



Funding Equality

Quality For All

TAFE Funding:

The Need for a New Deal

2002 Update

Worth Fighting For

TAFE Works



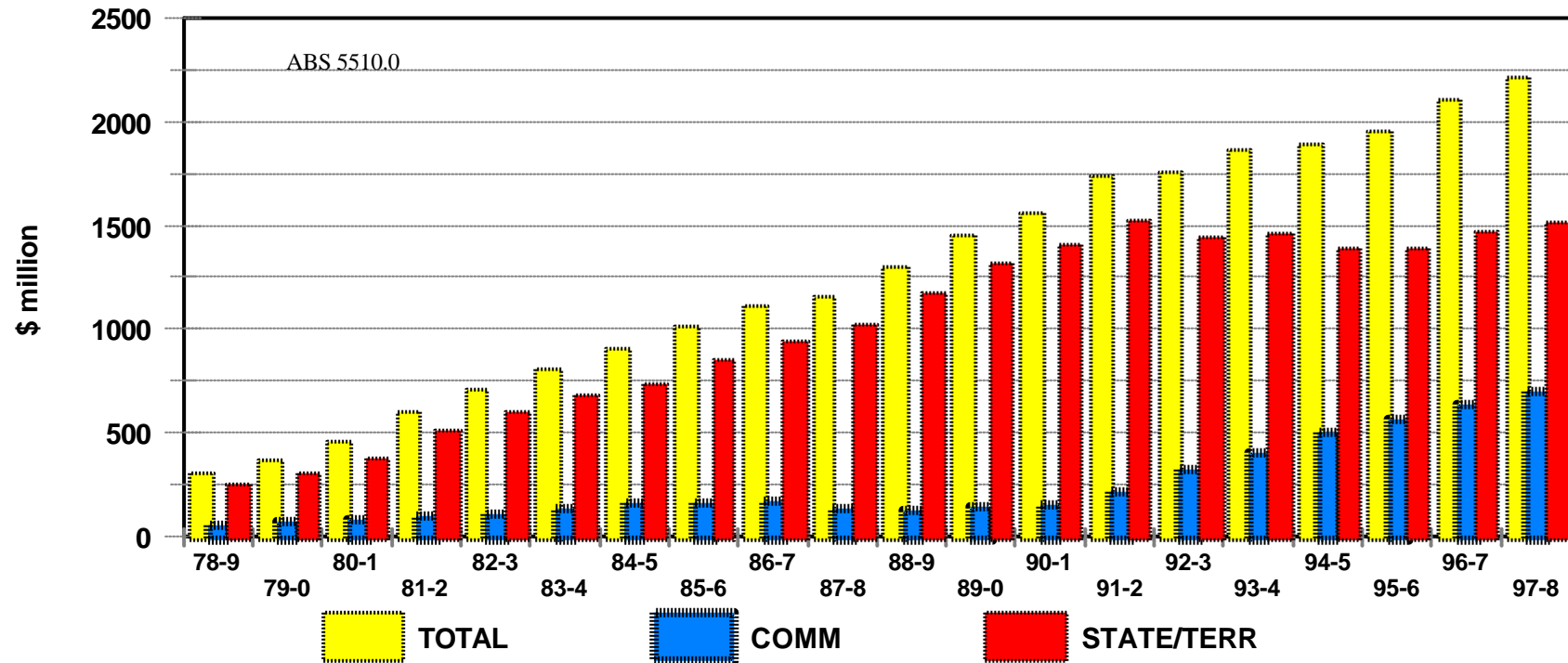
Funding Overview

The Commonwealth provides about 30% of government funding:

- **about 27% of recurrent government funding**
- **about 55.6% of capital expenditure.**

The states and territories continue to provide the bulk of recurrent funding.

