

Budget 2021 – Education

Overview – Vocational education and training

The COVID 19 pandemic impacted disproportionately on women with the loss of jobs in hospitality, retail, arts and tourism. The Government's vocational education and training budget allocation continues with funding for a range of programs, but no major program aimed at increasing women's participation in a greater diversity of vocational fields of study.

The Government gives some recognition to the ongoing issue of women being concentrated in certain fields of study in the Women's Budget Statement, but then allocates the bulk of funding to the **Australian Apprenticeships Incentives Program** with **Boosting Apprenticeship Commencements** wage subsidy of up to \$7000 per quarter for 12 months to businesses.

Women make up only about one quarter of apprentices. The Budget initiatives targeting women in non-traditional trade occupations are tokenistic. Yet these trade occupations continue to be areas of skill shortage.

The other major initiative is the **Job Trainer Fund** which has benefited women who, according to the **Women's Budget Statement** represent 56 per cent of enrolments.

Vocational education and training

The Budget

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
<i>Sub-program 3.1.1 - Skills Development</i>					
Annual administered expenses:					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)					
Australian Apprenticeship Support Network	271,724	310,362	257,752	194,651	193,896
Australian Apprenticeships Incentives Program	2,188,123	2,769,192	1,485,984	547,705	574,375
Commonwealth Scholarships Program for South Australia	1,179	100	-	-	-
Commonwealth Scholarships Program for Young Australians	3,868	5,582	-	-	-
Mid-Career Checkpoint	1,500	12,150	24,747	36,473	-
Skills Checkpoint for Older Workers Program	3,984	4,024	4,081	4,138	4,193
Trades Recognition Australia	31,344	44,491	41,159	42,510	43,885
Special appropriations:					
<i>Trade Support Loans Act 2014</i>					
Trade Support Loans	43,714	61,512	59,741	63,410	64,529
Total component 3.1.1 expenses	2,545,436	3,207,413	1,873,464	888,887	880,878
<i>Sub-program 3.1.2 - Access to Training</i>					
Annual administered expenses:					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)					
Skills for Education and Employment	116,976	116,715	125,048	131,574	139,155
Foundation Skills for Your Future Program	14,283	14,283	14,283	7,139	-
Foundation Skills for Your Future - Remote Community Pilots	1,622	3,284	3,323	-	-
Total component 3.1.2 expenses	132,881	134,282	142,654	138,713	139,155

Source: DESE Budget Statements 21/22 (p. 72).

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
<i>Sub-program 3.1.3 - Support for the National Training System</i>					
Annual administered expenses:					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)					
Australian Industry and Skills Committee	1,532	1,550	785	-	-
Industry Training Hubs	15,469	14,722	16,735	-	-
Industry Workforce Training	50,498	40,025	29,008	9,109	8,733
Integrated Information Service	1,799	1,820	845	872	896
Licensing of International Vocational Education and Training (VET) Courses	1,193	1,193	1,193	1,193	1,193
My Skills Website	577	585	592	601	608
National Careers Institute and Ambassador	6,312	13,348	13,037	1,039	-
National Centre for Vocational Education Research	706	715	724	734	743
National Skills Commission	7,804	5,100	2,365	2,400	1,900
National Training System COPE	38,591	46,980	53,708	37,642	37,896
Skills Communication Campaign	15,935	11,270	-	-	-
Skills Organisation Pilots	13,641	15,195	9,839	-	-
VET Data Streamlining	2,418	16,111	12,994	8,965	6,632
VET Information Strategy	1,591	943	851	557	569
Nationally Consistent and Accessible Subsidy and Apprenticeship Information	-	4,329	4,926	1,547	1,547
Industry Clusters	-	7,044	73,908	104,851	106,740
Total component 3.1.3 expenses	158,066	180,930	221,510	169,510	167,457
Total program expenses	2,836,383	3,522,625	2,237,628	1,197,110	1,187,490

Source: DESE Budget Statements 21/22 (p. 73).

Gender implications

1. Women earn less than men. The full-time total remuneration gender pay gap based on WGEA data is 20.8%, meaning men working full-time earn nearly \$25,679 a year more than women working full-time. The care economy, where women predominate as workers, needs investment by government and better regulation so that government subsidies are not disproportionately pocketed as profits. These areas of women's employment need to be adequately remunerated and subsidized training places allocated to fill skilled vacancies.
2. Women are over-represented as part-time workers in low paid industries and in insecure work. Diversification of their occupational choices and expansion of opportunities is enabled when they receive adequate and unbiased career advice. Tertiary education opportunities through TAFE or a VET provider should be presented to them at various stages – post-school, during their early employment years and when returning to work after a period of child-raising. (GEN VIC Productivity Commission – Interim Report Submission Skills and Workforce Development Agreement.)

