

14/04/2025

Dr Jonathan Spear
Chief Executive Officer
Infrastructure Victoria
Level 33, 140 William Street
MELBOURNE VIC 3000

Dear Dr Spear,

Re: Victorian TAFE Association submission into draft infrastructure strategy

Please find attached the Victorian TAFE Association (VTA) submission to Victoria's draft 30-year infrastructure strategy 2025-2055 (the Draft Strategy). Thank you to Infrastructure Victoria (IV) for the opportunity to contribute to this process and help shape a practical roadmap for Victoria.

The VTA is the peak body for the Victorian TAFE sector, comprising Victoria's 12 TAFE Institutes, four dual sector universities and AMES Australia. We proudly champion public vocational education with a focus on sustainability, quality, and outcomes for industry, community and learners.

This submission builds upon our 2023 submission which presented a high-level, principles approach to TAFE infrastructure investment. Our intention is once again to not to present a 'shopping list' of necessary infrastructure investments but to provide supporting rationale, evidence and additional proposals, from our deep knowledge of the TAFE Network, to strengthen the Draft Strategy.

We strongly support many elements of the Draft Strategy and are pleased to see specific reference to the required growth of the TAFE Network and the funding this would require. In our submission, we emphasise the importance of recognising the Victorian TAFE Network as key delivery partners in driving the Draft Strategy's agenda. The Victorian TAFE Network provides critical social infrastructure by equipping students with the practical and advanced skills necessary to deliver the Draft Strategy's objectives and to enable its recommendations.

We highlight the limitations of the TAFE funding model which could constrain Recommendation 4, the need to consider digital infrastructure alongside physical assets, as well as the need for TAFEs to have greater autonomy in infrastructure and asset management. We also highlight the opportunity to co-locate new kindergartens and schools with TAFE Institutes and the opportunity to explore public-private partnerships to support TAFE infrastructure development.

We welcome the opportunity to continue working with IV as the Draft Strategy is finalised.

Yours sincerely,



Victorian TAFE Association



TAFE at the heart of Victoria's future growth and prosperity:

Submission into the Infrastructure Victoria draft 30-year strategy

Victorian TAFE Association – April 2025

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Introduction

The Victorian TAFE Association (VTA) welcomes the opportunity to provide a submission into *Victoria's draft 30-year infrastructure strategy 2025-2055* (the Draft Strategy) and help shape a practical roadmap for Victoria's infrastructure over the next 5 to 30 years.

The VTA is the peak body for the Victorian TAFE sector, comprising Victoria's 12 TAFE Institutes, four dual sector universities and AMES Australia. The VTA proudly champions public vocational education and training (VET) with a focus on sustainability, quality, and outcomes for industry, community and learners.

As Victoria's government-owned training and skills capability, the TAFE Network¹ is an integral part of the public education system and economy, able to make decisions driven by public benefit not profit. It is uniquely positioned to advance Victoria's economic and skills priorities while also delivering social benefits and is a strategic and democratic public service that gives back to society. The TAFE Network enables the Government to navigate current and future economic transitions for constituents, while uplifting a range of community outcomes including employment, income, skills and productivity.

TAFE has a substantial public infrastructure footprint across Victoria with 85 physical campus locations aimed at ensuring equitable access for all Victorians to high quality, contemporary education and training, and deep place-based connections to industries and communities.

This submission builds upon our previous submission in 2023, which presented a high-level, principles approach to TAFE infrastructure investment. Consistent with our previous position, our intention is not to present a 'shopping list' of necessary infrastructure investments but to provide supporting rationale, evidence and additional proposals, from our deep knowledge of the TAFE Network, to strengthen the Draft Strategy and support its success. In particular, we note that substantial investment is required across Victoria to ensure that TAFE facilities are accessible, contemporary, appropriately located, and well maintained.

Summary and proposals

The VTA and members support many of the recommendations outlined in the Draft Strategy. We strongly support:

- **Recommendation 4**, which relates directly to expanding TAFE, and the proposed funding commitment that would enable this Recommendation.
- **Recommendation 12**, which relates to increased bus and coach services in Regional Victoria; and
- **Recommendation 37**, which relates to improved asset management for all government infrastructure.

To further strengthen the Draft Strategy's impact, we have made six proposals aimed at enhancing and refining the Draft Strategy with specific attention to Recommendation 4.

We propose that Infrastructure Victoria:

1. Recognise TAFE as a delivery partner

Explicitly recognise TAFE as a critical enabler and strategic partner in delivering the objectives and recommendations of the Draft Strategy in the summary section and Recommendation 4.

¹ In this submission, 'TAFE' and 'the TAFE Network' are used inclusively to refer to both the 12 TAFE Institutes and four dual-sector universities.