CURRENT OUTLAYS ON TAFE IN THE STATES AND TERRITORIES

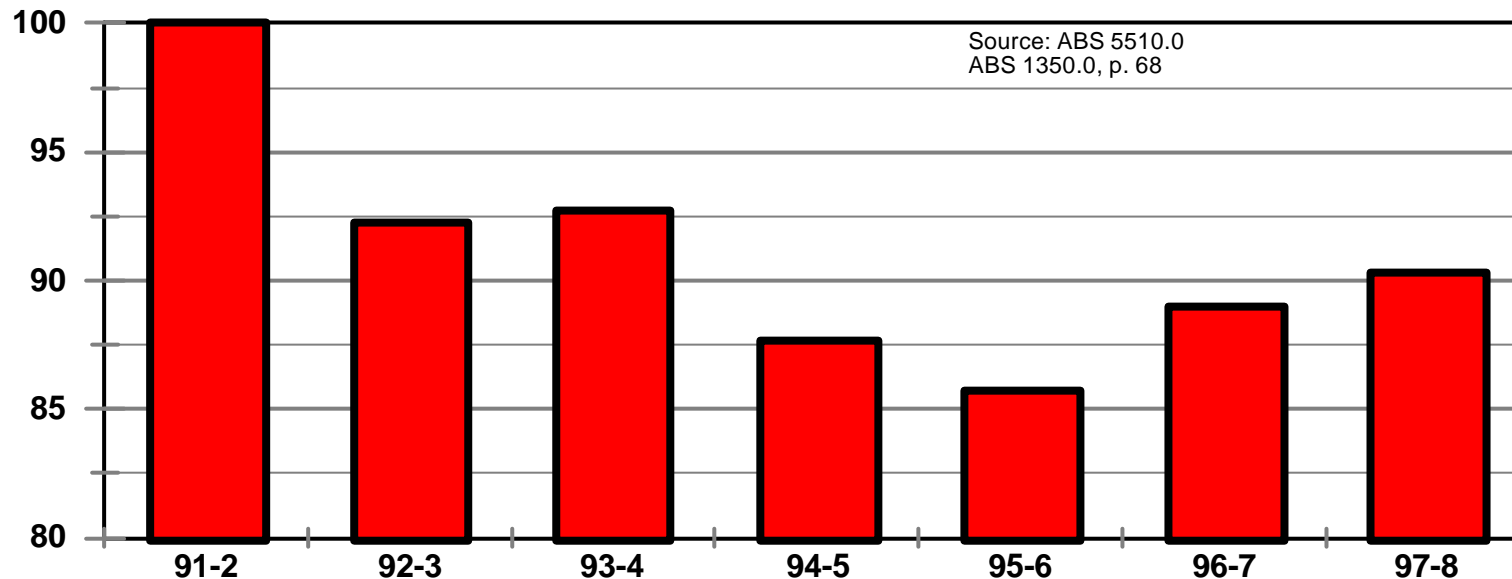


- The contributions of Commonwealth and states have fluctuated over time.
- The Commonwealth contribution declined in the 1980s while its role increased.

Funding by the States and Territories

REAL CHANGE IN VET EXPENDITURE BY THE STATES AND TERRITORIES

1991-92 = 100



- In the early 1990s funding provided by the States and Territories fell while Commonwealth funding increased.
- Overall funding from the states has again been increasing in recent years.

TAFE's Role

TAFE funding structures from Kangan on have generally recognized the complex educational social and economic roles of a VET system.

'TAFE institutes have a clear sense of their role and mission, Governments at both Commonwealth and State/Territory levels have not clearly articulated their vision for and expectations of TAFE'.

(House of Representatives Standing Committee, 1998)

The recent public focus on VET has tended to be narrow, with a focus on industry-driven and on new apprenticeships.

The 1992 ANTA Agreement

The Commonwealth provided:

- **an initial \$100 million for VET**
- **an additional \$70 million per year (cumulative) to fund enrolment growth.**

The states and territories were required to maintain their effort.

Commonwealth Budgets, 1996 and 1997

- **Imposed a \$240 million cumulative reduction in Commonwealth funding for VET.**
- **Cuts to labour market programs also impacted on VET funding.**
- **Funding under the 1998 ANTA Agreement was on this reduced funding base.**

The 1998 – 2000 ANTA Agreement

- **Commonwealth funding for enrolment growth was abolished.**
- **The states were required to achieve “growth through efficiencies” in return for the Commonwealth maintaining its funding in real terms.**
- **The NSW DET estimated the loss of cumulative growth funding cost \$138 million for NSW. This would be about \$377 million across the country.**

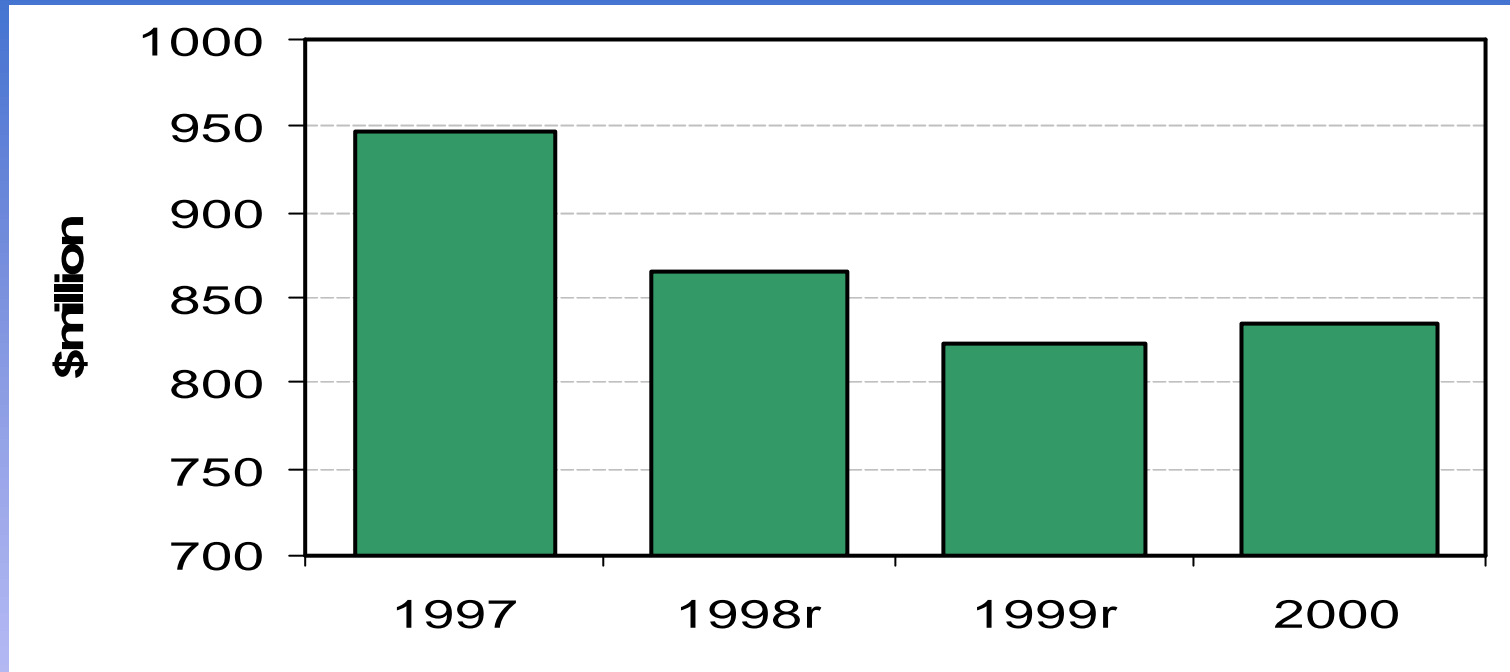
Outcomes

Outcomes for 2000 exceeded planning expectations. Total growth from 1997 to 2000 was:

- **about 32.4 million adjusted Annual Hours Curriculum, or**
- **290,800 additional student places**

