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## Setting the scene

The Northern Territory occupies the central northern portion of the Australian continent. Geographically, it is the third biggest jurisdiction in the nation but it has the smallest population of all the mainland states and territories at almost a quarter of a million residents. In 2014, about half of these people lived in the capital city, Darwin, while the remainder were widely scattered across the territory. The climate ranges from the monsoonal savannahs of the far north to arid rangelands in the south central areas. These conditions have traditionally been viewed as challenging for many European economic and social development endeavours. On the other hand, the entire Northern Territory landscape has an ancient and varied Indigenous history dating back many millennia, and this heritage continues to influence many of the political and economic decisions made at both local and national levels regarding the governance and future aspirations of this still-frontier province. While Aboriginal matters will feature prominently in this account of how governments have made use of vocational education and training in the Northern Territory, this is essentially a story about the impact of European social, economic, bureaucratic and political practices in a remote and sparsely populated region. The history of today's Charles Darwin University and its position as the Territory's largest provider of vocational training is not the primary object of this story as its development is well documented by Berzins and Loveday (1999) and more recently added to by Webb (2014).

Taking a lead from Heatley (1979, pp. 10–11), the political history of the Northern Territory can be roughly divided into five major time spans:

- pre-1863 era of discovery and abortive European settlement;
- South Australian administration 1863–1911;
- early Commonwealth control 1911–46;
- late Commonwealth control from the post–World War Two period to 1978; and
- era of self-government from 1978 to the present.

Each of these time periods will be considered in turn in order to develop the central proposition that structures this narrative—vocational education and training has been, and continues to be, deployed as a tool of governments to achieve desired social and economic outcomes. It will also be argued that elected government ministers have utilised vocational education and training as a philanthropic intervention into the lives of Northern Territory residents. As a corollary, if one wishes to understand the decision-making process used by ministers and, consequently, how the training system works, knowledge of philanthropy and its related behaviours will provide a highly productive perspective.

Schervish (1998, p. 600) describes philanthropy as ‘the social relation of care in which individuals (and groups) respond to the moral invitation to expand the horizons of their self-interest to include meeting the needs of others’. The defining characteristic of philanthropy is the type of social signals it responds to rather than its institutional characteristics. In analysing the behaviour of Northern Territory Government ministers, the focus will concentrate upon a specific style of philanthropy—the distinctive contributions that are made by the very wealthy (Schervish, Herman & Rhenisch 1986). The Northern Territory ministers have control of the more than \$100 million each year that is spent on vocational education and training (Productivity Commission 2014, Table 5A.1) and they determine how to redistribute this substantial sum to organisations and individuals to provide both private and public benefit. The phenomenon described here is not a case of simple political patronage or pork-barrelling; it is much more complex and has a positivist moral goal of improving society by managing the behaviour of the citizens who elected the minister in the first place.

Furthermore, it will be proposed that interested parties can more effectively influence the policy-making and distribution of public funds allocated to vocational education and training if they understand how philanthropists think and act rather than traditionally focusing solely upon the operations of bureaucracies. It will be contended that decisions about the financial and programmatic elements of vocational education and training in the Northern Territory are made by a minister who is elected to serve as the philanthropist of the public's combined resources. Highly successful ministers have not allowed public servants to dominate their own finely tuned political instincts and knowledge of their electorates in determining how the public largesse is distributed. While the various government agencies have an important role to play in shaping the success or failure of any particular training program, their place in the decision-making process is subordinate to the minister. Because the national training system is complex and highly bureaucratized, most participants and stakeholders in vocational education and training attempt to prompt policy direction and, more importantly, resource allocation through institutionalised processes. This narrative proposes that while it is necessary to deal with the multitude of training committees, departments, reviews, providers, licensing/registration boards, commissions, authorities and regulators, that alone is not sufficient to understand how vocational education and training operates and which considerations make the most impact upon ministerial decision-making.

