



INVEST IN  
**QUALITY**  
INVEST IN  
**TAFE**

**fact**  
**SHEET**

November 2011

Number 6

## Crisis in Victorian TAFE

The Victorian Government has opened all government VET funding up to private providers. TAFE providers in Victoria now have to compete, on cost, with private for profit RTOs to deliver training. The Victorian Government calls this the Training Guarantee, arguing that all Victorians can access a place at a VET provider of choice, with some restrictions depending on previous qualifications. In fact, Victorians used to have an entitlement to publicly funded vocational education at TAFE, but many now have to pay significantly for their VET qualifications, often under a loan scheme similar to HECs.

**Under the Victorian Training Guarantee, the size of the VET sector has grown, but the growth is in private provision. 10 out of 18 TAFE institutes have reduced in size:**

- Following full implementation of the Victorian Training Guarantee, at 30 June 2011 enrolments in the **Victorian VET sector** were 15% higher, hours were 20% higher and student numbers 13% higher. This growth is driven by government funded activity, where enrolments are 24% higher in the first half of 2011 compared to the same time in 2010. TAFE domestic fee for service activity has declined in the first half of 2011, with enrolments 8% lower than first half 2010 figures.
- At the same time, student numbers have **declined** by 0.5% in **Victorian TAFEs** between 2009-10 and enrolments have only **increased** by 1%. Enrolments and numbers have **declined** in 10 out of 18 TAFEs, with some growth in a four of the larger TAFEs and only very modest growth in the remaining four:

Victorian TAFEs	2009-2010	
	Students	Enrolments
Bendigo Regional Institute of TAFE	-9.4	-8.1
Box Hill Institute of TAFE	-0.5	-1.3
Central Gippsland Institute of TAFE	23.3	20.4
Chisholm Institute	-4.2	-3.7
East Gippsland Institute of TAFE	-7.9	-7.4
Gordon Institute of TAFE	12.0	12.9
Goulburn Ovens Institute of TAFE	10.6	13.6
Holmesglen Institute of TAFE	0.7	1.9
Kangan Institute	-6.8	-3.5
NMIT	-7.9	-8.8
RMIT University	-2.4	-3.0
South West Institute of TAFE	-12.9	-8.0
Sunraysia Institute of TAFE	-10.4	-9.1
Swinburne University of Technology	5.7	13.6
University of Ballarat	4.7	3.9
Victoria University	3.1	6.8
William Angliss Institute of TAFE	-3.1	-6.3
Wodonga Institute of TAFE	0.2	1.9
<b>% difference 2009-2010</b>	<b>-0.5</b>	<b>1.0</b>

- TAFEs market share has **dropped** from 75% in 2008 to 52% mid-way through 2011
- Private provider share has **increased** from 14% in 2008 to 38% by June 2011

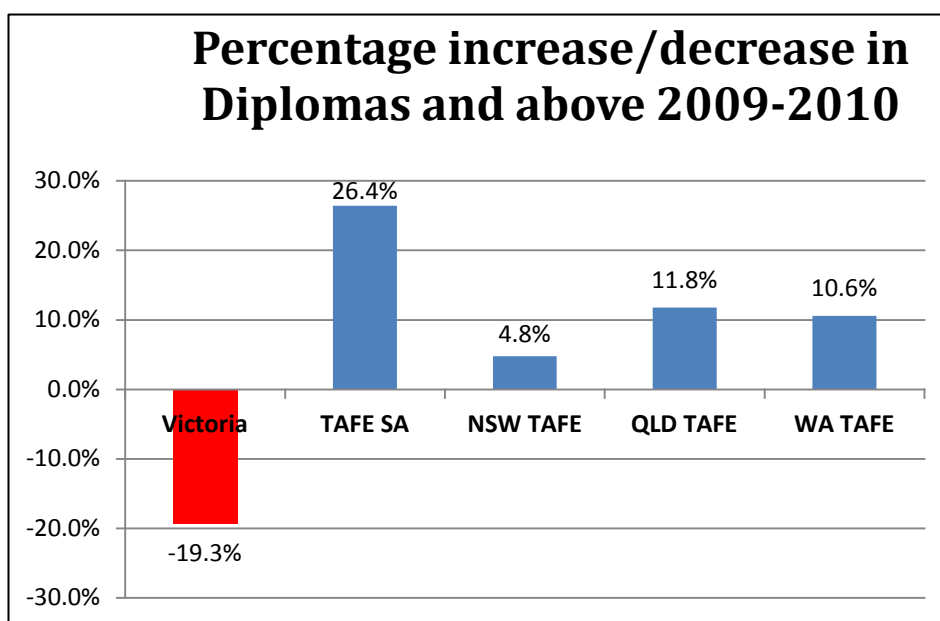
**16 out of 18 of TAFEs in Victoria are experiencing extreme financial pressure:**

- 16 out of 18 TAFE institutes are now reporting significant deficits. Two TAFEs recorded surpluses; the remainder reported **operating deficits** of between \$250,000 and \$6 million. Overall, TAFEs in Victoria in 2010 recorded total **losses** of more than \$30 million
- VET budget in Victoria has been **overspent** by \$400 million

In 2008, all Victorian TAFE institutes were operating with healthy budget surpluses, and TAFE institutes in Victoria have been independent of government since 1995.

**There has been a sharp decline in Diplomas and Advanced Diplomas in Victorian TAFE, and any increase in qualifications has been at the lower level:**

- Diplomas and above in Victorian TAFEs declined by 14% from 2009 – 2010, they declined in dual-sector universities by 5.2% in the same period, but in single sector TAFEs by 19.3%. This is largely because private providers are trashing the brand – delivering 6 day diplomas very cheaply – and the dual sectors are shifting delivery of diplomas and advanced diplomas into their higher education load because they get more government funding.



**There has been unprecedented growth in high volume, low cost non-skill shortage area qualifications in private providers:**

- 3000% growth in the delivery of personal training qualifications;
- Dramatic increases in areas such as business services;
- 6 day diplomas offered in private providers are rife in Victoria.