

# Study says TAFE suffered \$1bn drop

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**SKILLS funding policies blew a \$1 billion hole in TAFE's budget across five years, according to an analysis by Monash University's Centre for the Economics of Education and Training.**

CEET found a sustained decline in per-hour funding of training and increased funding of private colleges had left TAFEs \$974 million short of what they would have received if 2004 levels had been maintained. The 16 per cent decline, between 2004 and 2009, was part of a longer trend that saw per-hour funding decrease 26 per cent since 1997.

The study revealed declines in all jurisdictions. Victorian and NSW TAFEs fared worst, receiving recurrent government funding of \$11.96 and \$12.08 an hour, respectively, following steady reductions since the middle of last decade. This equated to declines of 12 per cent in Victoria and 35 per cent in NSW since 1997.

The study was commissioned by the Australian Education Union, which believes funding reductions are jeopardising TAFEs' ability to operate in regional areas, help disadvantaged students and provide high-cost technical training: areas where TAFEs dominate.

But Victoria and NSW said the decline reflected efficiency gains.

The NSW Department of Education and Training said TAFE NSW had reduced net costs by almost 9 per cent since 2007 by restructuring the state and institute offices, rationalising delivery, streamlining product development, reducing administration costs and expanding sustainable work practices.

It also had reduced reliance on government coffers by expanding commercial delivery, increasing its external revenue by 70 per cent.

It said TAFE NSW had achieved the efficiencies while boosting enrolments by 11 per cent between 2006 and last year.

A spokesman for Victorian Skills Minister Peter Hall said the state had allocated record funding to its market-driven training system and that it had achieved efficiencies without affecting student or employer satisfaction levels.

Skills Australia chief executive Robin Shreeve said efficiency gains were unlikely to account for the entire funding shortfall. He said vocational education and training funding rates had fallen despite increases in other sectors, but "a historic lack of transparency" made it hard to assess