In order to truly shape the highly politicised vocational education and training agenda, an alternative construction of how the system actually works is required—one where the Northern Territory Government minister with responsibility for training operates as a wealthy philanthropist. Even though the munificence displayed and enacted by the minister uses public rather than private resources, the people of the Northern Territory expect, indeed demand, this type of behaviour. Ministers and governments that are not perceived to be responsively philanthropic in their behaviour are punished at election time and replaced with a set of ministers who are more closely attuned to the intensely personal lifestyle aspirations of the miniscule electorates that return the 25 members of the Northern Territory Legislative Assembly every four years. The repeated re-election of the Country Liberal Party for the first 26 years of self-government and the 11 years of Labor rule that followed demonstrates the success of ministers minding the social and economic interests of the electorate. As described by Weller and Sanders (1982, p. 40), 'because of electoral susceptibility, nothing is too small or trivial

for a Northern Territory minister'. Heatley (1998, pp. 73–74) observes that incumbency in a seat offers a strong positive advantage for an elected Member of the Northern Territory Legislative Assembly for 'those who attend to constituency duties diligently' while those who are perceived as 'not being sufficiently attentive' face electoral oblivion.

With the introduction of European styles of governance into the Northern Territory, two idiosyncratic Australian political traits have guided the development of vocational education and training. As described by Hancock (Manne & Feik 2012, p. 2), Australians have a distinctive and peculiar expression of their individualism characterised by reliance upon the state—an entity that is seen as a 'vast public utility' for the satisfaction of needs. In describing the responsiveness of Northern Territory Government ministers to pressure groups and local electoral attitudes, Heatley (1979) proposes that this reliance on public resources has become the 'epitome' of the Territory's political culture. Notwithstanding, the Northern Territory experience is only the provincial expression of a much more pervasive national ambivalence towards economic development that pays homage to free market principles while simultaneously expecting governments to intervene for the public good and generally prevent market failure.

Australian governments generally support market-based approaches, but this has been tempered by a domestic form of 'colonial socialism' (Butlin, Barnard & Pincus 1982, p. 13) characterised by the use of public interventions to attract financial capital and labour in support of private interests. In addition, social and some economic developments have been achieved through direct market participation by government bodies in areas such as banking, railways, air travel and essential services provision. Throughout the twentieth century, 'a variety of private interests were able to attract discriminatory benefits from public business in a way and to a degree that would not have been possible had these undertakings been conducted privately' (Butlin, Barnard & Pincus 1982, p. 341). When these benefits were combined with the early adoption of non-market mechanisms to redistribute national wealth through a variety of social welfare entitlements such as universal education, invalid pensions, old-age pensions, unemployment benefits and health programs, Australia from 1908 had become 'something of a social laboratory in the Western world' (Butlin, Barnard & Pincus 1982, p. 337). As will be shown, many commentators believe that with the 1911 Commonwealth assumption

of responsibility for the Northern Territory, this social experimentation could be conducted without fear of political consequences or even superficial public debate.

A second attribute has developed in conjunction with the expectation of government support for private interests. National, state and territory governments are preoccupied with concerns about how to manage the population through the physically least coercive means. Foucault proposed that the whole purpose of government is 'the conduct of conduct' in advanced market democracies (Burchell, Gordon & Miller 1991, p. 48). The Australian Public Service Commission (2007, p. 5) unequivocally claims that 'public policy is most concerned with attempting to change citizens' behaviour'. The Commission has found that in formulating good public policy it is necessary to move beyond rational choice models where a simple calculation of costs and benefits will determine a person's behaviour. More subtle considerations are required that take into account the scarcity of a product or service. If citizens perceive that ministers can furnish an unlimited supply of vocational training, for example, it is unlikely to be highly valued and comes to be expected as a 'free service' in the absence of price signals in a competitive market. In addition, most citizens heavily discount future costs or benefits when compared to immediate expenses and advantages (Australian Public Service Commission 2007, p. 12). This bastion of public policy also subscribes to the idea that those who live in the direst social and economic circumstances apply an especially high discount rate, making it less likely they will voluntarily make longer-term investments in their own health, welfare or education. In these circumstances, the demands for a philanthropic intervention are all but irresistible to those ministers who have sought and accepted responsibility for managing society.

