

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2004-2005 SUPPLEMENTARY ESTIMATES HEARING

Outcome: 1
Output Group: 1.1 – Funding for schools

DEST Question No. E425_05

Senator Carr provided in writing.

Question:

A media release by the Australian Education Union on 30th September 2004 reports that the Governments proposed technical colleges will cost ... *“the Australian taxpayer almost ten times as much money per student as it costs in TAFE.”* Is this report accurate?

Answer:

Technical Colleges

The media release states, “Howard’s wasteful Technical College proposal would cost the Australian taxpayer almost ten times as much per student as it costs in TAFE.”

The Department does not consider this report is accurate. Both the comparison and the methodology used are not sound.

The implication that TAFEs are a cheaper alternative to Australian Technical Colleges appears to be based on a misunderstanding of the structure and operation of the Colleges. Australian Technical Colleges and TAFEs are not comparable organisations. The Technical Colleges are schools which will provide both academic and vocational education.

In addition, the calculations reported in the media release of both the total average cost to taxpayers per student in TAFE and the ‘cost per student’ at an Australian Technical College are questionable:

- The publicly funded cost per student in TAFE of \$2,235 appears to take into account the high proportion of part time students in TAFE resulting in a lower average cost per student than is correct.
- The average cost for a full time equivalent VET student is \$7,430 per year; based on 540 hours at the national average price per hour for 2003 of \$13.76. Note that this figure does not include capital but does include depreciation.
- The cost per student at a Technical College includes the initial capital establishment costs.