Evans threatens to block education reward funding

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A deal to give the states $1.75 billion in federal funding in return for their agreement on national skills reform could be in jeopardy as conservative state governments cut funding for vocational education and training (VET) and look to shed TAFE assets.

Leaked documents have revealed proposals in Victoria to sell off a number of TAFE campuses in regional and metropolitan areas after $300 million in cuts to VET funding, which has already forced the axing of courses and job losses.

Federal Skills Minister Chris Evans has warned the cuts – which come as NSW has slashed TAFE funding and Queensland is considering closing campuses – could undermine the intent of a deal signed at the Council of Australian Governments this year which pledged a large increase in funds to states in return for an overhaul of the VET sector.

Senator Evans said the agreement provided reward funding for states if they met targets for increased training numbers and increased skills.

“Clearly those reward payments are at risk because they are going to be shutting thousands of young Victorians out from the training system,” he said at the weekend.

The states had “budgeted for those reward payments … So they seem to assume we’re going to keep on paying them and rewarding them when this sort of activity occurs,” he said. “That is clearly not the case.”

The $1.75 billion National Partnership on Skills Reform requires states and territories to introduce an entitlement to government-funded training for anyone of working age without a Certificate III or higher qualification, as well as the lifting of quality and standards.

An additional 375,000 students are expected to complete qualifications over the next five years under the plan, part of the broader $7.2 billion National Agreement for Skills and Workforce Development.

As the Australian Industry Group condemned the “painful” short-term approach in Victoria, TAFE Directors Australia said the states were shifting costs in an effort to meet their obligations under an agreement for which no cost modelling had been done.

“Now we’ve started to see states do that modelling and suddenly we’re seeing major cutbacks to TAFE budgets,” TDA chief Martin Riordan said. “One can only assume they are doing it to honour
their commitment to the national partnership plan and there is a whole range of rearrangement of the deck chairs in terms of cost and expenditure.”

TAFEs have given in-principle support to the plan but are wary of its potential financial impact because students will be able to take their government-subsidised entitlement to private providers.

The Victorian TAFE Association estimates 2000 staff will be made redundant as a result of the loss of $300 million a year from 2013.

Along with cuts to school funding, the NSW government last week announced the axing of 800 TAFE positions and rises in student fees as part of a drive to ensure the state “lives within it means”.

In Queensland, the third eastern state where TAFE is under stress, an interim report to the LNP government recommends campus closures.

Pat Forward, the Australian Education Union’s federal TAFE secretary, said rural and regional communities would be the biggest losers. “The sharpest impact will be felt in rural and regional areas, where the local TAFE is often the only option for training,” she said.

Australian Industry Group chief executive Innes Willox said that while there was no doubt TAFE needed to be more responsive to industry, the states had gone too far. “What you’ve got now is the development of quite a disturbing trend among the states to cut education funding – but vocational education funding in particular,” he said.

“There will be very significant short-term consequences for industry because we won’t see the flow through of graduates and apprentices in core trades like electrical engineering, plumbing and welding that we need for our economy. We’re already facing skills shortages as a result of cutbacks in the ’70s and ’80s. We don’t want to repeat that mistake.”

Leaked documents in the possession of the ABC show drastic changes being considered by TAFE institutes and universities in Victoria, the broadcaster reported last Thursday.

Following the report, Swinburne University, which has a TAFE arm, released the executive summary of its business transition plan, dated September 7. Among its proposals are that the state acquire the university’s Lilydale and Prahran campuses or, alternatively, allow for their sale.

The Prahran campus would reportedly fetch $50 million and the Lilydale campus $27.5 million.

Other possible sell-offs included Bendigo’s Castlemaine campus, GippsTAFE’s Yallourn site, Kangan Institute’s Moreland campus and NMIT’s Ararat campus, the ABC reported.

One of the nation’s leading VET researchers, Leesa Wheelahan from the University of Melbourne, said TAFE’s viability was being undermined in what was tantamount to “economic and social vandalism”.

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