

Speech to WAVE conference – Sally Thompson

First I'd like to pay my respects to the traditional owners of the land on which we stand, and to their Elders past and present.

The topic of this panel is quite broad so I thought I would take the opportunity to go back to first principles and ask the most basic of questions, What is Adult and Vocational Education for, whose interests does it serve and why should we encourage women to take part in it. Like many of you I've dedicated a good part of my working life to adult and vocational education particularly for women and some of things that I tell myself to be inspired to get out of bed in the morning are that VET improves women's lives, it is linked to better work outcomes which in turn give women the financial security that underpins their autonomy and progress. I'd probably also say that education is essential to the maintenance of a cohesive society and to women's capacity to engage in civic and social life.

These are the sort of conversation that many of us have all the time, in our workplaces and at conferences like this one. It's the sort of things that we write about in journals and magazines. However, I think it's probably safe to say that these conversations are not occupying much of the time of politicians, education bureaucrats or those employed in the various educational think tanks at the moment. I would suggest that the hot topic of the day in VET policy circles is the emerging challenge of what economists call "doubtful debtors" that is, people who never earn enough money to pay back a debt. The reason, of course, that it's such a hot topic is that largely as a result of the rapid privatisation of VET and Further education, and the expansion of income contingent loans into the VET systems, Australia hosts a new and rapidly expanding cohort of these "doubtful debtors".

You would have to have been living under a rock to not know that the Federal Government has paid out over 3.1 billion dollars in VET FEE HELP loans up to the end of last year, and that substantial amounts of that debt went out for poor quality courses with completion rates in some providers of around 10%. However, what rarely gets talked about in the newspaper reports is that two-thirds of VET Fee Help borrowers are women. Most of these graduates, (if they do, in fact, graduate) will go into low paid and increasingly insecure feminised industries, and because women continue to carry the burden of supporting our society's children and old people, and need time out of the workforce to do so, a very high proportion will go to their graves with a debt for an education that gave them a pathway into low paid highly casualised work.

Professor Barbara Pocock introduced the term "shallow career ladders" to describe the lack of a pathway out of low paid work for many Australian women with or without VET qualifications. Her research into the low paid workforce showed that for many poor working women, qualifications provided no return on investment at all and even negative return on investment because low paid workers were undertaking training just to keep their current job, not for career progression or higher pay. Her research suggested that while intensive government investment in literacy and numeracy training was helpful to shift the entrenched disadvantage of these workers, simply putting women through entry level VET qualifications was of no value. And what's really terrifying is that Barbara Pocock did this analysis in 2011, before the wide spread privatisation of VET and the resultant debt burden on working class women. If VET represented a negative or non-existent return on investment for many women then, what on earth must the value of a VET qualification be for women now?

So while we discuss women's participation in adult and vocational education, our current Minister for Education, Simon Birmingham is having a very different conversation. He is working out how to take the "income contingent" part out of "income contingent loans." When HECS was introduced in the university sector, it was based on the principle of public / private benefit. Graduates, we were

told, earn significantly more than the average citizen, so it is only fair that they contribute something towards their education from this largesse, or private benefit. The Wran Committee, the architects of HECS, suggested 20% was fair. Over time this increased to closer to 50%, but the basic principle of private benefit forming the basis of the individual's contribution, and public benefit forming the basis of the government's contribution continues to underpin the HECS scheme today. For VET, however, no such principle exists. VET Providers are free to decide their own fees, with no regard at all for the future income earning capacity of the recipient up to a limit of \$97,728 and they are free to entice learners into a lifetime of debt to pay for them.

So here's some of the policy conversations going on about what to do with this mess:

The Grattan Institute's Andrew Norton suggests we chase doubtful debtors not just to the grave but beyond the grave by taking their HELP debts from their "estate". I love the word "estate" it implies vast lawns and big buildings, but in his discussion paper he admits that for most "doubtful debtors" their "estate" would comprise the family home.

The Mitchell Institute's Peter Noonan suggests that income contingent loans are such a great idea that they should be introduced to all Certificate 3 and 4 level courses. Why carry thousands of dollars of debt for a dodgy Diploma when you can triple that debt just to meet roughly the same level of qualification that academically inclined kids get for free at their local public school.

HECS architect Bruce Chapman adds to Noonan's idea by suggesting that the income level at which VET learners start to pay back their HELP debts be reduced in order to ramp up repayments from poor women. Stating the bleeding obvious in an article for *The Conversation*, in July of last year he says, "when compared to university graduates, Certificate III and IV completers have low incomes, and, for women, low employment outcomes" which means that "ICL subsidy ratios may reach perhaps as high as 60 per cent for female Certificate III debtors."

It's a bit tragic when you start feeling nostalgic for the days when economists used to talk about public / private benefit. Remember that old favourite? Part of the reason that income repayment thresholds were introduced with HECS was that many women may not ever reach the threshold because they work in highly feminised caring professions like nursing and teaching which have a high public benefit and a low private benefit. But that economic principle only counted, before we had to solve the debt crises created by the very policy makers who now want to sell up the family home from dead hairdressers and child care workers.

In his *Conversation* article Bruce Chapman made the extraordinary statement: "The fact that the HELP system has worked well in Australia for over 25 years is an important institutional and policy consideration." The thousands of women with a dodgy VET qual that no employer will touch and thousands of dollars of VET Fee Help debt, might well be asking: 'worked well' for whom?

I haven't got time to go through all the gross disparities between the loan systems for VET student and the system we have in place for Higher Education students but suffice it to say that long after the day that women law graduates have paid off their education, the women who cut their hair, care for their kids, and help their mothers into the shower will be still carrying a debt for their education. But in the new economic reality the very definition of "equity" has changed. It no longer has anything to do with income, capacity to pay, and valuing unpaid labour. Increasingly, when education policy makers talk about "equity" they mean making sure that mostly working class women don't get away with not paying back their newfound debts. A good example can be found in Bruce Chapman's *Conversation* article that I quoted earlier. Chapman says:

“there is a question of equity within the pool of all students: if university graduates are repaying most of their loans, is it fair if Certificate III debtors repay much smaller proportions of their loan debt?”

I think tough times call for tough language, so I'm going to make a unequivocal statement at this feminist conference: you can't be a feminist and support the privatisation of public education, and you can't be a feminist and support the race to the bottom on tax that erodes our public institutions and services. In fact I would say that the primary role of feminism at the moment has to be halt the assault on our public services and institutions because women overwhelmingly pay the price for each new neo-liberal experiment. And while I'm speaking plainly I'm going to go right out there are say I don't give a rats whether we have a woman education minister in the new government, or more women on the front bench or another woman Prime Minister, or if Rebecca Maddern continues to replace Gary Lyons on the footy show, if the policy trajectory stays the same. None of that stuff matters one jot until we can halt the ongoing attacks on our education system by neo-liberal ideologues. So I say, lets stop pretending the current VET and Further education systems improve women's lives and provide them with financial security and build a more cohesive society. Let's stop talking to each other in the comfortable bubble and start fighting for a VET system that's worth getting out of bed in the morning for.