



2006 TAFE FACT SHEET, No. 1

Background — Funding for TAFE

A vibrant VET sector is crucial to the social and economic future of Australia. In 2005 there were 1.64 million students in the vocational education and training system in Australia — more than one in four persons aged 15-19 and more than 10% of all working age Australians — 1.26 million of these (77%) studied in TAFE. It should be noted that this does not include the students undertaking VET in schools (over 210,00 in 2004). Since 1997, VET enrolments have grown by 13.3%. In 2005, TAFE provided 304.5 million annual student hours of VET (86% of VET provision).

The structures and resourcing of the vocational education system must be based on the recognition that TAFE is a vital public asset which is the engine and heart of the whole vocational education and training system. TAFE plays complex and multi-faceted roles in the development of Australia's educational and skills base, in strengthening industry, in the achievement of broader government objectives and in the social cohesiveness of communities, particularly in regional areas.

There is widespread recognition that there is a serious mismatch between the current skills profile of the Australian workforce and emerging labour market requirements (the much publicised “skills shortage”). TAFE is under enormous pressure because funding has not kept up with enrolment growth and the demand for skills formation.

Funding Sources

Overall, the Commonwealth provides about 30% of government funding for vocational education and training: about 29% of recurrent government funding and 60% of capital funding. The states and territories continue to provide the bulk of recurrent funding. Total government funding for VET in 2004 (latest available data) was \$ 4.7 billion, of which \$2.6 billion was provided by the states and \$ 1 billion by the Commonwealth. (NCVER 2005).

