



INVEST IN
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SHEET

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TAFE funding under threat

The future of TAFE hinges on negotiations currently taking place between state, territory and federal governments about the content of the next Commonwealth State funding agreement for VET, and the National Partnership.

A new National Partnership

A key proposal in the recent federal budget was for a new National Partnership for reform of the VET system. Following the budget, Tertiary Education Minister, Senator Evans announced that the Australian Government would offer an additional \$1.75 billion to the States if they “sign up to a more ambitious reform of the performance and quality of their respective public training systems”.

What this means for TAFE

The Federal Government is considering using the next National Partnership for reform of the TAFE system to implementing a range of “reform” strategies. These include:

- full competition for all government (federal and state/territory) VET funding between public (TAFE) and private providers, and between TAFE Institutes as well;
- a significant shift of costs for training from governments to individual students, masked by the introduction of a deferred payment loan scheme (HECS); and
- penalising TAFE institutes for the funding they have received in the past for capital and infrastructure through the implementation of competitive neutrality principles.

When the Howard government tried to force its industrial relations agenda on TAFE and the VET system, they used the threat of withholding federal VET funding from the states and territories to coerce them into compliance. The Rudd government used access to federal funding in the Skilling Australia’s Workforce Agreement to encourage further competition for funding in the states and territories.

If governments are successful in implementing complete contestability of funding in TAFE and VET, this will:

- increase the cost of VET courses especially for individual students;
- reduce the number and variety of courses available for students, because TAFE Institutes will only be able to offer courses for which there are sufficient students, or which are financially viable;
- encourage all VET RTOs (including TAFE Institutes) to increase the costs of popular courses to cover the costs of less popular, or more expensive ones;
- force TAFE institutes to make commercial decisions rather than educational ones when providing courses to students; and
- undermine broad VET qualifications, allowing the proliferation of narrow instrumental skills.

The table below from the 2010 CEET Report shows real recurrent expenditure per publicly funded annual hour of training. The table shows that expenditure per hour has declined over the last decade and that the decline between 2003 and 2008 followed a similar decline between 1997 and 2003. While nationally VET expenditure per annual hour declined by about 12% between 2003 and 2008, it declined by almost twice as much (22%) per hour from 1997 to 2008.

Government real recurrent expenditure per publicly funded annual hour, 1997 to 2008¹

(2008\$)	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Aust
2008 dollars per annual hour of training									
2008	12.54	12.02	14.83	12.93	13.99	14.12	16.85	21.75	13.10
2007	13.25	12.12	14.86	14.33	15.45	14.61	16.19	21.09	13.62
2006	14.01	12.86	13.76	14.80	16.23	14.89	16.50	22.11	14.04
2005	13.97	13.05	14.91	15.75	15.57	15.11	17.67	26.58	14.39
2004	15.15	12.58	15.89	15.34	16.66	14.88	16.14	24.95	14.80
2003	14.87	12.70	15.93	16.14	16.72	14.86	16.51	27.14	14.86
2002	14.84	12.90	15.07	15.95	14.68	15.37	15.32	25.23	14.58
2001	14.47	12.67	14.73	15.04	12.30	17.16	14.95	23.75	14.09
2000	15.97	11.48	16.92	15.18	14.23	18.80	16.52	25.99	14.84
1999	17.05	11.49	16.28	15.93	13.83	19.66	20.06	25.53	15.20
1998	18.09	12.93	15.02	16.07	15.83	20.57	22.26	35.66	16.07
1997	17.71	12.96	18.06	18.10	18.23	23.75	22.66	36.99	16.85
Percentage change to 2008									
2003	-15.7	-5.3	-6.9	-19.9	-16.4	-5.0	2.1	-19.9	-11.9
1998	-30.7	-7.0	-1.2	-19.6	-11.6	-31.4	-24.3	-39.0	-18.5
1997	-29.2	-7.2	-17.9	-28.6	-23.3	-40.6	-25.6	-41.2	-22.3

In response to these concerns the AEU is stepping up its national *Invest in Quality, Invest in TAFE* campaign. Decisions made at the next CoAG will be critical, but we still have time before the current funding agreement expire, and the new one comes into place to lobby politicians, and let them know how valuable TAFE is, and how important it is to invest in the TAFE system.

What You Can Do!

1. Send a message to your local federal politician and ask them to raise the issue of increasing TAFE funding with the Prime Minister and Tertiary Education Minister, Senator Evans. You can go directly to an eletter on the AEU website at this address: http://www.fourfuture.org.au/tafe_lobby.html
2. Arrange to visit your local federal and state politicians, and speak to them about the threat to TAFE funding.
3. Encourage your work colleagues and other community members to join the campaign around TAFE funding.
4. Visit the AEU Invest in Quality/Invest in TAFE website at: <http://www.aefederal.org.au/Tafe/InvQual.html> for updates on the campaign and useful campaign materials.

¹ Long, M **TAFE Funding and the Education Targets**, AEU. Melbourne 2010, p.2 See the report for detailed explanation of the table.