MEDIA RELEASE

FOR IMMEDIATE RELEASE

TUESDAY 8TH MAY 2012

BUDGET 2012
SUMMARY FOR SKILLS & TAFE

MIXED ‘GIVE & TAKE’ BUDGET SKILLS PACKAGE

KEY INITIATIVES:

- Establishment of three Australian Centres of Skills Excellence, specialising in manufacturing, sustainability and green skills, and NBN-related skills, redirecting $18.1 million over four years from the National Workforce Development Fund

- Establishment of a Manufacturing Technology Innovation Centre costing $29.8 million

- COAG Agreement of $1.75 billion for VET Reform proceeds with states and territories, but indexed below full indexation provided to universities

- Extension of Income Contingent Loans to Certificate IV – South Australia and Victoria signed to begin a trial from January 2013, with other states and territories from 2014 (costing $60.0 million)

- Subsidies for TAFE diploma and advanced enrolments in early childhood continue, under the Early Childhood National Quality Agenda (cost $17.2 million, 2012-13), but have been reduced from previous Budget statements by $27.6m in total over 4 years

- Stiffer ASQA regulation with $50 million in total funding, with higher registration fees tipped

- Cuts to employer apprenticeship commencement benefits to hit hospitality and retail, saving a total of $401.40 million over four years

- Educational investment Fund - Regional round proceeds for 2012

- Cuts to International Education scholarships, fellowships and exchanges funding
• Higher Education funding delivers extra $1 billion to Universities with no change to uncapped HECS places – no extension of Commonwealth Supported Places to TAFEs and vocational education courses and an increase in loading to fund universities to provide bridging courses ($41.6m over 4 years)

• Axing of CSP places to Australians residing overseas completing a Higher Education course

• Deferral of the National Trade Cadetship Scheme by one year (saving $12.5 million), to begin at the start of the 2013 school year

• Workforce Development Fund costing $500 million over four years, with extra $35 million for mature aged worker training schemes

• Extra $8.6 million in visa protection and application processes

• Indigenous jobs and community program, with $1.5 billion effective 1 July 2012 for more integrated participation and employment services in remote Australia -- to include a $240 million Youth Development Fund, and $89 million Remote Youth Development and Leadership Corp.

• Australian Apprenticeship Ambassadors program will be extended, after launch in 2011, with $200,000 to promote the benefits of the trades

• Axing of National Career Development Strategy ($17.0 million)

COMMENT FROM TAFE DIRECTORS AUSTRALIA

SKILLS FUNDING TIGHTENS, CENTRES OF EXCELLENCE AMONG BUDGET CARROTS

The 2012-13 Federal Budget has squeezed funding for national skills.

The Budget measures will increase pressure on states and territories battling tighter revenues.

The Budget allocated continued funds to uncapped Commonwealth Supported Places, as per the Rudd/Gillard pledge, including full indexation, costing an extra $1 billion (to $5.2 billion), with payments to higher education now totalling $38.8 billion over four years.

By contrast, the Commonwealth indexed agreement under VET reforms in States and Territories will be 1.89 per cent in 2012-13.

TAFE Directors Australia said the Budget measures legislating the Commonwealth contribution of $1.75 billion for VET Reform funds over four years, will not be accompanied by any major measures to boost TAFE or skills.

Employer benefits will be reduced, particularly hitting commencement payments across business, hospitality and retail sectors.
Literacy and numeracy skill programs will be reduced and funding for international student exchanges and scholarships will be slashed.

Chief Executive Officer of TDA, Martin Riordan, said several smaller measures provide ‘carrots’, which may bring some relief amid slowing funds for the training and skills in Australia.

For further information:

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