sorts of enrolments and the fact that we target those particularly very disadvantaged groups, you are looking at a whole lot of people falling through the cracks.

Senator RHIANNON: Were you just saying that the cohort could then not be coming through TAFE annually?

Dr Couch: You are looking a whole network of private providers who might be vying for that sort of target group and then all of a sudden it is not TAFE any more and the questions are: where is it, where do I go and what do I do? I think it is very confusing for the students.

Senator RHIANNON: And is there a lack of support services for those people who are just starting to come in?

Dr Couch: That is right. Any of the research on choice—there is so much academic research on that—shows that informed choice is a very class based thing. Even in the research I did at university it is well known that people from middle class communities make good choices and people from vulnerable communities rely on the big institutions like us to help them.

Senator RHIANNON: To give advice.

Dr Couch: Yes, to assist in the decision making. So we have a very highly specialised and important role to play in all of this.

Senator RHIANNON: What do you think will happen with Smart and Skilled?

Ms Hight: What we have already been told is that the Sydney Institute is trialling the budgetary stuff next semester. So they are being prepared. We have already worked out how we will need to run classes. Instead of having small groups of 10 or 15 for our beginners we will be looking at 22 per class. I am talking about people who may not be able to read and write at all, and under the voucher system they will get one semester free.

Dr Couch: To explain that, anyone who has had any experience in accessing very vulnerable groups into education and training knows that they come and go and come and go. There is quite substantial research in the community engagement field showing that quite often it can take five to 10 years to engage people effectively. Some people go through quite fast, but in terms of the work I am doing around the Sydney Institute—I have been at Ultimo college for nearly 10 years now—I can really see the difference. People know who I am. We are working with the City Farm down at Sydney Park. We are going to be working with OzHarvest and doing hospitality courses off-campus with those sorts of people. There is a whole range of things that are coming to fruition, and I think that really was out of the work that we did through the Place Program, which was a multi-agency program run through TAFE, who managed the whole program.

Senator RHIANNON: To summarise: larger classes?

Dr Couch: Yes.

Senator RHIANNON: Also, some of the classes will not go ahead?

Ms Hight: We have gone from being able to offer 25 different class groups, say, 10 years ago, to 15 now. We have gone from 10 full-time staff to six, because we are in the middle of a process now of people being offered redundancies because they are downsizing. That is just in my section. It is not including prevocational programs that run the HSC and the tertiary preparation classes and those things. And we are losing programs from colleges. We offered the HSC at Ultimo; that has now gone from Ultimo. It is the most central of all the colleges and it has been shifted to Randwick. It has light rail, I am told—or not quite yet!

We have lost a whole lot of temporary and part-time teachers. All the temporary positions were lost, with the exception of one for mathematics. Part-time teachers have less work. Obviously, if there is a lot less work, they are going to go elsewhere. That means we cannot get enough people to fill sick-leave days and things like that. So we are struggling as a section. We have got still as much work, in a sense, because we fill our programs, but we have fewer people to do it. We run from the time we hit work. I am not whingeing about it, but we are getting very overwhelmed and tired and stressed staff.

Senator RHIANNON: To also understand the impacts a little more: the cuts you have just outlined are huge, and you cater for former offenders, for women who may have lost confidence through being out of the workforce for awhile, for refugees, for recently arrived people—a whole range of people who missed out and for various reasons did not finish their Higher School Certificate. Are you seeing that there are any of those groupings that are more impacted than others, who are really dropping through the cracks and who we are losing?

Ms Hight: It depends very much on the college. Different colleges have different groups of people coming into them. I do not see that we are dropping particular groups. My sense of it is this. People are going to have to pay fees where they have not in the past. Also we are seeing that there are external providers who are starting to poach—they are already saying to people, 'We can do this for you; we can make sure that you don't have to pay anything; we'll do the fees.' That is not actually strictly true, but they are starting to work on people, to move into our field. But they will not be offering a library. They will not be offering a disabilities consultant and counsellors. As to whether they will actually run the programs in the way that we do, I am not convinced of that either, because those programs do not make money—they are not courses like motor mechanics or painting and decorating and those things. Those are the ones that people will pay for. With reading and writing courses and maths courses it is a different story.