Because vocational education and training is frequently deployed as part of the solution to almost every social and economic problem facing governments of advanced market democracies (Zoellner 2013b, p. 65), it is a particularly well-suited public policy tool that gives effect to this type of public philanthropy. More pragmatically, training is one of the few major policy areas that remain in the control of various state and territory governments when compared to the Commonwealth Government's financial and legislative clout. The political battles over control of vocational education and training have featured prominently in the relationships between the federal, state and territory governments since

World War Two (Tannock 1975; Whitelock 1973). In describing funding disputes associated with the establishment of a national training system in 1990, the Northern Territory Department of Education Secretary stated:

The Commonwealth is quite blatantly using its financial power to bludgeon States into accepting those resource agreements or risk the funding being given to other States and Territories. It seems likely that this process will continue unless there is a concerted action by all States/Territories to resist. The trend will continue if the States compete against each other and the Commonwealth is able to play one off against the other (Northern Territory Archives Service 1985–1990).

In February 1992, the Commonwealth Government offered to fully fund a new national vocational education and training system as part of the Prime Minister's economic statement *One Nation* (Goozee 2013, p. 353). Although this course of action was rejected by the various state and territory leaders, it paved the way for a compromise solution to the perceived problems of national consistency of training content, levels of qualifications and funding arrangements as part of a much broader agenda of micro-economic reform that included a strong emphasis upon increasing the level of private sector competition faced by government agencies. The various governments settled upon the creation of the Australian National Training Authority to guide national efforts in the training arena. While this Authority no longer exists, having been disbanded in August 2005 by the Commonwealth Government, it ensured that many of the features of the current national training system were established in pursuit of nation-wide standards, recognition of qualifications, labour mobility and more market-driven provision of training by both public and private training organisations.

The Northern Territory was at the forefront of adopting and enacting the policies associated with the broader reform that was to be driven through the newly formed Council of Australian Governments. In May 1992, the Northern Territory Chief Minister, Marshall Perron (1992, pp. 2–3), linked vocational education and training to:

increased cooperation among governments in the national interest, reforms to achieve an integrated, efficient national economy, and a single national market; and continuing structural reform of government and review of relationships among governments.

Perron went onto describe the specific vocational education and training agreements that had been reached by the national, state and territory leaders. These included a major increase in the level of vocational education and training provision with a national priority given to reducing youth unemployment, further national reform that included increased competition, the introduction of quality systems and national recognition of qualifications. Unsurprisingly, matters of funding and administrative arrangements were ‘yet to be resolved’ (Perron 1992, p. 14).

This was a fairly easy set of commitments for Perron to take to the national heads of government meeting because in February of the same year his Education Minister, Shane Stone (1992), had already announced a ‘new era in vocational education and training’ for the Northern Territory. The major features of Stone’s statement to the Legislative Assembly included greater devolution of operational decision-making to local industry and colleges (coupled with increased centralisation of funding and policy decisions through the establishment of the Northern Territory Employment and Training Authority), government funding for both public and private providers, competency-based training, recognition of prior learning mechanisms, national standards for providers as well as recognition of interstate qualifications. In reflecting upon his time as Minister for Education and Training and a cooperative attitude towards the Australian Government minister, Stone states, ‘John Dawkins and I worked well at Ministerial Council level and our mutual commitment and interest in a national training and vocational education structure paid handsome dividends for the Territory’ (Martin & Dewar 2012, p. 95).

In its 1997 review of the commitment of the various state and territory governments to microeconomic reform, the Industry Commission (1998, pp. 133–139) described the Northern Territory as a ‘national leader’ in the reform of vocational education and training. One detailed analysis of public policy-making in Northern Territory vocational education and training concluded that, when compared to other jurisdictions, local ministers have had the relative luxury of being able to focus upon policy and funding. This is because the Northern Territory has never operated its own public training system in the format of a government agency and has achieved even greater policy flexibility by referring its quality compliance functions to the national regulator (Zoellner 2013a).

In fact, the histories of the gradual incorporation of training into a national system and the constitutional/political advancement of the Northern Territory demonstrate considerable congruence as parallel case studies of federalism at work, particularly since the mid-1970s. Before embarking on this journey that will plot the centrality of training as a tool of ministerial philanthropy in pursuit of the social and economic development of the Northern Territory, a brief characterisation of current vocational education and training sets the scene for that which has gone before.