2. Ensure funding required for TAFEs to grow is appropriate	Explicitly acknowledge the constraints of the current TAFE funding model in achieving Recommendation 4, recognising that TAFE Institutes do not currently have the resources to expand and maintain infrastructure. Include a specific recommendation for the following to be provisioned in the Infrastructure budget: - dedicated funding for TAFE infrastructure expansion, and whole-of-life maintenance funding for new infrastructure - dedicated funding to upgrade and maintain existing infrastructure.
3. Ensure that TAFE growth is supported by appropriate digital infrastructure	Recommend investment in digital infrastructure including online learning to improve equality of access to TAFE training. This investment should focus on bridging the digital divide and lifting TAFE digital infrastructure to industry-standard technologies and digital learning resources.
4. Co-locate kindergartens, schools, and TAFE where possible	Prioritise the co-location of new kindergartens and schools with TAFE to enhance accessibility for students with children.
5. Support TAFEs to have autonomy over their own infrastructure	Recommend that TAFEs have greater autonomy over infrastructure and asset management, including the ability to sell and reinvest, and repurpose existing infrastructure in Recommendation 4.
6. Leverage industry financing through public and private partnerships	Explicitly encourage industry investment in public-private partnership for TAFE infrastructure development and business co-location, recognising the private benefit for businesses in accessing and using TAFE infrastructure.

Support for existing Recommendations

The VTA and its members support many of the objectives and recommendations in the Draft Strategy and share the ambition of wanting to help Victorians live prosperous, purposeful lives.

Recommendation 4

Expand TAFE in Melbourne's growth areas and some large regional centres. Expand TAFE campuses in Melbourne's west, north and south-east growth areas, and some large regional centres, to train more students to fill skills gaps, especially in construction, energy and health.

We strongly support **Recommendation 4** which relates directly to the need to grow TAFE and the proposed funding commitment that would enable this Recommendation.

We are pleased to see a dedicated focus on TAFE's growth within the Draft Strategy, recognising its critical role in the public system as Victoria's state-owned training provider. It is critical that we expand TAFE in Melbourne's growth areas and large regional centres to meet Victoria's future skills needs and ensure that all Victorians have the same opportunities to benefit from Victoria's economic prosperity.

We support the underpinning rationale for the Recommendation, particularly the recognition of TAFE's integral role in delivering the Victorian Skills Plan and addressing critical skills shortages. We also strongly support the comment that Government should work with TAFE Institutes to confirm the best places to expand. We welcome the acknowledgement that TAFE Institutes themselves are best positioned to identify growth areas, as they have the best understanding of how their current footprint could grow, 'reach in' or adapt to emerging population growth areas.

Recommendation 12

Run more bus and coach services in regional Victoria. Deliver more bus services in regional cities. Run more V/Line coach services to better connect small towns to regional cities. Start with routes that improve access to jobs, education and healthcare.

We strongly support **Recommendation 12**. We are particularly pleased to see that this Recommendation is underpinned by a specific focus on improving access to TAFE. Increasing and improving transport services in regional Victoria to make TAFEs more accessible is critical to lifting social equity. Improving access to TAFE increases opportunities for students in rural and remote areas by enhancing their access to education, training, and career pathways. In the long term, better access to TAFE will support workforce participation, the growth of local economies, and help to address regional skill shortages.

Recommendation 37

Improve asset management of all government infrastructure. Fund asset managers to better understand the condition, use and performance standards of all government infrastructure. Use this information to develop asset management strategies and prioritise funding.

We strongly support **Recommendation 37**. TAFEs are constrained in the way they manage their infrastructure assets. We strongly support granting TAFEs greater autonomy over how they use and maintain their infrastructure.

VTa proposals

To further strengthen the Draft Strategy's impact, we have made six proposals aimed at enhancing and refining the Draft Strategy with specific attention to Recommendation 4. Our proposals provide additional context and address key gaps to ensure the Draft Strategy effectively supports the long-term sustainability and growth of the Victorian TAFE Network, to the benefit of all Victorians.

1. Recognise TAFE as a delivery partner

Proposal: Explicitly recognise TAFE as a critical enabler and strategic partner in delivering the objectives and recommendations of the Draft Strategy in the summary section and Recommendation 4.

To better support the delivery of the Draft Strategy, we propose greater recognition be given to the critical role TAFE will play in implementing its objectives and recommendations. We recommend explicitly recognising the critical role of TAFE as a delivery partner in the summary section of the Draft Strategy, as well as in Recommendation 4.

TAFE Institutes are central to delivering the training required to achieve the Draft Strategy's objectives and to enable its recommendations. The Victorian TAFE Network provides critical social infrastructure by equipping students with the practical and advanced skills necessary to build homes, develop and upgrade infrastructure, expand transport networks, and facilitate the transition to renewable energy.

The Victoria Skills Plan highlights that by 2026, the Victorian labour force will need to replace 215,570 retiring workers and bring on 136,600 new workers to meet the economic demand of the state, equating to more than 352,000 new jobs². By 2034, Victoria is forecasted to require over 1.4 million new jobs³. 80% of these new jobs are accessible by TAFE qualifications and pathways. Additionally, 95% of carpenters and joiners, 95% of electricians, and 69% of architectural, building, and surveying technicians have qualifications that are attainable via a TAFE education⁴.

