

MEDIA RELEASE

Sunday 7 September 2014

Students chronically disadvantaged by declining VET funding

Australia's public and private technical and vocational training peak bodies today called for a comprehensive assessment of funding of the vocational education and training (VET) sector, following a new study showing a ten-year erosion in student support.

The study by Professor Peter Noonan, Professorial Fellow at the Mitchell Institute of Health and Education Policy at Victoria University, found Australia's VET system had been subject to an unprecedented level of funding disadvantage when compared to schools and universities, and is now facing a crisis.

TAFE Directors Australia (TDA), which represents the public TAFE network, and the Australian Council for Private Education and Training (ACPET), representing private training providers, today called on the federal government to address the research findings and initiate an independent assessment of funding trends and needs.

"This research reveals an alarming pattern of inadequate investment in the VET sector, which threatens to undermine Australia's capacity to build the workforce of the future and poses a grave risk for individuals who need skills to share in the country's economic prosperity," TDA and ACPET said.

"States and territories are implementing contestable funding arrangements, and yet significant funding shortfalls place severe restrictions on the operation of competitive markets."

Professor Noonan told the TDA conference that as a result of the funding decline, the VET sector was at a crossroads.

"The states and territories are implementing a national agreement to introduce a student entitlement model in VET, but the funding outlook in most states and territories is resulting in so many constraints and distortions of the entitlement that for many students that it will have little or no meaning," he said.

"With the funding trend I have outlined, we are in danger of perpetuating a hoax on many students about their likely access to a reasonably funded entitlement - or indeed an entitlement at all."

Professor Noonan's research showed that while investment in schools and universities has risen significantly over recent years, there has been a much lower rate of growth in VET, with an even bleaker funding outlook in years to come (See attachment, Table 1).

Also, spending per student has fallen significantly in VET in recent years while it has grown substantially in government schools and to a lesser extent in higher education (See attachment, Table 2).

The research also reveals a growing gap in investment levels in VET between the states, with Queensland and NSW showing no growth or declines in funding and very little growth in South Australia (See attachment, Table 3).

“Almost all of the public commentary in relation to education funding in Australia over the past year has been in relation to funding to schools and higher education. However, the real funding crisis is in the VET sector,” Professor Noonan said.

He concluded that the funding gap would be magnified in the next few years with massive increases in funding for schools and ongoing growth in investment in higher education.

TDA and ACPET have urged the Minister for Industry, Ian Macfarlane, to list the proposal for an independent assessment of funding at the next COAG Industry Skills Council meeting, due later this month.

TDA and ACPET said VET students and providers deserve greater clarity on the sustainability of the entitlement to training, and action to address business concerns regarding the inconsistent approaches to training entitlement that have emerged across jurisdictions,” TDA and ACPET said.

