



AEU Parliamentary Brief

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TAFE Funding: 40,000 students miss out now, what about next year?

The failure of Minister Nelson to meet state and territory needs with the Commonwealth's offer on TAFE funding will push up unmet demand. Maintaining the freeze on growth funds could mean excluding 80,000 students out of TAFE courses in 2004, double the current number. State and territory ministers deserve support for resisting the Commonwealth agenda, because TAFE is vital. TAFE provides life opportunities and skills for 1.7 million vocational education students each year. Business and industry rely on Australia's TAFE system as a strong, innovative national technical and further education system.

Industry and community demand for TAFE courses has experienced an annual average growth rate of 5.9% a year over the last 10 years (Access Economics, 'Future Demand for VET' 2003). Yet according to the Australia Bureau of Statistics (ABS), every year nearly 40,000 Australians are unable to gain a TAFE place (see Table 1 below) as the Howard Government continues to undermine

education opportunities by reducing funding to the states and territories under the ANTA Agreement.

ANTA Agreement

The Australian National Training Authority (ANTA) Agreement is the foundation of the TAFE system combining federal and state funds of over \$3.6 billion per year for the maintenance and expansion of vocational education and training (VET), including public TAFE institutes. The agreement is based on acceptance that the states are to maintain their own funding levels and training effort and in exchange the Commonwealth is to provide enrolment 'growth' funds to the states.

Since 1997 the Howard Government has undermined the ANTA Agreement foundation through funding cuts and freezes.

ANTA 1998-2000

The Federal Government froze funding to TAFE from 1998-2000 and introduced the notorious policy of 'growth through efficiencies' and 'user choice' resulting in higher class sizes, increased casual teaching and diversion of public dollars to non-TAFE providers many of whom went bankrupt

TABLE 1
Australian Bureau of Statistics Education and Work, May 2002
Educational enrolment experience by State or Territory residence for Persons aged 15-64 years

Unable to Gain Placement	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
Study would lead to an educational qualification	18,760	20,940	14,793	6,522	6,976	1,205	154	957	70,306
TAFE	9,425	12,599	9,034	4,502	3,088	655	0	296	39,599
Higher education	6,887	6,351	4,528	1,369	2,996	300	154	551	23,135
Other educational institution	2,448	1,990	1,231	651	891	250	0	110	7,572

stranding thousands of student with uncompleted qualifications. These policies denied education and training opportunities to thousands of Australians and led to the entry of 'shonky' private training providers into the national training market.

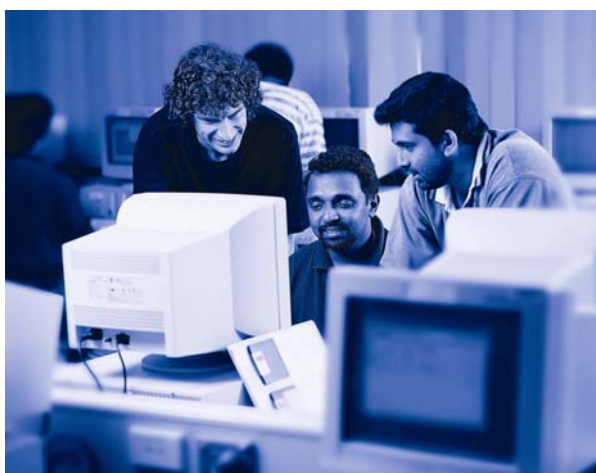
As a result of this Commonwealth funding freeze publicly funded expenditure per adjusted Annual Hour Curriculum (AHC) fell from \$14.84 in 1997 to \$12.42 in 2001 prices. This is a drop of 16.3% in real terms.

ANTA 2001-2003

After strong campaigning by the states and territories, the AEU and other stakeholders, the Commonwealth finally agreed to include some limited growth funds in the 2001-2003 ANTA Agreement. Totalling \$230m over the three years, this compared with the \$900m the states and territories said they needed. Despite this modest increase in Commonwealth funding under the current Agreement, the total 2001 Commonwealth contribution to operating revenue of \$912.9m was \$34.3m lower than in 1997. Meantime, the states and territories collectively provided \$220.7m more in 2001 than in 1997.

The Commonwealth Claytons Offer for 2004-2006

Dr Brendan Nelson, Federal Minister for Education, Science and Training, refuses to maintain the Commonwealth's responsibility for TAFE enrolment growth and has continued the funding drought to the states.



(Source: Australian Flexible Learning Framework)

Apart from its own specific purpose programs, 'Australians Working Together', there is not one extra dollar for TAFE enrolments or a commitment to reduce unmet demand for TAFE courses in the Commonwealth offer to the states for the ANTA Agreement 2004-2006. The meeting of MINCO on 21 November 2003 baulked at a new ANTA

Agreement because the offer is far short of the required additional \$180m for 2004 to reduce the TAFE student waiting lists. If the freeze continues, the AEU believes the unmet demand figure could double.

If the states agreed to the 'Claytons' offer, the Commonwealth funding drought would continue for an additional three years, bringing the total to six out of the nine years since the system began.