Dr Couch: I think we need to look at what we want to happen with our public dollars as well, because, as to the for-profit private providers, we do not know where that money is going. Is it being reinvested in the community? You can be guaranteed, with a public institution, that any surplus will be ploughed back into that community or back into the educational value that is still there. So I think that is an important thing to remember as well. We just do not want the money careering off overseas, which has happened in some of the JSA sort of cases.

Senator RHIANNON: JSA?

Dr Couch: The job services network. There are some very big multinational companies that have come in. Those profits go over to the UK and offshore.

CHAIR: I think, even with the NGO providers, where they are using their own funds, that is precarious as well.

Dr Couch: Exactly.

CHAIR: As one of the other presenters said today, TAFE should be the cornerstone. Certainly the work that you are doing, Dr Couch, could not possibly be done via a private, for-profit agency.

Dr Couch: That is right, but we do work in with all of those NGOs. They understand that we are working alongside them. But certainly we need the NGOs.

CHAIR: I am not suggesting that, but education should be a foundation.

Dr Couch: A foundation, but also it is about what your core activity is and what you are good at. We are teachers. We are educationalists. We look at the holistic person when we come to all of that.

CHAIR: Yes. Any homeless service will tell you that the provision of a house is not the end of the story. You have to have the ongoing supports.

Dr Couch: That is where we come in with our—

CHAIR: Yes, that is right.

Dr Couch: Another thing is that we really need to maintain that flexibility around the curriculum, about how we actually work that. There are skills lists that have come out with this new formula, where some of our most flexible curriculum has dropped off the agenda. Outreach is one of those nimble places that can go in and deliver a key skills based course very quickly, but we have these very flexible curriculums. Our curriculums are not ending up on the skills list. We do not know what is going to happen with that.

Then also, if you think about someone who is an ex-offender with drug and alcohol issues, they will come and go for two or three courses, then all of a sudden they have no money to pay for anything. It is all very counterproductive. It does not make economic sense on any level.

Senator URQUHART: I do not know much about what Ultimo TAFE does. Is what you do unique, or is it replicated amongst other TAFEs around the country?

Dr Couch: In New South Wales?

Senator URQUHART: Yes.

Dr Couch: Yes, in New South Wales we are across the state, and so is foundation studies.

Senator URQUHART: So the services sort of go out.

Dr Couch: We are very important in the rural areas. Our outreach is amazing. Also, we are up to date with all that flexible delivery stuff as well. We use combinations, anything that works. It is all very student centred. You work back from the student and what is going to work for that student and in that community. We work in with regional development agencies, RDAs, across the place as well. Outreach in particular would work with them, and then, as long as we have the backup, which we need, in those pathways—like I have to bring people in for the literacy work and for any of those sorts of things. Someone with an acquired brain injury needs that specialist support. And also counselling is just so essential. There is this move towards only offering career planning. It is not going to work. It just does not work. Even though our counsellors are registered psychologists, they are multidisciplinary. They are very highly skilled and highly professional. They are amazing.

Senator URQUHART: How many students across New South Wales are involved in the outreach program?

Dr Couch: I think last year—I was just trying to remember—we had something like 22,000 enrolments.

Senator URQUHART: Wow! In the outreach program?

Dr Couch: Yes.

Ms Highet: I cannot answer that for foundation studies.

Dr Couch: It is quite amazing, because we are out in the community, so we are actually finding students that are not accessing. You go into a community centre like Matthew Talbot. They are sitting around, not doing much, then all of a sudden you are talking to them; they are coming to a class; they come into a computer class. We are actually running Photoshop with a whole group of homeless men down at Matthew Talbot at the moment, and they are doing great guns, really good. There is a community radio project going on with Lex Marinos as well, which is really amazing, which is like having all of a community and homeless group on the air. They are presenting on air—and all those sorts of skills are just so amazing.

Senator URQUHART: It is amazing. Twenty-two thousand people is huge.

Dr Couch: Across the state, yes.

Senator URQUHART: Effectively, I guess, a large bulk of those 22,000 would be people that you would not normally have coming in, walking in off the street. You actually go out and find them.

Dr Couch: Yes.