Contact (TDA): Bob Bowden, 0412 753 298

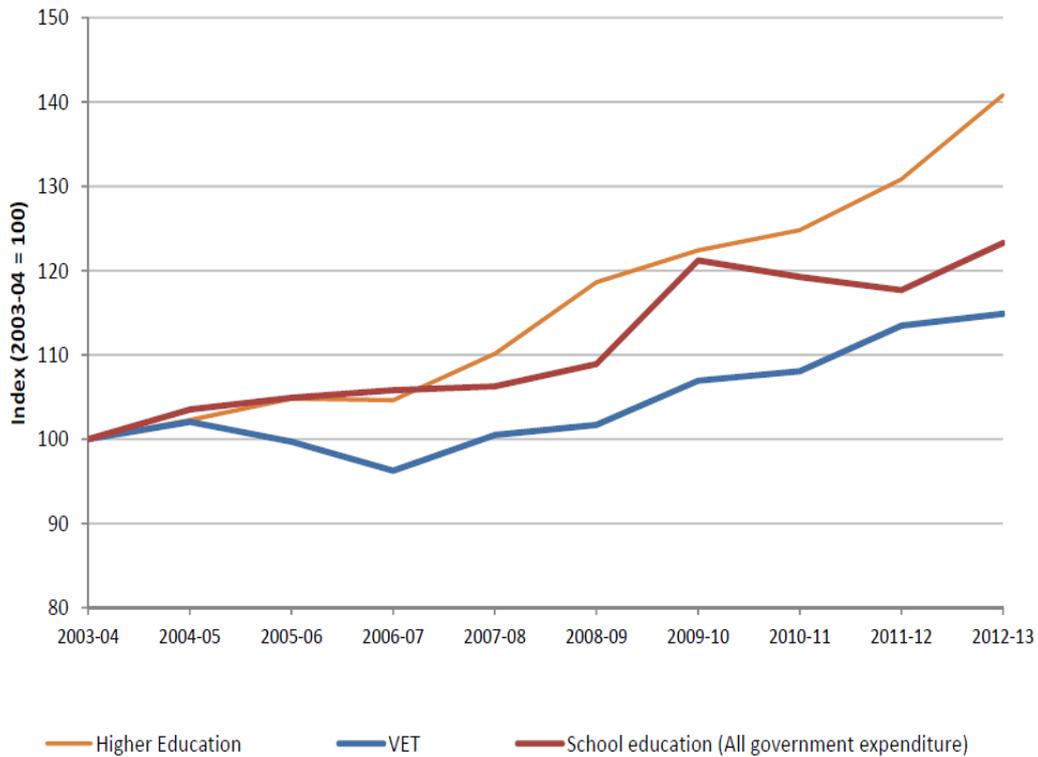
Contact (ACPET): Madeleine Brennan, 0402 715 577

Tables – trends in education investment

Table 1

Slide 1 – Expenditure: 2003-04 to 2012-13

Public University expenditure has grown fastest... Steady growth in government expenditure on schools
– slowest for VET