3. More women than men have lost their jobs during the COVID health crisis. Their re-entry in a changed working environment will depend on their augmenting their skills, improving their qualifications or retraining or training into an emerging occupation.
4. The gender or sex-segregated labour market contributes to women's economic insecurity by perpetuating the gender pay gap. The VET system with its extensive course offerings across a range of occupations and accompanied by an appropriate range of training support can facilitate women pursuing work opportunities through apprenticeships and traineeships provided they are linked to a welcoming employer committed to long-term staff retention and upskilling.
5. Women, through a range of organisations and involvement in many pilot programs targeted at encouraging women into male dominated occupations, have lobbied over many years for funding initiatives to support female students wishing to enter male dominated trades and other occupations, where there are more training subsidies, wages and conditions are better, job security is assured and there are opportunities for establishing small businesses.
6. The VET sector, through the public TAFE system, had a reputation for providing affordable and targeted programs for women. These need to be re-established and promoted by all VET providers and Group Training Organisations. TAFE needs to be recognized as the standard setting VET provider and funded accordingly. Instead it is increasingly a marginal provider with only 779,200 students enrolled in 2019.
7. The obsession by governments with having an industry-led, user-pays system, reflected in successive budgets and endless reviews and reform, has simply resulted in dramatic declines in apprentice and trainee numbers. As of September 2020, according to NCVER figures on commencements of apprentices and trainees, only 2 per cent of workers were employed as an apprentices or trainee. Of the 126,665 commencements, there were only 60,115 trade apprentices – a decline of 15.7 per cent from 2019 and 66,545 non-trades down by 21.4 per cent from 2019. Of the total, 81,955 were male and **44,710 were female**, down 18.6 per cent from 2019. Overall the decline in commencements as well as completions has continued its downward spiral. Between 2016 and 2020, commencements fell by 25.4 per cent and completions fell by 22.4 per cent. The ideologically based solutions have not addressed the decline.
8. Women are not an homogenous group and the VET sector has always recognized that Indigenous women, CALD women and women with a disability faced particular challenges in training environments shared with their male counterparts, but compounded by their gender. They require specialized support which is culturally sensitive, co-designed with CALD or Indigenous communities and responsive to their needs and priorities. In a properly resourced VET learning context such support is negotiated with the student and customized to address their learning requirements.

What are the 2021 Budget impacts on women?

While the government continues its policy and funding commitment to an industry-led VET system in a contestable training market with private providers competing with each other and TAFE to supply training products and services, as set out in [the Heads of Agreement for Skills Reform](#) the system dysfunctionality complained of by industry and governments will continue. This is damaging to the reputation of the VET sector.

This Budget, like the last, should have been used as an opportunity to re-set policies which have led to training market failures and extensive exploitation of government funds. The industry-led VET system is constantly criticized by those who are leading it. The public provider, TAFE, has been side-lined and struggles to meet its statutory obligations. The program **Revitalising TAFE Campuses**, which sits under payments for specific purposes, has not been expanded. The allocation of \$25 million nationally is totally inadequate. The public TAFE system should be refuned as essential social infrastructure for recovery and re-skilling. It is a national asset with a wide geographical distribution.

There are two big ticket initiatives: **Australian Apprenticeships Incentives Program (AAIP)** and the newer **JobTrainer Fund**. The much-vaunted **Skilling Australians Fund**, which was to be the answer to falls in enrolments and skill shortages has all but been abandoned with an allocation of only \$75.3 million.

[Trade Support Loans](#) have been allocated an increase. The allocation for [VET Student Loans](#) has also increased to \$196.017 million. The new rules governing these loans have reduced the number of eligible providers and courses. There is no gender dis-aggregated data in the [Annual Statistical Report for 2019](#).

The [AAIP](#) has an allocation of \$2.7 billion. This program provides a range of payments for industries and occupations traditionally associated with the apprenticeship system. It also targets traineeships and apprenticeships in new and emerging industries where there are skill shortages. Payments are made to employers and to Registered Training Organisations. It is now the flagship program for increasing apprenticeships. It has been supplemented by further wage subsidies through the **Boosting Apprenticeships Commencements (BAC)** initiative with an additional \$2.7 billion.