Senator URQUHART: In terms of the funding, I just want to go back, Ms Highet, to when you talked about the injured worker. You talked about the foundation course and the support level for that. On the funding for that sort of stuff, is that something that is currently funded, and is that something at risk that you are concerned about?

Ms Highet: I talked to my head teacher about the kind of funding that we were getting. From 2009 to the funding for last year, we lost 8.2 per cent. That is not the full story, because we have also had a shift now where teacher costs have shifted from the central organisation to the section, so, if someone is sick, we have to pay their sick leave as well, so we are hit twice with salaries, so we have actually lost more than that.

Senator URQUHART: What does that mean, though, in terms of services? What does 8.2 per cent plus mean?

Ms Highet: It means we are offering fewer classes. We used to have lunchtime computer classes; they have gone. We have cut our literacy classes at night from two to one. We have cut back hours, so we do not do the full term because we cannot afford to. We are trying to provide as much as we can with a diminishing budget.

Senator URQUHART: In terms of those 22,000—

Ms Highet: That is outreach.

Dr Couch: I think we need to get back to you with those correct figures.

Senator URQUHART: Yes, if you could take that on notice, because it is a provision that is out there assisting some of the most vulnerable members of our community and if funding is cut or it is taken off-line from TAFE, who picks that up? Or does nobody pick it up? And then what happens to those people?

Dr Couch: You sort of undo things, don't you?

Senator URQUHART: You unravel all the good work that has been done, but you are then not picking up the issues that are out in the community.

Ms Highet: The other group that I have not mentioned at all is our language teachers. We also do the English programs for new arrivals. I have not talked about that at all. And they have also taken a big hammering, and they lost a lot of the contestable funding.

Senator URQUHART: Just to very quickly sum up, what would be your ultimate outcome at the moment, in terms of what you want? Or what do you not want to see happen—is that a better way of putting it?

Dr Couch: I suppose I do not want to see what has happened in Victoria happen in New South Wales—I really do not. I think it is quite counterproductive. I really do not think that that particular market based model works effectively in education. And if we are investing for the community, we need to be very careful about what we are doing. The community includes business as well. We need to be very careful about how we invest that public dollar. I suppose we are a very robust and strong institution, so to fragment us for the sake of a market model—I do not think it is a very valuable thing to do.

Senator URQUHART: I do not want to put words in your mouth, but would it not be good economic sense?

Dr Couch: It is not good economic sense.

Senator URQUHART: From a broader perspective?

Dr Couch: No, that is right—not at all. It is always presumed that TAFE is very high-cost, but we are actually really flexible and we are highly casualised already. We are actually good value for money, I think.

Senator URQUHART: Just very quickly: I do not know whether you have done any statistical follow-up, but if you have information can you provide it on the outreach program and on the successor of that? How many people who have gone through the outreach program have been able to go out and find employment and get off the public purse, for want of a better term? Do you have that information or can you provide it?

Dr Couch: I did actually bring along an evaluation, which is a good example of a three-year, well-funded program, which has all the wraparound services.

Senator URQUHART: Are you happy to table that?

Dr Couch: Absolutely; that is a public document.

Senator URQUHART: Thank you.

Dr Couch: I just do not know where I am pulling these figures out of my head from at the moment, but I just remember reading that we actually had a very high level of enrolment over the past few years. Now everyone is gearing up for this new market, and so basically there are different models coming into play. So the delivery of outreach is becoming quite patchy across the state, which is a real shame. It is just people responding; it is the New South Wales system responding to what they expect is going to happen.

Ms Highet: I can certainly try and get the figures on how many people are covered across the state and the kinds of programs there are.

Senator URQUHART: That would be fantastic.

Ms Highet: I am not sure I can get you the trajectory of them—

CHAIR: We do not want to add to your workload.

Dr Couch: No, we have a lot of case studies around.

Senator URQUHART: Then if you are able to provide what you have got—just to give us a broader picture of the effect—that would be fantastic.

CHAIR: Thank you, Ms Highet and Dr Couch, for appearing today. It has been very useful to hear from our teachers in the TAFE sector, so thank you. The committee will now adjourn.

Committee adjourned at 16:59