

TAFE's \$92bn benefit to economy

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TAFE has provided a \$92.5 billion benefit to the Australian economy, according to a new report that recommends a further \$2.5 billion investment in wage subsidies for apprentices to help stem the collapse in new positions.

The report by the Centre for Future Work at the Australia Institute, *An Investment in Productivity and Inclusion: The Economic and Social Benefits of the TAFE System*, has revealed that despite years of significant funding pressure and policy failure, the TAFE system plays a huge and fundamentally important role in the Australian economy.

According to the report, TAFE:

- creates \$84.9 billion in annual productivity benefits, including \$25 billion in taxation revenue, which alone is more than four times its annual funding
- has a \$6.1 billion economic footprint, including purchases of goods and services, supply chain inputs and employment supporting 48,000 jobs
- is responsible for \$1.5 billion in reduced social expenses annually, lowering unemployment and supporting a healthier workforce and society
- has created an increase in employment of around 486,000 positions.



AEU Federal President Correna Haythorpe welcomed the report, saying it validated the critical role that TAFE plays in the Australian economy, as well as TAFE's social purpose in providing high-quality vocational education for all students and in particular, those at risk and from disadvantaged backgrounds.

"TAFE has made a huge contribution to Australia's economic prosperity, despite years of what can only be described as policy vandalism of the vocational education sector."

"Right now, what Australian workers need in a post-COVID economy is high-quality vocational education from the trusted public provider, TAFE.

"It is TAFE teachers who deliver these annual economic and social benefits despite years of skyrocketing workloads and severe cuts to the TAFE workforce."

"This report shows that Australia's historic investment in TAFE generates huge economic benefits every year. Australia's post-COVID-19 response must start with revitalising TAFE as the trusted anchor institution of vocational education, and it must be funded accordingly with a minimum 70 per cent of total government VET funding," Ms Haythorpe said.