



2006 TAFE FACT SHEET, No 6

A History of Federal VET Funding under the Howard Government

1996-1997 – Howard Government cuts funding, reduced funding base for 1998 ANTA Agreement.

1998-2000 – Commonwealth funding freeze, “Growth through Efficiency”, de-regulation of the training market.

2001-2003 – limited growth funding restored, states required to match the growth funds; total growth funding \$460m over three years, about half of what was required.

2004 – rollover of 2003 funding with **no indexation of 2003 “growth” funds** and Commonwealth direct purchase of priority places under the Australians Working Together programs (\$20.5m).

2005 – ANTA **abolished**; responsibility for the national training system centralised; employer associations given more say. Rollover of 2004 funding agreed for period to July. Legislation required for funding post July 2005. Government moves to establish Australian Technical Colleges (ATCs) as alternative VET providers, committing \$343.6m over 5 years.

2005-2006 – The Commonwealth’s **Skilling Australia’s Workforce** agreements with the states provide an “additional” \$215m – which is largely the inclusion of the priority places; there is no growth funding – and are **based on compliance with a number of requirements relating to employment conditions.**

The Commonwealth’s agenda is based on promoting alternatives to public TAFE provision (e.g. through user choice, tendering, third party access), confrontation rather than cooperation with the states, and using TAFEs and ATCs as vehicles to promote their industrial relations policies. Funding has shifted from TAFE delivery to apprenticeship initiatives and incentives and ATCs. The outcomes for VET – and for TAFE in particular – include:

- Larger class sizes, reductions in TAFE courses, cuts to student services, financial crises in some TAFE colleges leading to amalgamations and closures;
- Concerns about the quality of some VET provision;
- Growth in precarious employment for TAFE teachers;
- Increased workload and stress for TAFE teachers (Kronemann, 2001);
- A high level of unmet demand for VET courses – estimated at 45,600 for 2004 (DEST, 2005);
- Increases in student fees (NCVER, 2004).

The Government’s industry-led, employer-subsidy driven approach has conspicuously failed to address skills shortages or position Australia for the future.