The Federal Government must make funds available to increase vocational education opportunities for the 70% of secondary school leavers who do not access higher education. Unemployment and underemployment stands at around 1.3 million – just over twice the official rate according to major new research by ACOSS yet skill shortages continue to plague the economy. The answer is to increase the supply of skills in the economy through investing more in vocational education and training.

The AEU calculates that the states and territories need an additional \$1,008m over the next three years to provide training opportunities for all Australians.

As Dr Nelson celebrates the achievement of TAFE students at the ANTA National Training Awards he should applaud their success by increasing Commonwealth growth funding to TAFE, an investment already proven to reap rewards for individuals and industry.

Non-Govt School "Choice" is Based on Income

The Howard Government claims its unprecedented level of funding to private schools is to facilitate "choice" of schools. But ABS statistics show that non-government schooling is accessed by more middle and high income-families than average. The Howard Government's funding goes disproportionately to schools attended by students who need it less.

Australia's public schools enrol students from families of all incomes and types. Public schools achieve world-class results at the highest level at university. However, studies by the OECD point to the need to improve equity to improve Australia's educational outcomes. Based on the ABS data, additional resources should be prioritised to public schools because that's where they will make the most difference.

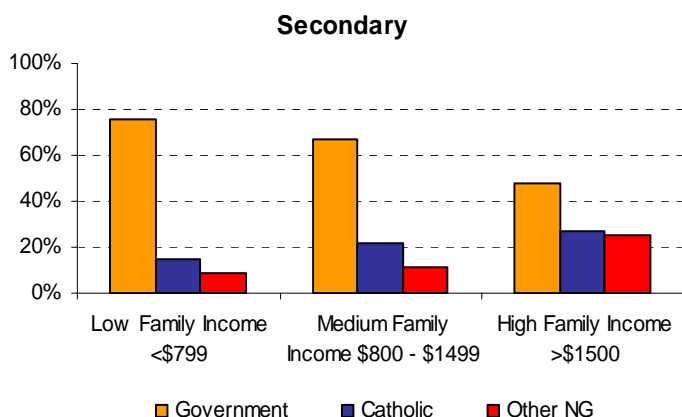
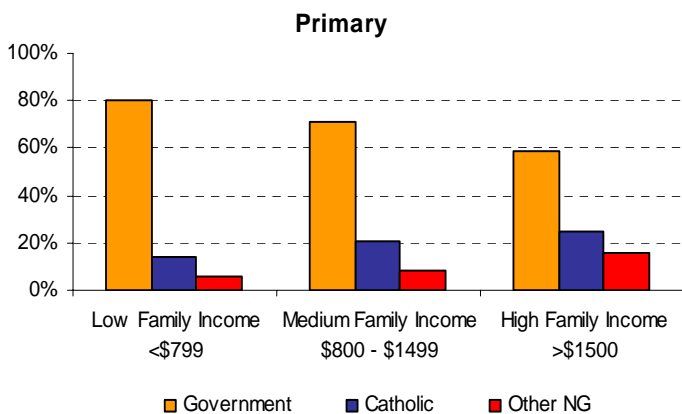
The Australian Bureau of Statistics 2001 Census has recorded the socio-economic status of families and

the types of schools which children from different income groups and religions attend. Analysis of the ABS findings shows that 42% of public school enrolments are of children from Low Family Income (LFI) backgrounds compared to 27% of Catholic system enrolments. At the same time 37% of public school enrolments are in the Medium (MFI) income group and 22% in the High (HFI) group. Independent schools enrolments show a high proportion of those in the HFI group.

The statistics show that a majority of Catholic students from low-income families attend public schools which enrol 56% of Catholic students from LFI backgrounds. While Catholic schools educate 20% of all students, Catholic school enrolments only register 15% of those from low-income families. Over 80% of Islamic students attend public schools, mostly from low and middle income families.

Graphs 1 & 2: Family income and school type attended

Percentage of Australian primary & secondary students in each family income range who attend government, Catholic or other non-government schools, 2001:



Indigenous Education

The social, health and education indicators for Indigenous Australians remain poor. Education is one of the keys to improved social and economic status for Aboriginal and Islander students. 88% of Indigenous students attend public schools including 78% of Catholic Indigenous students. This reinforces the need to provide the resources for public schools to better meet the needs of Indigenous students.

In some parts of Australia, there are simply no pre-schools or public secondary schools for Indigenous students to attend without leaving their communities to live elsewhere. This should be an absolute priority for the Federal Government which has constitutional responsibility for Indigenous matters.

Priority Public

Australian public schools attract students from families of all levels of income and of all faiths. To best address the educational needs of the community, governments should make our public schools and colleges the first priority. The AEU will be pressing this point when the renewal of the States Grants Act comes before the Federal Parliament next year.

The above draws on independent research for the AEU undertaken by Barbara Preston of Barbara Preston Research entitled, “The Social Make-Up of Schools: Family Income, Religion, Indigenous status and Family type in government, Catholic and other non-government schools.” The full paper is available on the AEU website.

