



TAFE Works

NEW ANTA AGREEMENT LEAVES TAFE UNDER-RESOURCED

The states and territories have agreed to sign up to a new ANTA Agreement for the three years 2001 to 2003. This follows months of strong campaigning by union and employer bodies as well as tense and lengthy negotiations between the states and territories and the Commonwealth. The increase in Commonwealth funding falls far short of what is needed for future growth and is actually less than cuts made since 1996.

Agreement reached by June MINCO

The decision to sign up to the latest Commonwealth offer was reached at the June 8 meeting of the Ministerial Council in Brisbane.

For the first time in four years, the Commonwealth will provide growth funding to the states and territories, of \$50m in 2001, \$76m in 2002 and \$104m in 2003, a cumulative total of up to \$230m over the three years.

This funding is conditional on the states and territories matching the Commonwealth growth funds on a dollar for dollar basis. If any system fails to meet this requirement, the Commonwealth Minister will be able to redistribute that state's share of growth funding to other states and territories.

The states and territories are required to commit to increasing New Apprentices by 20,000 by June 2002 and are also required to comply with User Choice Policy and Principles. (www.anta.gov.au/NEWS/userchoice.htm)

In addition to growth funding, the Commonwealth will maintain current levels of base funding in real terms (ie increased for indexation). The states and territories will maintain outputs or outcomes, measured on an agreed basis. They will also 'strive for ongoing efficiency improvements'.

They will have flexibility to use up to their respective share of \$30m in capital funds for recurrent purposes.

Additional funds from the *Australians Working Together* employment-related program/s announced in the Federal Budget are mentioned. While this is supposed to include \$72m of VET funding over 4 years, the only actual allocation is \$3.4m for 2002.

VET Funding Amendment Bill 2001

The Vocational Education and Training Funding Amendment Bill 2001 has been passed in both the House and the Senate.

The Bill provides base funding of \$952.7m for 2001, up \$21.3m for indexation, as well as \$50m in growth funding. For 2002, the Bill provides base funding of \$956.2m, plus \$75m in growth funding. It includes the new Agreement.

The Shadow Minister for Education, Michael Lee, moved the following second reading amendment in the House:

That all words after "That" be omitted with a view to substituting the following words: "whilst not declining to give the bill a second reading, the House:

(1) notes with concern that the Government has failed to provide appropriate support for vocational education and training by cutting \$240 million from TAFE, and contributing no growth funding for five years, thereby restricting training opportunities and

*damaging the quality of training; and
(2) condemns the Government for allowing the Australian National Training Authority Agreement to lapse by:
(a) failing to make a realistic offer of funding; and
(b) finally offering an amount of funding which is even lower than the amount of previous funding cuts and which fails to adequately address the needs of Australian vocational education and training".*

This amendment was also moved in the Senate by Senator Kim Carr and adopted. The Bill itself has been passed unamended.

The Negotiation Saga

The new 2001-2003 Agreement is based on the funding offer contained in the May 22 Federal budget, which was to be available only to those states and territories which agreed to sign a new ANTA Agreement.

This follows months of negotiation between the governments and strong campaigning by unions and employer groups for increased federal funds.

Through a number of meetings, the states and territories demanded an end to growth through efficiency policies and the restoration of Commonwealth funding for growth.

At the December 2000 meeting of MINCO, Kemp finally offered the states and territories growth funding, of \$20m, \$25m and \$30m (ie \$140m) over three years, conditional on the states providing twice that amount themselves. This offer was rejected unanimously. It was again tabled at the March 2001 MINCO, and again rejected by all but the Coalition Ministers in SA, NT and the ACT.

State Labor Training Ministers continued to refuse to sign off on a new ANTA Agreement unless the Commonwealth provided \$152m per annum in growth funding to address projected enrolment growth of up to 5.7% per year. In the absence of an Agreement, funding for 2001 was allocated on the same basis as for 2000, leaving the states starved for funds.

TAFE Still Under-Resourced

The Budget offer, now enshrined in the new Agreement, provides about one third of what state and territory ministers said was required in 2001. The total value of their claim for growth funding was just over \$900m extra over three years, compared to the \$230m provided.

The AEU has estimated that there is a need for an additional minimum \$310m per annum to address growth and unmet student demand, restore quality teaching and learning programs, deliver innovative national delivery strategies and professional development programs.

These estimates of need come after years of funding pressure on TAFE.

The first two Coalition budgets, in 1996 and 1997, cut VET funding by about \$240m, as well as slashing labour market programs.

This provided a reduced funding base for the 1998-2000 ANTA Agreement. Under that Agreement, federal funds were frozen, with the states and territories required to resource enrolment growth via 'growth through efficiencies'.

During that period, an additional 268,000 student places were created and the states delivered an 'efficiency improvement' of about 12.5%. In addition, the growth in contestable funding effectively redirected resources from TAFE to private providers.

The resource pressures have created major problems for quality of VET, the financial viability of some TAFE institutes, increased failure/withdrawal rates, and massively increased workloads and casualisation for staff. 40,500 students were unable to find a TAFE place last year.

The new funding Agreement falls far short of what is needed to address these concerns.