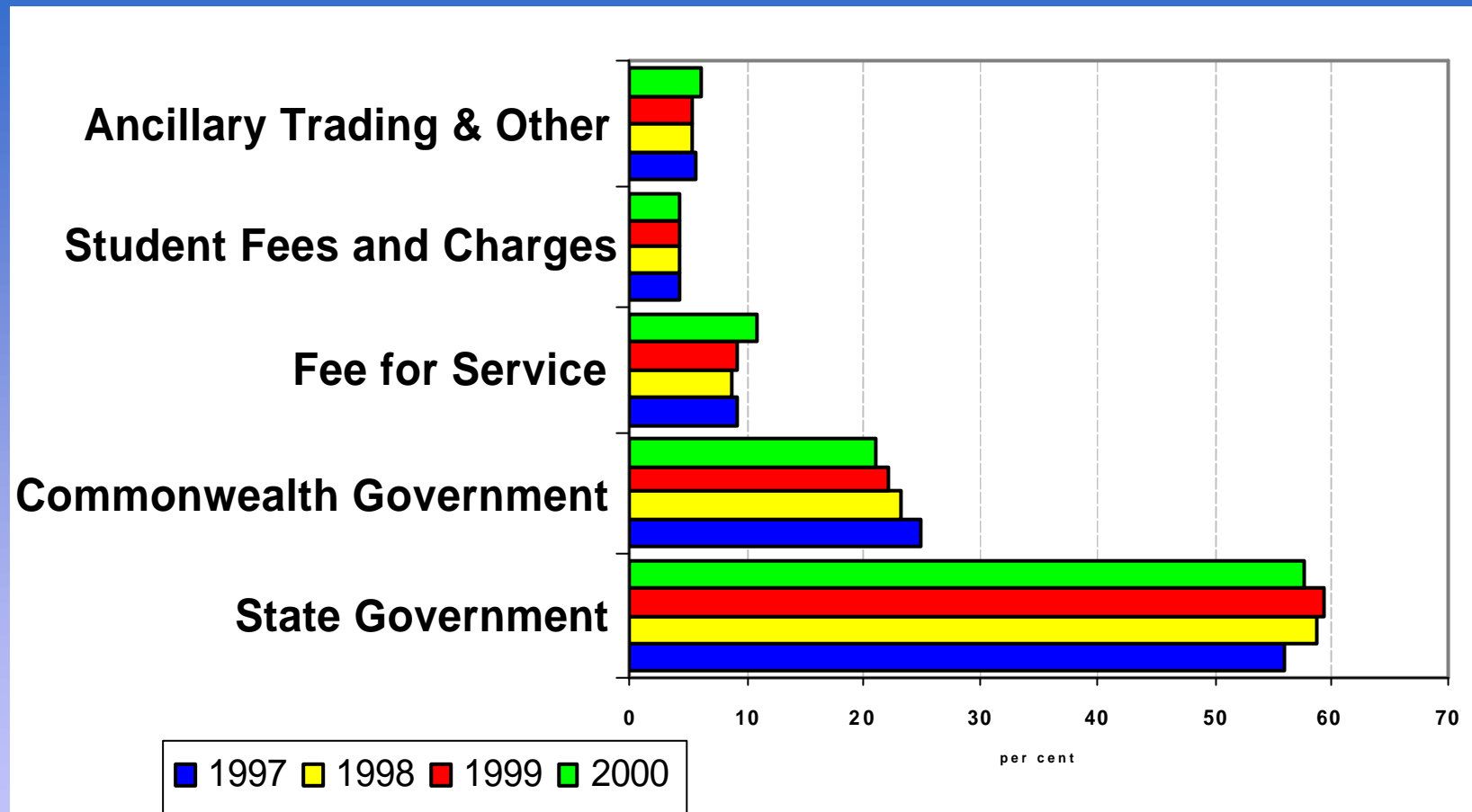
(NCVER, 2001, 1998)

Commonwealth Funding for VET 1997 - 2000



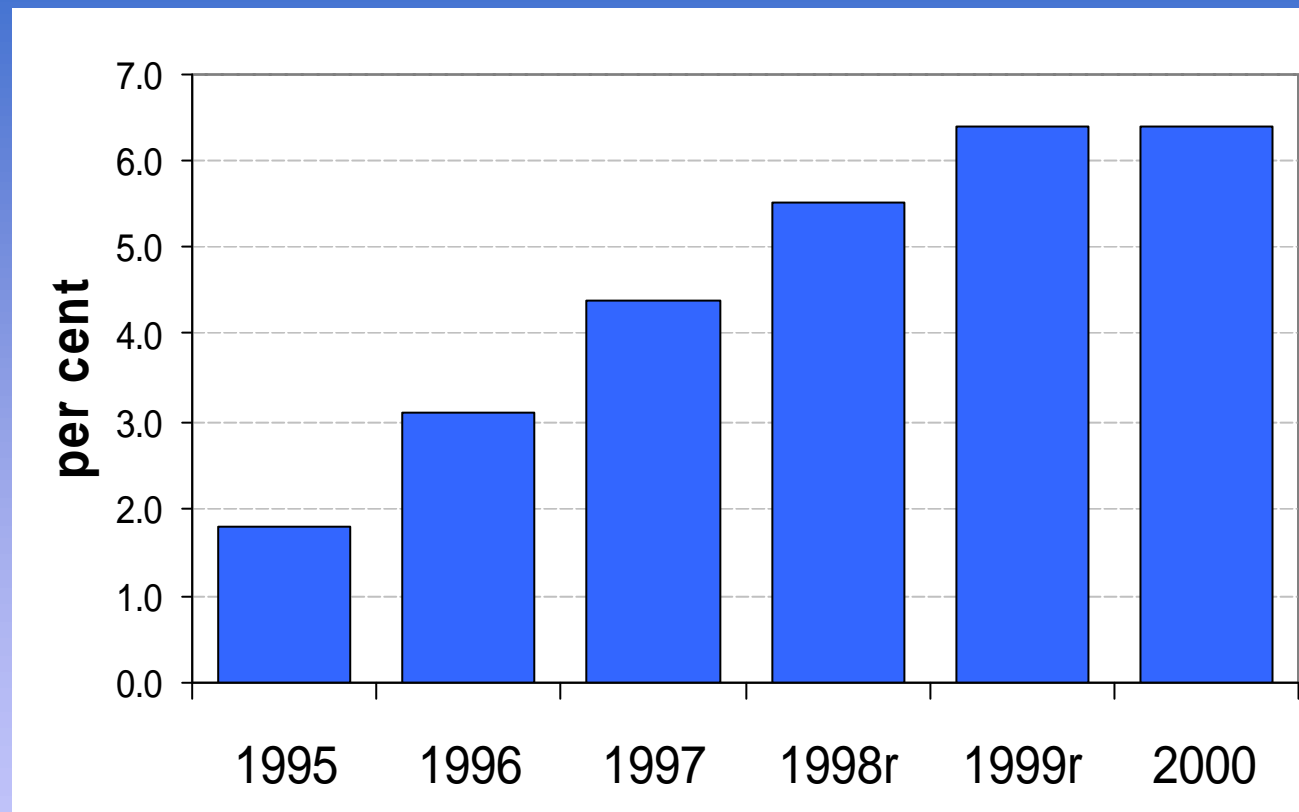
- **The Commonwealth contribution to VET operating revenue fell by \$112.2 million.**
- **This 'neutralised' most of the increase of \$152.2 million from the states and territories.**

