

Federal Budget lets down TAFE sector, again

May 13, 2021

The Morrison Government has no new ideas for solving the skills shortage in the 2021 Federal Budget, once again ignoring the central role of TAFE in vocational education.

Coalition governments since 2013 have made many announcements, but the results don't match the rhetoric.

In this Budget there is no new recurrent funding for TAFE. The Treasurer has only committed to \$25 million for 2021/22 for campus upgrades.

The announcement of a further \$500 million for JobTrainer, the contestable funding model for vocational education providers, is a disgrace. Increasing contestability and competition in vocational education undermines TAFE's provision of high quality education. TAFE is forced to compete for funds with dodgy high risk private for profit training providers.

The Federal Government has announced \$285 million over five years, including \$149.2 million over four years to establish 15 industry owned Skills Enterprises, This is a rehash of a failed "Technical Schools" policy of the Howard Government .



The National Centre for Vocational Education Research (NCVER) 2020 September quarter report on Apprentices and Trainees shows the real effect of the COVID-19 recession.

There were 264,425 apprentices and trainees in-training as of 30 September 2020, a decrease of 4.2 per cent from 30 September 2019.

In the September quarter 2020, compared with the September quarter 2019:

- commencements decreased by 23 per cent, to 26, 585
- completions decreased by 17.2 per cent, to 16, 845
- cancellations and withdrawals decreased by 21.4 per cent, to 16 990.

In the 12 months ending 30 September 2020, compared with the 12 months ending 30 September 2019:

- commencements decreased by 18.8 per cent, to 126, 665
- completions decreased by 9.8 per cent, to 80 200
- cancellations and withdrawals decreased by 14 per cent, to 73, 205.

The Budget continues to focus only on funding for wage subsidies and contestable funding for training places. The skills shortage and vocational education crisis needs new strategies.

The Federal Government must:

- make apprentice and trainee quotas on all Commonwealth and State government work mandatory. These quotas are not just new infrastructure, but all Government departments will have to increase training and apprentice positions
- fund TAFE to deliver extra pre-apprenticeship courses
- guarantee funding for TAFE and remove the contestable funding policies

Wage subsidy incentives have not adequately addressed the problem in the past and will not offer enough education and skills development required in the post-COVID economy.

Since 2013, TAFE has suffered more than \$3 billion in funding cuts. These cuts have had a devastating effect on TAFE.

TAFE is best positioned to deliver high quality vocational education and skills to help our nation recover from the COVID-19 pandemic, but it must be properly funded.

The Morrison Government is delivering millions of dollars of taxpayers' funds to poor quality private colleges and the job network at the expense of guaranteed funding for TAFE.

If this Government was serious about funding vocational education to help people get a stable and secure job, it would rebuild with TAFE.