

REBUILD WITH TAFE FOR A POSITIVE FUTURE

Australian students have the right to quality, accessible vocational education and TAFE excels at providing practical, occupational, and academic knowledge, skills and qualifications.

However, for the last decade the push towards privatisation of vocational education, resulting in the shift of billions of dollars of public money to for-profit private providers, and disinvestment by governments in public vocational education,¹ has occurred at the expense of students, skills training and a ready workforce. The immense damage inflicted on the vocational education and training (VET) sector over the last decade as a result of marketisation and the chronic underfunding of TAFE and publicly delivered vocational education has reduced access to and the quality of VET.

In 2020 real terms government expenditure on VET was \$5.8 billion, 15.9% lower than it was at the 2012 peak of \$6.9 billion. Data from the Productivity Commission's annual Report on Government Services shows government funding to VET has been on average \$1.13 billion lower every year against that 2012 peak. This means that every year an average of \$1.13 billion in government funding has been lost to the VET sector.

On a per capita basis, real terms government expenditure in 2020 was \$346 per person aged

15-64 years, down from a peak of \$461 in 2012. This is a real reduction in funding per person of 25% from 2012.²

The damage inflicted on the sector has eroded the viability of TAFE colleges and undermined confidence in the system. As a result of this continual assault, TAFE enrolments have declined steadily in recent years, from nearly 1,194,000 in 2012 to 871,000 in 2021.³

This marketisation has been without any evidence showing that it improves the quality of existing vocational education provision. As a result, Australia has a serious under-provision of quality vocational education and a knowledge and skills base that has been so seriously eroded it has created a national skills crisis.

The Productivity Commission has used uncommonly strong language recognising that vocational education in Australia is “fractured” and “a mess” and has called for immediate government action.

1. Wheelahan, L., (2018). New figures quantify the extent of the TAFE disaster, retrieved from http://stoptafecuts.com.au/blog/new-figures-quantify-extent-tafe-disaster?ccm_paging_p=3
2. Productivity Commission, Report on Government Services 2022, Part B Child care, education and training: 5 Vocational Education and training, retrieved from <https://www.pc.gov.au/research/ongoing/report-on-government-services/2022/child-care-education-and-training/vocational-education-and-training>
3. National Centre for Vocational Education Research (2022). Government Funding of VET 2021: data tables, retrieved from <https://www.ncver.edu.au/research-and-statistics/data/all-data/historical-time-series-of-government-funded-vocational-education-and-training-from-1981-to-2021>

AUSTRALIA MUST REBUILD WITH TAFE FOR A POSITIVE FUTURE

Rebuilding the TAFE system will be crucial to fixing the skills shortage and to Australia's recovery. It is the obvious way to secure high quality training to large groups of students.

The AEU welcomes the new Federal Government's commitment to TAFE as the anchor public institution for Australia's jobs and skills strategy. Only TAFE provides the holistic education needed to achieve jobs for the millions of Australians who are unemployed, underemployed, looking to upskill or re-skill to prepare for an uncertain future.

As the trusted public provider, TAFE has a long history of forging strong partnerships with industry to create pipelines of skilled apprenticeships and job pathways, but it needs greater funding and greater autonomy to innovate.

The closure and defunding of TAFE campuses in rural communities has denied access to quality vocational education to Australians in regions that do not represent profitable margins to attract private providers. Opening them up would improve the liveability of these areas and allow local industries to gain the qualified local workforce they need to power local economies.

Australians know that investing in broad-based, transferable work and life skills is the best way to adapt quickly to the changing economy and remain in the workforce, and no-one wants to see the jobs of the future going offshore to countries that are already investing in their people.

Investing in Australians means going beyond providing short term basic qualifications. The extra student facilities and services provided at TAFE; including libraries, sports and social and career networking opportunities, career advice and pastoral care, assistance for Aboriginal and Torres Strait Islander students, students with disabilities and multi-cultural students means every Australian is supported to get the most from their education and develop life-skills necessary to participate in society on a more equal basis. These additional supports are often the difference between attaining a qualification and not to those that receive them. The holistic nature of TAFE makes it impossible for TAFE courses to be 'efficiently priced' against the lower level or non-existent services offered by many for profit providers.

Both the pandemic and recent Royal Commissions shone a light on the critical shortage of high-quality trained staff across health, early childhood education and aged and disability care. Rebuilding TAFE to be the primary provider of all public service courses is the only viable long-term solution to delivering quality training of at scale to meet Australia's growing need for everyone to work and live in dignity.

Rebuilding TAFE enriches Australians and the economy. Despite decades of neglect and the abject failure of market-led VET policies, Australia's TAFE system continues to generate an enormous ongoing dividend to the Australian economy.

Historical investment in TAFE drives \$92.5 billion in benefits per year in annual economic benefits. Not simply through its operation, but from the higher incomes of TAFE trained students, higher productivity and increased business profits. This is equal to almost 5% of Australia's GDP and 16 times greater than the annual cost to maintain TAFE. The ongoing benefit of this investment will be lost if governments fail to maintain it.

**It makes clear economic sense to invest
in TAFE.**

Millions of Australians got their start at TAFE and millions more were given a second chance thanks to TAFE. Given the national pride that Australians have in TAFE it is not surprising that in a 2020 national survey 94% of Australians said they wanted to see more Commonwealth funding for TAFE.

For a positive future for vocational education, the Commonwealth and state and territory governments must:

- 1. Rebuild TAFE as a valued public education institution that** provides a myriad of support services to students beyond the bare bones course units offered by many private providers.
- 2. Rebuild TAFE as the primary provider of all public-sector employment training** and allow greater autonomy to innovate with industry.
- 3. Rebuild TAFE Funding**
Dismantle the contestable funding model that favours private providers offering the bare minimum service for the lowest cost and guarantee a minimum of 70% of all government VET funding to the TAFE system.
- 4. Rebuild the TAFE teaching workforce**
Co-design a workforce development strategy with the profession and the union and create fit-for-purpose teaching qualifications that reflect student-centred learning so every Australian can achieve their goals.
- 5. Rebuild TAFE campuses**
TAFE students should have access to high quality learning facilities featuring the latest technology, wherever they live.



For more information visit www.rebuildwithtafe.org.au
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