Commonwealth Share of Operating Revenue



The Commonwealth contribution to total operating revenue has fallen from 25% in 1997 to 21.1% in 2000.

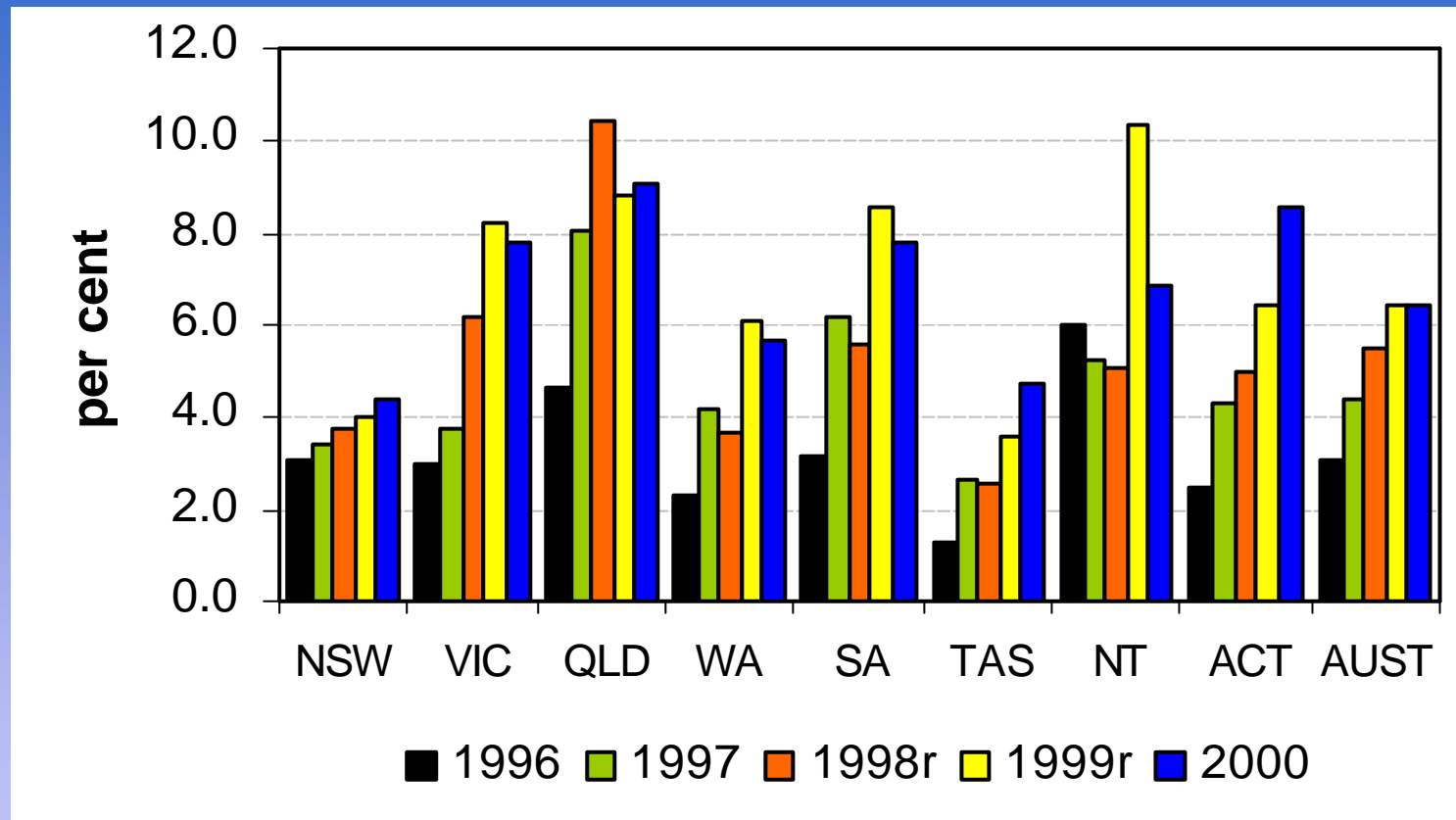
Funding for Non-TAFE Providers, Australia 1995 - 2000



Funding for non-TAFE providers was \$58.6 million in 1995 and \$268 million in 2000.