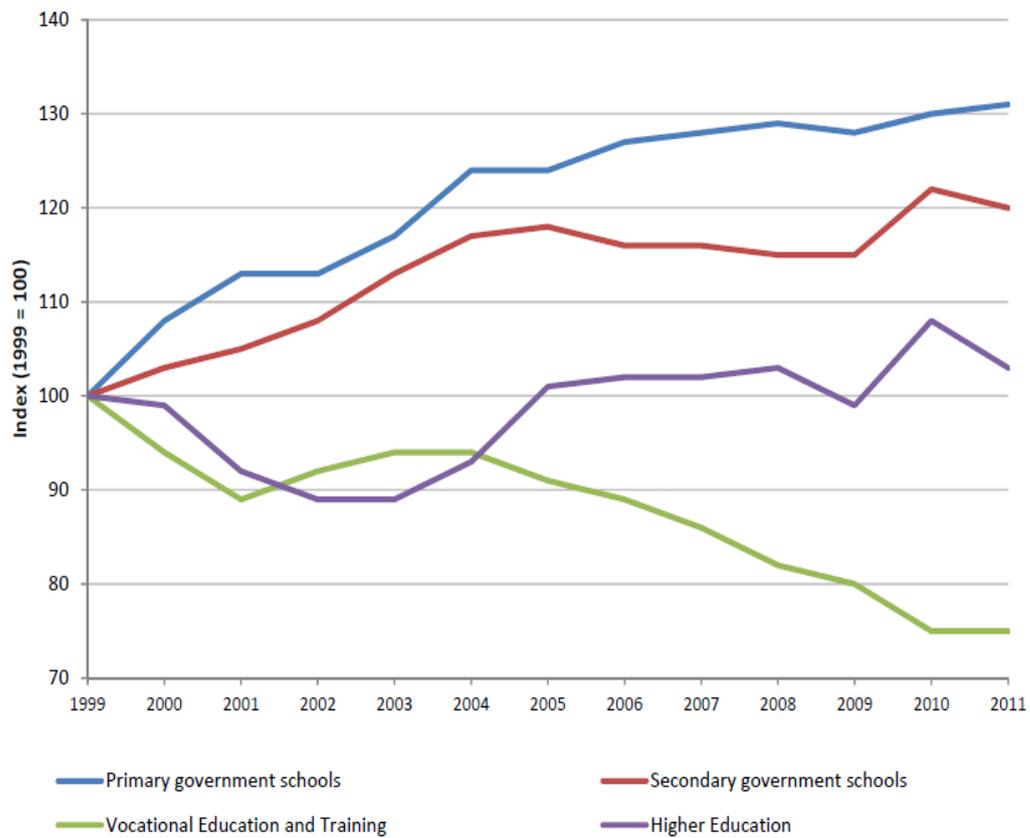


ACIL Allen Consulting analysis based on Australian Bureau of Statistics data

Table 2

Slide 2 – Government expenditure per student

Commonwealth and state government recurrent expenditure, funding per full-time equivalent student (schools and higher education) and per annual hour (VET) indexed to 1999

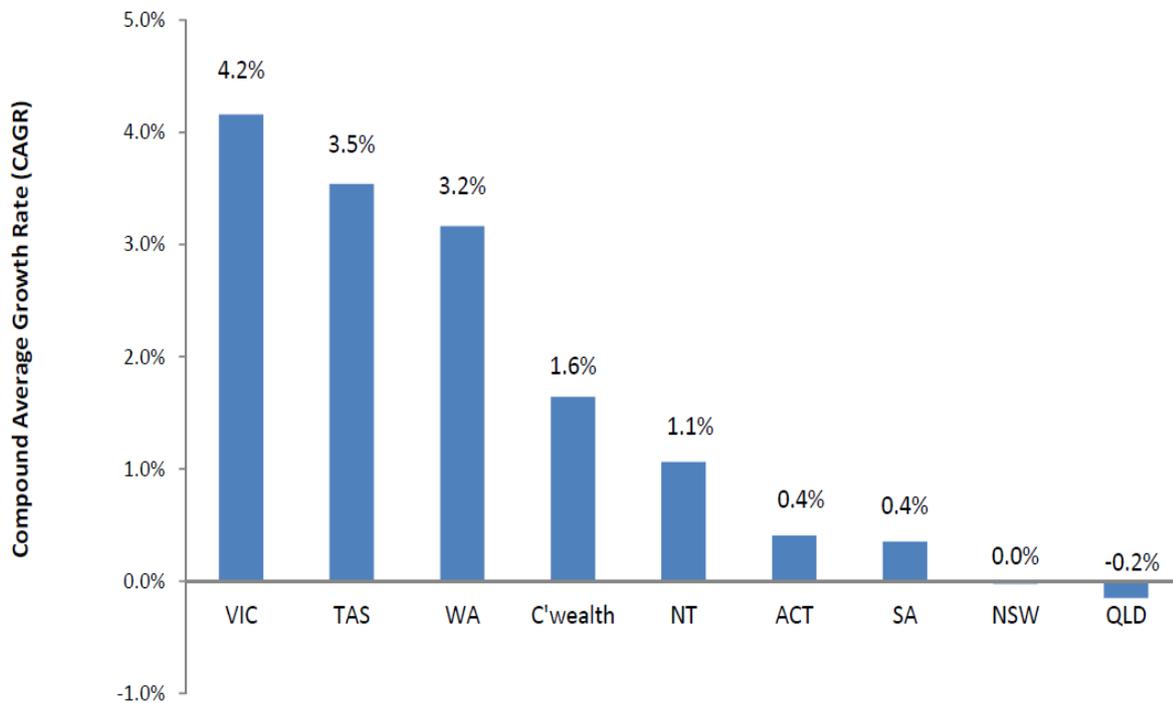


Source: Australian Workforce and Productivity Agency, Future Focus : 2013 National Workforce Development Strategy

Table 3

Slide 3 – VET Expenditure 2003-04 to 2012-13

Compound average growth in expenditure varies greatly – from a real decline (QLD at -0.2%) to a large real increase (VIC at 4.2%)



ACIL Allen Consulting analysis based on Australian Bureau of Statistics data