Australia: A High Subsidy, Low Accountability Country

A recent study of countries where governments fund private schools has found that higher funding usually means higher accountability. The Centre on Education Policy in the United States has studied accountability regimes in a number of countries.

The Centre included consideration of the regulation of private school education in the areas of curriculum, teaching and student achievement, student admission and disciplines, teacher qualification, salary and employment conditions, tuition, fees and finance, values and other areas. See CEP 1999 www.ctredpol.org/

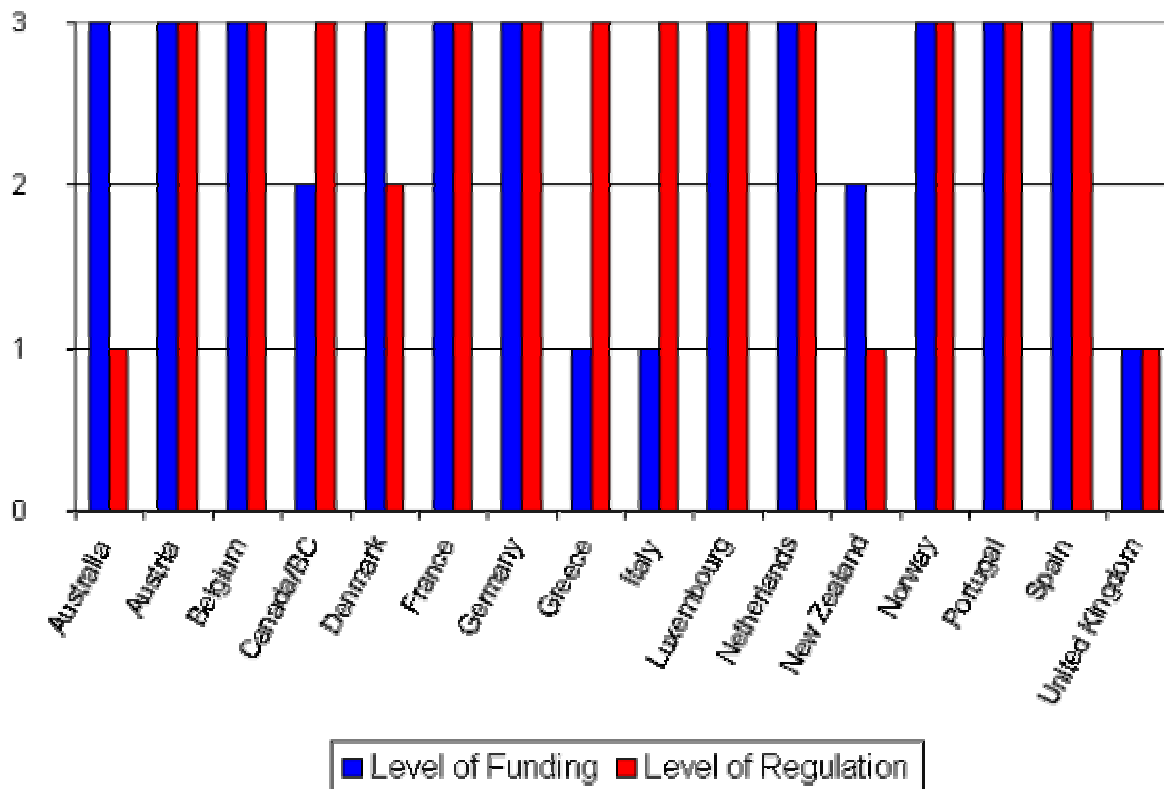
Dr Chris Aulich and Hon Terry Aulich in a study for the AEU entitled “Proposals for Improved Accountability for Government Funding to Private Schools” have concluded:

“Two important conclusions can be drawn from this overview of overseas arrangements. First, that regulation of private schools in Australia is comparatively benign. Second, the Australian accountability regime for public funding of private schools is inconsistent with broad international

practice. Internationally, higher levels of funding are usually accompanied by stronger government regulation.”

The graph below was developed by the Centre on Education Policy.

Level of Private School Funding and Regulation in Sixteen Countries



Levels of Funding

High - Private schools are eligible to receive a maximum government subsidy that is greater than about 66% of per-pupil allocations to public schools.

Moderate - Private schools are eligible to receive a maximum government subsidy that is greater than about 33% but no more than about 66% of per-pupil allocations to public schools.

Levels of Regulation

High - Government regulates curriculum, some aspects of admissions, and teacher salaries or working conditions; public authorities register and regularly inspect schools.

Moderate - Government regulates curriculum (with opportunities for flexibility) and various other areas, such as tuition fees, staff qualifications, admissions or testing; public authorities register or inspect schools to some degree.

Low - Government holds schools to basic criteria, such as compliance with broad curricular goals, financial requirements or testing procedures; may require some type of registration or certification.

Source: Centre on Education Policy 1999

The study “Proposals for Improved Accountability for Government Funding to Private Schools” by Dr Chris Aulich and Hon Terry Aulich is available on the AEU website.

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