Hidden reports tell of job cuts

THE Victorian government has buried independent reports which apparently prove it had prior knowledge that its vocational training budget cuts could cost hundreds of jobs.

TAFEs have estimated the May 1 funding cuts will cost about $300 million and up to 2100 jobs. Skills Minister Peter Hall has dismissed the claims as "premature" and "speculative".

However, it has now emerged the government engaged consultancy group KPMG to model the financial impact of the "reduced budget envelope" on each TAFE.

TAFE directors didn't know the reports had been compiled until KPMG revealed their existence in a letter offering consultancy services.

The government has refused to release the reports to the TAFEs, the opposition or The Australian. "As these reports were presented to cabinet, they are subject to cabinet-in-confidence," an Education Department spokeswoman said.

The department has knocked back TAFE requests to see the reports.

Premier Ted Baillieu refused to say whether he would release the reports when asked about them in parliament last week. He would not refer to the reports or name KPMG despite repeated questions from the opposition.

TAFE chief executives say departmental officials have indicated the modelling broadly corresponds with their own estimates that the cuts will collectively cost them about $300m.

Private colleges estimate they will be out of pocket by at least $90m, so total losses across all colleges could exceed $400m. The government has said its cuts will reduce spending on training subsidies by $100m. Mr Hall has accused TAFE chief executives, the Australian Education Union, the opposition and the federal government of "talking down TAFE".

However, four TAFEs have already announced cuts totalling about 130 jobs. Most institutes have indicated they will follow suit, with a smaller wave of redundancies in the middle of the year likely to be followed by mass layoffs in summer.

The private college peak body ACPET has predicted 4800 job losses among its 300 members.

Brian MacDonald, who recently retired as chief executive of Northern Melbourne Institute of TAFE, said the government was sitting on the reports because they exposed the real magnitude of the cuts. He said TAFEs were required to develop detailed cashflow projections over the next three years as part of transition plans required by the department in early September. "The KPMG information could be very helpful," he said.

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