Of major concern to women with respect to this program, is the failure to include them in the Equity Groups meriting special assistance in the [Australian Apprenticeships Incentives Program Guidelines](#). This would be a way of demonstrating that women apprentices are welcome and will receive priority attention!

As part of the **BAC** subsidy, 5000 Gateway Services places have been allocated for women interested in undertaking an apprenticeship in a non-traditional trade occupation. This is a welcome targeted initiative. But the number of places will be spread very thinly once divided amongst state and territories. It is an inadequate allocation.

The **JobTrainer Fund** was established as part of the economic response to COVID-19. The Government partners with states and territories to provide free or low fee training courses across

Australia. There is an amount of \$500 Million announced, but only \$339 million in the Portfolio Budget Papers. It is targeted to school leavers and young unemployed and aims to provide 163,000 training places for 17–24-year-olds.

This Fund according to the **Women's Budget Statement** has supported almost 115,000 enrolments with 56 per cent of these being women. The program has been extended to December 2022 so has the potential to assist many young women into training. There are also an additional 33,800 new places targeted to support aged care skills. The predominance of women workers in this sector may mean a boost to women's skills, employment prospects and potentially their wages.

The newly established **National Skills Commission** has had its allocation reduced and estimates taper off in the forward years. This Commission should be harnessed to bring more cohesion and leadership to the sector. It has the responsibility *to identify current and emerging skill needs and developing “nowcasting” (?) capability to understand the state of the labour market in almost real-time*. It has no specific brief to look at gender participation or segregation.

The **National Careers Institute** (NCI) has had its funding doubled to \$13.3 million and a proportion of these funds will go into a grants program to facilitate partnerships with industry, employers or schools for innovative projects that support women's workforce participation. It is designed to support women to make informed decisions about career pathways. It is difficult to see how such a small amount of money is adequate to the task set for the program. It appears to be window-dressing!

Another modest pilot program – **Mid-Career Checkpoint (MCC)** – has also received an apparent funding increase to \$12.1 Million and is forecast to grow in the forward years to \$36.4 million by 23/24. Its allocation in last year's budget was \$22 million. These fluctuating figures indicate challenges with implementation or poorly conceived and designed programs. This **MCC** aims to provide advice to people returning to work after a break for caring responsibilities. It is focused on women aged 30 to 45 years. There is a \$3000 grant to participants. This was a core service in TAFE. It was a Counselling and Course Information Service. It has become a poorly funded grants program. What kind and quality of advice is accessed, cannot be determined from the papers.

Under the Heads of Agreement for Skills Reform a new National Skills Agreement is being negotiated with states and territories to be signed by August 2021 worth about \$6.4 billion over four years. It is aimed to reform the VET sector.

Recommendations

NFAW recommends that:

- The implementation guidelines or criteria for funding of the **JobTrainer Fund** should require reporting on student enrolments and completions by gender. Female enrolments and their fields of study should be collected with male students and further disaggregated by language background, disability, Indigenous group and so on. Good program design requires reliable data.

- The brief of the **National Skills Commission** should be expanded to include the identification of occupational areas into which women may be attracted to diversify their occupational choices aiming for more economic security and closing the gender pay gap.
- Women should be added to the list of Equity Groups on page eight of **AAIP Guidelines**.
- The National Skill Needs List and the Occupational Skill Shortage Information should be kept under constant review and the responsibility for the compilation of these two lists brought under one jurisdiction. There should be data accompanying the lists showing numbers of males and females employed in the occupations as a guide to employers and potential trainees and apprentices as well as VET providers planning courses provision and establishing priorities.
- **Revitalizing TAFE campuses across Australia** program should be adequately funded so that the public VET provider can fulfil its community service obligations and provide the targeted programs for women of diverse backgrounds with appropriate specialist student support.
- All targeted programs under the **Gateway Services and Mid-Career Checkpoint** announced in the Budget need to be evaluated and reported upon for their effectiveness.
- Women's and girls' needs should be explicit in all VET funding policy, with all VET-related legislation and programs being accompanied by a requirement for women's impact statement to ensure that programs are equitable and inclusive. The data should be annually published in the **Women's Budget Statement**.
- **VET Student Loans** Statistical report should include gender disaggregated data.
- The NCVER needs to collect data by sex. The data published in the **Atlas of Total VET** is not adequate for detailed statistical gender analysis on VET enrolments. Hence claims of growth or success are difficult to establish from the available data.