NCVER 2001; Data for 1997- 2000 is in accrual format.

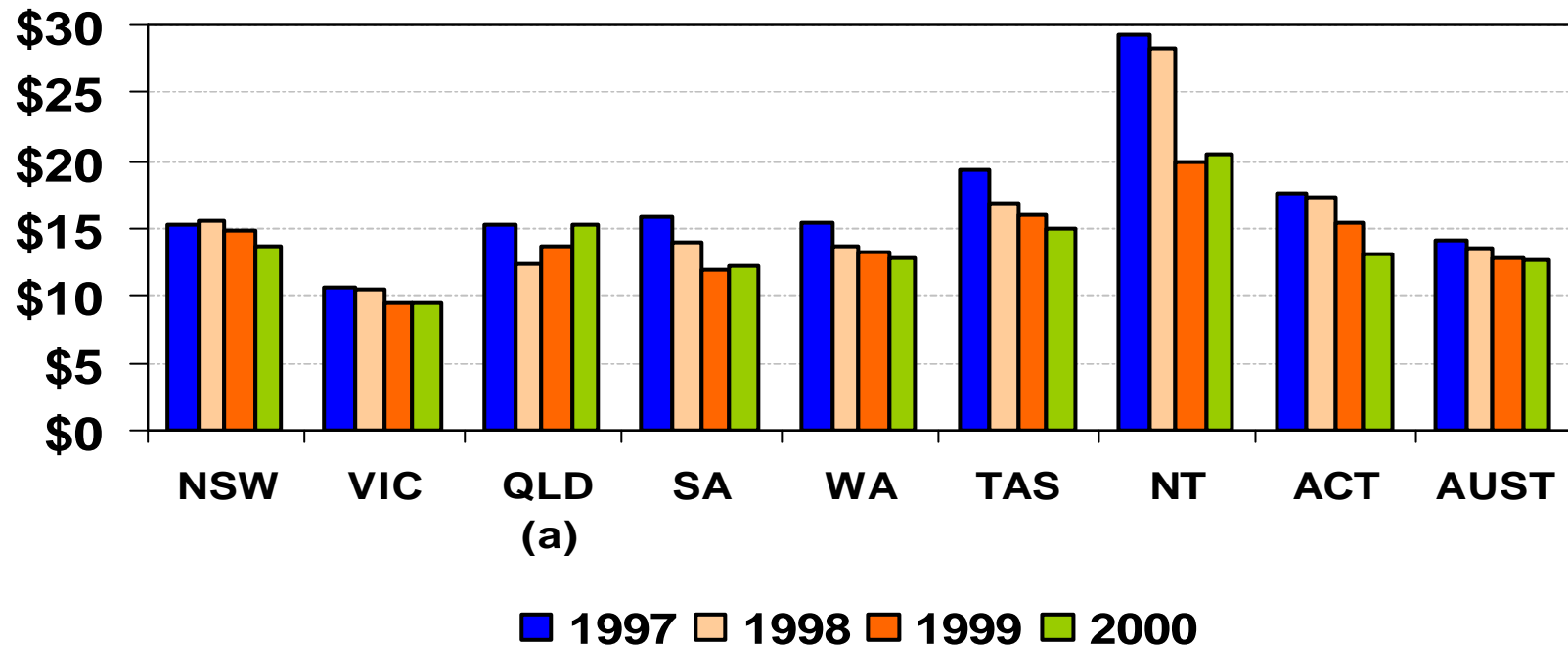
Funding of Non-TAFE Providers in the States and Territories



- The proportion of funding going to non-TAFE providers varies.
- VIC, WA, SA and the NT paid a reduced share of funds to non-TAFE providers in 2000. This was true for QLD in 1999.

Unit Costs per AHC

UNIT COSTS IN 2000 PRICES (ACCRUAL)



The cost per adjusted Annual Hour Curriculum fell from \$14.22 in 1997 to \$12.67 in 2000, in 2000 prices.

ANTA 2001 see report for note re Queensland

Falling Unit Costs

Cost per adjusted Annual Hour Curriculum (AHC) fell 10.9% from 1997 to 2000, in 2000 price terms.

From 1997 to 2000:

- **there was an increase of almost 180,000 student places in TAFE;**
- **employee costs fell from \$2,456.9 million to \$2397.7 million, or from 66% to 64.2% of total expenditure (less depreciation);**
- **expenditure on student services fell from \$164.7 million to \$95 million, or from 4.3% to 2.3% of total expenditure.**

(NCVER 2001, 1999)