The Northern Territory Government's Department of Trade, Business and Innovation describes vocational education and training as one of the strategies being used to achieve social, economic and environmental sustainability. Vocational education and training is highly valued because it provides skills and knowledge that enable an economic citizen to pursue lifelong learning resulting in continued and gainful employment. Training became formally organised in southern Australian colonies in the mid to late nineteenth century with the establishment of adult education in the form of schools of mines, mechanics institutes, university extension courses, workers' educational associations and so forth. Industrial unions also became involved in the early twentieth century when instruction was mostly directed at male apprentices in manufacturing industries. This training was controlled by the states and eventually resulted in 'confusion of institutional eccentricity' represented by the chronically disparate state training systems producing neither the number of skilled workers nor the right skills for a national economy facing a global trading market driven by rapid advances in technologies (Whitelock 1974, p. 269).

In spite of Prime Minister Curtin rejecting the Duncan Review's 1944 recommendation for a national adult education system on the grounds of expense and not wishing to engage in a political battle with the state premiers (Whitelock 1973, p. v), by 1974 national economic problems had become so acute that the demand for the provision of Commonwealth funding to a training sector identified as Technical and Further Education became impossible to ignore (Goozee 2013, pp. 126–127). The various state-based systems came to be identified by the nationally accepted acronym TAFE, which also served as a generic reference to formal training that was provided through the allocation of public funds from state and Commonwealth Government sources in response to the Kangan Review (Australian Committee on Technical and Further Education 1974). As

the Northern Territory was still under the control of a Commonwealth Government that was concentrating on developing the Darwin Community College, local needs for training infrastructure and operating funds were not considered by the Kangan Committee as there was no TAFE system in existence in the jurisdiction.

As described previously, by 1992 the Commonwealth, state and territory governments agreed to establish a national training system to deliver vocational education and training. The term Technical and Further Education now symbolised the institutions and bureaucracies of the large public state-based systems. Government funds have been progressively directed towards both publicly owned and private providers since that time while formal training, and its recognition at one of 10 levels of national qualifications, has been adopted by most major occupational categories and is available to both genders. The national training system is characterised by high levels of industry strategic direction, nation-wide regulation of standards and the centralised determination of industry-specific competencies in training packages produced by the Industry Skills Councils/Skills Service Organisations or contained in nationally accredited courses. The Northern Territory established a 'quasi-market' in vocational education and training in which individuals paid for about 10 per cent of the total training effort and the government-supported arm's-length public institutions, such as Charles Darwin University and Batchelor Institute of Indigenous Tertiary Education, for another 55 per cent of the training delivered in 2012. The remaining 35 per cent of public funding in the Northern Territory was allocated to private training organisations (National Centre for Vocational Education Research 2013a, Table 15).

This national training system has evolved into an extraordinarily complex arrangement (Australian Workforce and Productivity Agency 2013, p. 118). Vocational education and training, as it currently exists, can only be enacted through the cooperation between a state or territory government and the Commonwealth Government. In order to 'do' the national training system, federal policy and funding establishes the general structures and directions. These include registration of training providers, the Australian Qualifications Framework and the collection and dissemination of nationally consistent data through the National Centre for Vocational Education Research. The actions of various state and territory governments allocate the people, locations, buildings, programs and tactics that react to centralised guidance in unpredictable and

idiosyncratic ways reflecting the political economy in each jurisdiction. Contestations at the interface between national policy-setting and local operational management ensures a lack of consistency across jurisdictions and never-ending skirmishes over who ultimately pays for training (McDowell et al. 2011). Instead of presenting a barrier to high levels of ministerial discretion in the use of the vocational education and training, the complexity of the national system provides politicians and bureaucrats with an extraordinary amount of flexibility in the development of public policy because they can pick and choose from a variety of theoretical perspectives related to markets and the possibility of market failure, microeconomic reform, colonial socialism and the role of government in ‘conducting the conduct’ of the citizenry.

The next chapter will turn to the nature of philanthropy and the motivations that guide the decisions made by those who behave in a ‘generous’ manner. Each of the chapters that follow will explore the tension between the predominant Australian rhetoric of a capitalist free market and the seemingly insatiable desire on the part of citizens for government involvement and action in vocational education and training. Some ideas have remained strong through this historical journey, while a handful has fallen out of public favour. Others have disappeared, only to resurface many years later. Viewing the Northern Territory’s development of vocational education and training through the alternative lens of philanthropic behaviour will produce both an inclusive historical account of the sector for the first time, as well as a novel proposition of how the system actually operates.

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