



Speech by

Hon. P. BRADDY

MEMBER FOR KEDRON

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MINISTERIAL STATEMENT
TAFE Queensland

Hon. P. J. BRADDY (Kedron—ALP) (Minister for Employment, Training and Industrial Relations) (9.43 a.m.), by leave: The treatment of TAFE Queensland by the previous Government was a matter of great concern to us when we were in Opposition. We were concerned that a great Queensland institution—an institution which has touched the lives of many Queenslanders—was being sacrificed on the altar of economic rationalism. We knew, because we were hearing it from staff, we were hearing it from students and we were hearing it from their parents. They were telling us that TAFE was being strangled by the Borbidge Government's policies and the gung-ho bravado of then Minister Santo Santoro wanting to prove he could out-rationalise the best of the economic rationalists, even if it was at the expense of the institution, its staff and students.

Before our election, Labor made a commitment to introduce a 10-point plan which would ensure TAFE would continue to provide a wide range of vocational education and training opportunities, remain viable and, most importantly, remain in public hands. We were concerned that the introduction of user choice training and competitive funding—which was introduced at a faster and higher rate in Queensland than in any other State—would reduce the quality and the future viability of TAFE.

One of my first decisions was to establish a task force to review the state of TAFE Queensland and its performance and to advise on implementation of the 10-point plan. Its preliminary analysis on the current financial position of TAFE, its immediate budget and the impact of competitive funding and user choice is alarming to say the least. In the past two financial years, the Borbidge Government removed at least \$90m from TAFE Queensland's budget to fund user choice and competitive funding. TAFE has been successful in winning back approximately 65% of those funds, which means there has been a real cut in TAFE services in the order of \$31m.

Funding to support curriculum development has been reduced from \$1.6m per annum to zero. In addition, TAFE has suffered a decline in minor works and maintenance of \$6.43m and a cut in expenditure on new buildings, technology and equipment of \$13.24m in the 1997-98 financial year. This pillaging of the TAFE budget was intended to continue at the rate of an additional \$10m a year until the year 2005.

Faced with a system falling into disrepair and cost overruns, the then Borbidge Government sought advice and was told that, if it did nothing, TAFE Queensland would face a black hole of between \$59.6m and \$90.6m by the year 2000—a possible black hole under the Borbidge Government by the year 2000 of up to \$90m. If the former Government had proceeded down this path, TAFE would have needed a massive injection of funds to cover staff redundancies, new systems and business initiatives if it was to survive.

In its efforts to hide the emerging funding problems and the black hole, an analysis was initiated by the Borbidge Government of a scheme similar to the Federal Government's HECS, which would have meant new and higher charges for students. However, the analysis showed that funding raised in this way would not cover the black hole, and we have the documents to prove it. Yet, despite being warned of the consequences for TAFE and being unable to find a way to deal with those consequences, the Borbidge Government went ahead with its policy of continuing to slash TAFE Queensland's budget. What has the effect been on TAFE?

Preliminary analysis has revealed the cost overrun of TAFE Queensland's budget in 1997-98 was at least \$27.3m—the start of a huge, unfunded black hole. The gross mismanagement of TAFE Queensland by the Borbidge Government was underlined by its handling of staff redundancies—VERs—in its misguided and ideologically driven push towards competition. In 1996-97, TAFE Queensland was provided with a loan for \$4.6m to pay for redundancies. In 1997-98, it received a further \$18.8m for more VERs. We now find that the \$18.8m was a loan, but this was not how it was described in the Budget papers. This deception on the Queensland public was clearly designed to hide the sheer size of the black hole from the people's view. And what was the end result of this expenditure of \$23.4m on redundancies over two years? The end result was that there were 440 fewer teachers and 313 more public servants. Of course, this caused unnecessary heartache and the ruin of many careers. \$1.2m of the 1997-98 funds were even used to bail out one institute facing a budget shortfall. That was maladministration on a grand scale.

So rapid was the increase in competitive funding that TAFE was forced to compete for funds to cover fixed costs and the wages of permanently employed teaching staff. Not surprisingly, they dropped their efforts in other areas. The consequence was that industry-funded training in the State's 16 institutes in 1997-98 declined from \$24.5m to \$16.3m, a drop of \$8.2m in revenue. In other words, in Mr Santoro's much-touted, much-heralded Year of Training, industry in Queensland actually spent 33% less buying training from TAFE than it did the year before.

TAFE is now forced to fund curriculum development entirely from the revenue it earns and endure a run-down in existing assets and a reduction in funds for the purchase of new equipment and the building of new facilities. In just two years of ill-conceived ideological zealotry under the Borbidge Government, TAFE Queensland moved from a managed rate of change, which allowed time to make the transition to a competitive training market, to the brink of ruin. Upon completion of our analysis of TAFE Queensland's financial and administrative position, the Beattie Government will get on with the job of addressing the urgent funding and organisational needs to restore TAFE to its pre-eminent role in Queensland's training market.
