



MEDIA RELEASE

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Funding switch raises questions over Budget skills package

The federal government's claim that Tuesday's Budget supports vocational education and training (VET) must be seriously questioned, now that it emerges that money set aside for skills training has been redirected, TAFE Directors Australia (TDA) said today.

Of the \$525 million announced in Tuesday's Budget for *Delivering skills for today and tomorrow* over five years, \$417 million is money taken from the Skilling Australians Fund (SAF).

"This year alone, the Treasurer has returned \$138 million from the SAF to government coffers" the CEO of TAFE Directors Australia Craig Robertson said.

The now ill-fated Skilling Australians Fund was announced in 2017 as a \$1.5 billion commitment to the states and territories, with matched funding, to grow apprenticeships and traineeships.

Since announcing the SAF, Treasurers Morrison, and now Frydenberg have reduced the money available to states and territories by around \$890 million.

The Budget shows that the latest commitment to the SAF is just over \$570 million. Originally designed as an ongoing program funded from hypothecated revenue from employer fees for sponsored migration, the Budget also shows the SAF terminating in June 2022.

"The fact is that actual new funding in the Budget skills package is only \$212 million, and only in the last two years of the forward estimates," Mr Robertson said.

"It also appears that only about twenty per cent of this new funding is directed to training."

Mr Robertson said the skills funding about-face harms the credibility of the skills package and will also undermine the government's capacity to move forward with the findings of the Joyce Review into the future of VET.

"It beggars belief that the Commonwealth could expect state and territories to sign up to the Joyce vision for a new national skills framework after having pulled the rug from what was promised and funded under the SAF," he said.

When viewed alongside the Government's own projections that it will be lending less than \$190 million a year in student loans for VET diplomas and advanced diploma, it adds to a perception that skills funding is not being treated seriously.

“The states and territories do the heavy lifting in funding training. But the federal Government can not credibly withdraw and rip money away from the states.”

Another disappointment was the Budget decision to close the popular Endeavour Leadership program in order to fund Destination Australia scholarships.

Australian TAFE students have been able to use Endeavour for short term skills experiences, gaining valuable insights into global industry practice and career options. This has been particularly valuable given TAFE students are excluded from the New Colombo Plan.

“TAFEs are very disappointed that this program has been axed without any consultation,” Mr Robertson said.

“It appears the Government has forgotten about the soft diplomacy benefits from this program, simply to feed the growing international student market.”

Media contact: Bob Bowden, Foresight Communications, bbowden@bowmac.com.au 0412 753 298

TAFE Directors Australia is the peak national body representing 28 TAFE institutes, including six dual sector universities with TAFE divisions.