Unmet Demand for TAFE

35,200 student places in 1998

45,800 student places in 1999

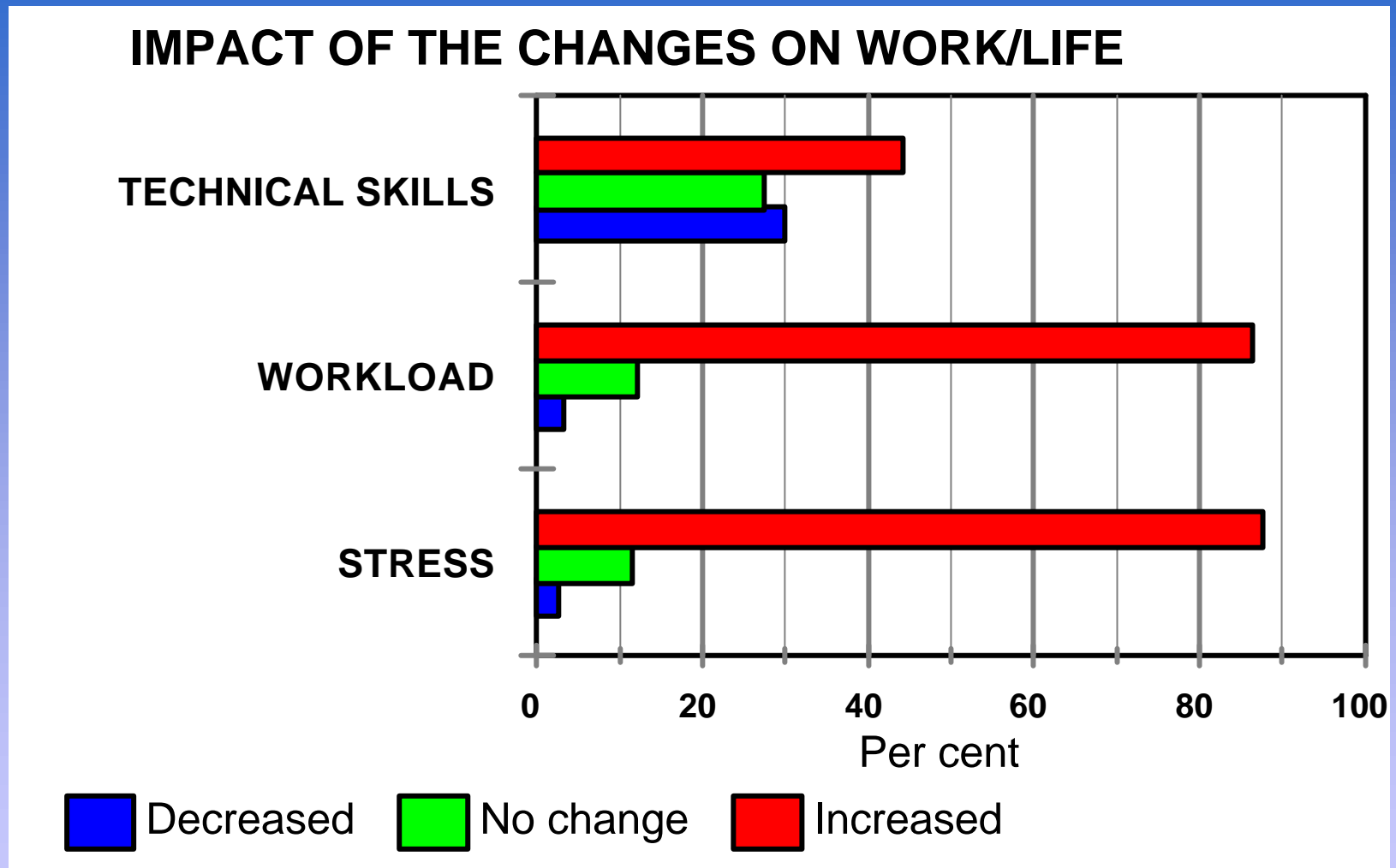
40,500 student places in 2000

Estimates of future enrolment growth vary from 2.8% to 5.7% per year.

Impact of the Resource Pressures

- Concerns re quality: Schofield, 2000 Senate report.
- Higher class sizes, rationalisation and reductions in TAFE courses, cuts to student services, amalgamations and closures and colleges facing significant financial difficulties.
- The overall failure/withdrawal rate for students has increased from 13.7% in 1997 to 17.3% in 1999 and 18% in 2000. *(NCVER 2001,1998)*
- Growth in precarious employment.
- Increased workload and stress for teachers, erosion of ability to maintain professional standards/provide quality education.

