



FACT SHEET



No agreement on federal funding for TAFE

Commonwealth and state and territory VET Ministers (MINCO) met on 15 April but failed to reach agreement on future funding arrangements. MINCO has agreed to continue current funding until the end of 2005 and will meet again in late May or June for further discussions.

State and territory Ministers have issued a joint communiqué¹ following the meeting, which noted that the Howard Government refused to provide any significant new funding to address skills shortages. States and territories have called on the Commonwealth to increase its investment in training and have expressed concern about the conditions that the Federal Government has sought to place on funding. They expressed particular concern about the Commonwealth attempt to use the funding agreement “to drive its workplace relations agenda and seize control”.

Department officials will report back to the next MINCO meeting on a range of issues, including the impact of the Commonwealth proposals on the availability and quality of training before an agreement will be signed.

The Commonwealth ‘offer’

Reports have indicated that the federal offer to the states and territories proposes an ‘additional’ \$178 million over four years but that this is largely redirected rather than ‘new’ money. The amount includes the return of the VET Priority Places Program (\$146.1 million), which was put out to direct tender by the Commonwealth in 2004 as one of the penalties for the states’ refusal to accept the federal funding proposal for 2004 and beyond.

A further \$3.8 million is being redirected from the Indigenous Education Strategic Initiatives Program.²

The states and territories would be required to match these funds to deliver up to 116,400 new places such as traditional trades, areas of skills shortages such as childcare and aged care, places for mature age workers and for people with a disability.³

States and territories would be required to meet a number of other conditions in return for Commonwealth funding. These include:

- providing Institutes with greater autonomy and introducing more flexible employment arrangements, including access to Australian Workplace Agreements and performance based pay;
- user choice reform and expansion;
- implementation of ‘true’ competency based training by removing impediments in State based awards;
- third party access to facilities in institutions that receive Commonwealth infrastructure funding;
- adherence to the National Construction Code and Implementation Guidelines ;
- development of a national fees policy by 1 January 2006 to limit fee increases; and
- a joint funding pool for Indigenous Australians, with jurisdictions matching the \$3.8 million supplementary funding sourced from the Indigenous Education Strategic Initiatives Program.

The national system

With the abolition of ANTA and the transfer of responsibilities to the Department of Education, Science and Training, new legislation will be required to enable the continuation of payments under the new administrative arrangements from July 2005. Funding has however already been appropriated for 2005.

The recent DEST paper, *Skilling Australia, New Directions for Vocational Education and Training*, outlines the proposed framework of a new national system. The proposed new multi-lateral funding agreement currently under discussion will replace the existing ANTA Agreement and provide the mechanism for the release of funding to state governments. This paper also outlines a set of bilateral funding agreements, which are to ‘provide flexibility to implement national priorities and establish performance levels that are relevant to each jurisdiction’. No detail is as yet available.

Michaela Kronemann, Federal Research Officer, 2 May 2005

¹ Joint communiqué, April 15, 2005, all state and territory governments.

² *The Australian*, 12 April 2005

³ *ibid*