Impact of the Changes on Work and Life 1

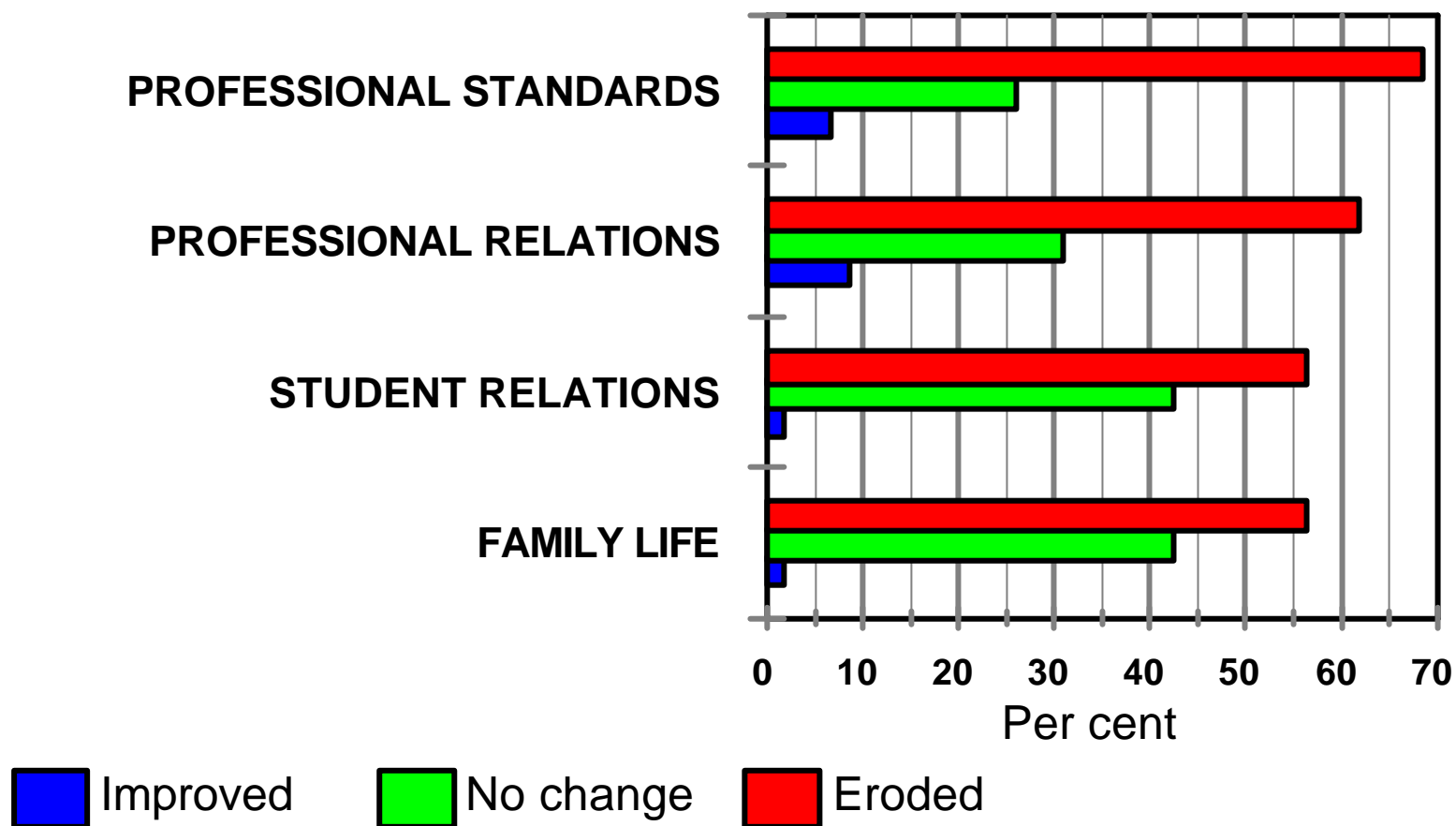


AEU National Survey, *TAFE Teachers: Facing the Challenge*, June 2001

Workload has increased and intensified and stress is high.

Impact of the Changes on Work and Life 2

IMPACT OF THE CHANGES ON WORK/LIFE

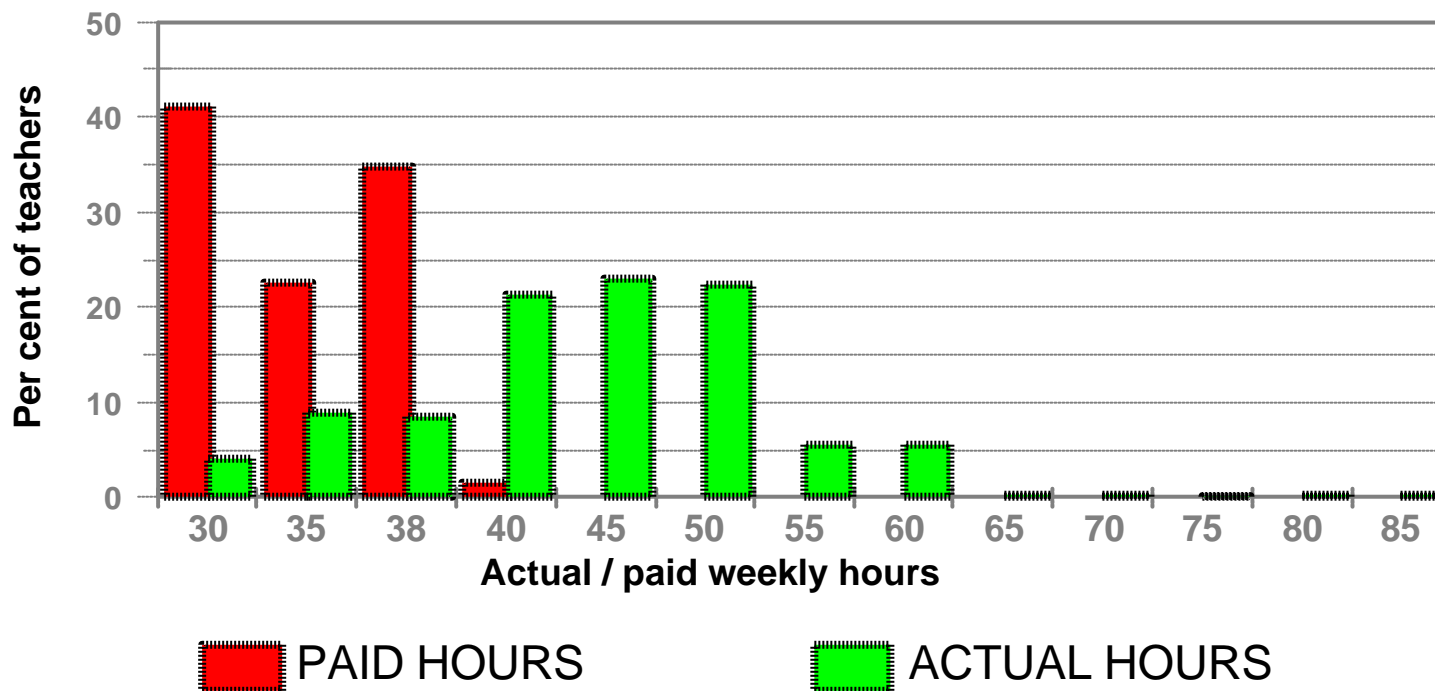


AEU National Survey, *TAFE Teachers: Facing the Challenge*, June 2001

68% of TAFE Teachers say their ability to maintain professional standards/provide quality education has been eroded.

Workload

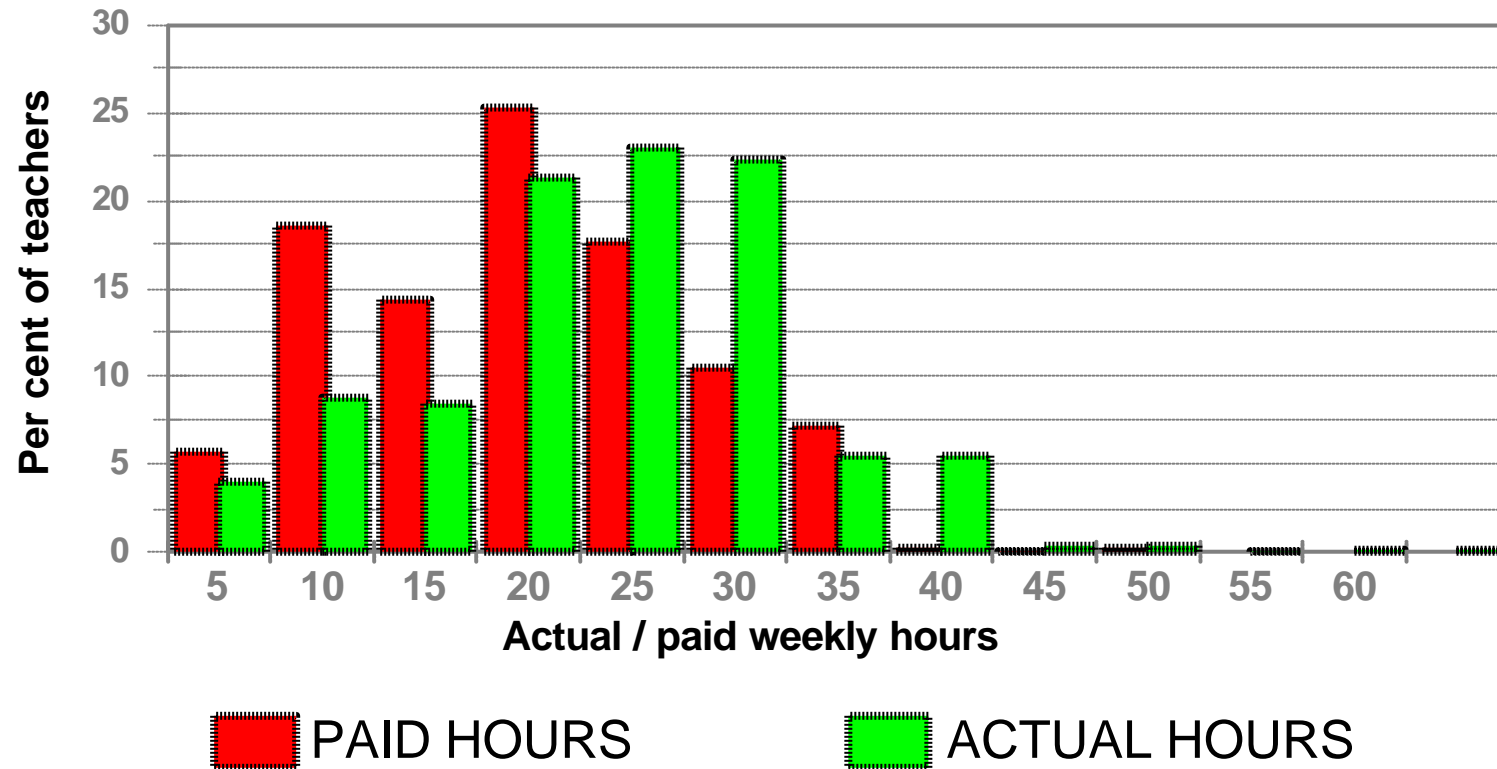
FULL TIME PAID & ACTUAL HOURS



AEU National Survey, *TAFE Teachers: Facing the Challenge*, June 2001

- Full time teachers work an average of 7 hours overtime per week, with 34% working more than 45 hours per week.
- Unpaid overtime worked by full time teachers is roughly equivalent to 2160 additional full time positions.

PART TIME / IRREGULAR PAID AND ACTUAL HOURS



AEU National Survey, *TAFE Teachers: Facing the Challenge*, June 2001

Full time and part time TAFE teachers are doing unpaid overtime roughly equivalent to an extra 6,500 teachers across Australia.

Top Priorities for the Union

Restoring viable quality TAFE system	73.4%
Security of employment	53.9%
Better conditions	52.7%
Providing a professional voice	49.1%
Protection for individuals	47.8%
Higher Salary	34.4%
Advocacy for public education	32.1%
Reduced workload	26.4%
Professional/staff development	24.7%
Education policy in general	21.9%
Promotion opportunities	7.2%
Other	3.0%

ANTA Agreement 2001 – 2003 (June MINCO meeting 2001)

	2001	2002	2003
	\$m	\$m	\$m
1) Base	931*	1,001**	1,051
2) Indexation	20	20 (est)	20 (est)
3) Sub Total	951	1,026	1,071
4) New Growth Funds	50	25	25
5) Total	1,001	1,051	1,096

**Already legislated in the VET Act of 2000*

*** \$70 million in forward estimates to lift base for 2002 (\$1,001 m - \$931m = \$70m)*

Conditions for the states and territories:

- match the increased funds
- fully implement User Choice
- increase New Apprenticeships by 20,000 by 2002

AEU Alternative ANTA Agreement

Major themes:

- **Role of TAFE as community and industry training provider as well as meeting its community service obligation and ensuring access and equity;**
- **AEU representation on ANTA Board and NTQC to ensure a voice and quality, continuity and reliability of system;**
- **Student representation and recognition of other groups in decision-making bodies;**
- **Education ITAB to set national standards and plan for the needs of the system;**
- **Requirement for industry to contribute to funding training;**
- **National plan for TAFE underpinned by ANTA Agreement;**
- **Growth funding to compensate for 3 year funding freeze to be matched by the states;**
- **Cooperative rather than competitive training arrangements.**

AEU Federal funding claim 2002

Increased Commonwealth funding is required to ensure:

- **Reductions in unmet demand (currently 40,500);**
- **Future growth in enrolments including the youth guarantee;**
- **Innovative national delivery strategies;**
- **Quality improvement programs such as teacher education and professional development with an initial allocation for a national staff development program.**

The AEU calls on the Commonwealth Government to provide an additional \$285m for TAFE quality improvement programs and enrolment growth in 2002.

The AEU believes that there should be system and national reviews of funding levels, structures and user choice/contestable funding.

What You Can Do

- Keep federal politicians informed about TAFE issues.
- Inform your local community, industries and students about TAFE issues.
- Support funding campaign activities.
- Keep informed.

www.aeufederal.org.au