TAFE is the backbone of Victoria's infrastructure workforce, providing the critical skills needed to deliver infrastructure goals. As the state-owned provider of skills that enable infrastructure development, TAFE is the natural partner in delivering the Draft Strategy. Without the training provided by TAFE, the ambitions of the Draft Strategy cannot be realised. For the Draft Strategy to succeed, it needs to appropriately recognise and embed Victorian TAFEs as a critical enabler and strategic partner.

2. Ensure funding required for TAFEs to grow is appropriate

Proposal: Explicitly acknowledge the constraints of the current TAFE funding model in achieving Recommendation 4, recognising that TAFE Institutes do not currently have the resources to expand and maintain infrastructure.

Include a specific recommendation for the following to be provisioned in the Infrastructure budget:

- dedicated funding for TAFE infrastructure expansion, and whole-of-life maintenance funding for new infrastructure
- dedicated funding to upgrade and maintain existing infrastructure.

Victorian TAFE must grow

As Victoria's state-owned training provider, TAFE is an integral part of the public education system and economy. As noted above, Victoria is expected to grow significantly over the next 10-years. The Victorian Skills Authority projects the top five industries with the highest growth over the next 10 years include health care, construction, professional scientific and technical services, education and training, and retail trade⁵. Each of these industries relies on a workforce that can be accessed through TAFE pathways, reinforcing the critical need for well supported, modern, and accessible TAFE campuses to meet future skills demand.

TAFEs will require expanded capacity to train new skilled workers and upskill the existing workforce in response to industry and technological change. Ongoing investment in state-of-the-art facilities to provide students with a high-quality, immersive learning experience that prepares them to transition into the workforce is essential.

Expanding TAFE in regional Victoria is essential to ensuring equitable access to training, education, and workforce development. A strong regional TAFE network reduces barriers to entry, particularly for students in remote areas who face limited training opportunities, long travel times, and inadequate public transport options. Targeted investment in regional TAFE expansion is crucial to ensure all Victorians can gain skills needed for future jobs.

Expanding TAFE in growth and regional areas is, therefore, critical to meet Victoria's workforce needs and strengthen the economic competitiveness of our regions, lift social equity, and provide students with the skills they need for the jobs they want.

² [TAFE-Value-and-Perception-Challenge-Research-Report.pdf](#)

³ [Victorian Skills Authority, workforce summary. Employment projections for the next three and ten years by region, industry, and occupation.](#) 2025.

⁴ [TAFE-Value-and-Perception-Challenge-Research-Report.pdf](#)

⁵ [Victorian Skills Authority, workforce summary. Employment projections for the next three and ten years by region, industry, and occupation.](#) 2025.

This growth will require significant investment that isn't available in the current TAFE funding model

As outlined above, the VTA strongly supports Recommendation 4 of the Draft Strategy. Expanding TAFE is critical to Victoria's economic growth, future skills needs and infrastructure development. The proposed costing of \$1.9 billion to \$2.5 billion to support this expansion is crucial to Victoria's future, and it is extremely important that this is included in the Strategy.

However, the current TAFE funding model does not support the level of infrastructure investment required, and the proposed costing of \$1.9 billion to \$2.5 billion to expand TAFE over 10 years cannot be achieved within the current model and will require additional funding. We acknowledge that the Draft Strategy's primary purpose is to address the current and future needs of the state. As a practical roadmap intended to guide action over the next 30 years, we believe it must also consider the reality of the current TAFE funding environment.

We support how Infrastructure Victoria has identified that this would need to be additional funding, and we stress that this funding is not available through standard TAFE funding channels. We urge Infrastructure Victoria to explicitly acknowledge the funding challenges faced by TAFE that may impact the implementation of this recommendation. Raising the limitations of the current TAFE funding model is not intended to distract from the Strategy's intent. Rather, it highlights a critical constraint that must be addressed. Without this context, there is a real risk the Strategy remains aspirational rather than actionable.

For Recommendation 4 to be made possible, the VTA proposes that Infrastructure Victoria recommend the Government establish a dedicated funding stream for TAFE infrastructure expansion within the Infrastructure budget.

We also recommend that funding allocated for TAFE infrastructure expansion and upgrades be accompanied by a long-term commitment to maintaining and upgrading existing infrastructure funding. This will prevent asset deterioration and ensure training environments remain fit for purpose. As a public training provider, a key aspect of maintaining and upgrading existing infrastructure is ensuring compliance with government regulations and social policy objectives. For example, a Disability Access Audit performed by the Office of TAFE Coordination and Delivery identified access requirements for learners with disabilities and made recommendations to improve access, which were outside the funding envelope for improvements. Without investment, TAFE risks failing to meet its obligations, including increasing opportunities for students with disabilities.

The challenges of the current Victorian Government TAFE funding model

The TAFE funding model (based on course subsidy rates, the TAFE Services Fund, and ad hoc infrastructure funding/grants) is inadequate, unnecessarily complex, and overly short-term, risking the financial sustainability, quality and responsiveness of Institutes.

Combined with operating model factors that can be outside the direct control of Institutes (e.g. the industrial relations framework, whole of Government priorities and requirements), Victorian TAFEs are constantly challenged to return balanced budgets even without allocating sufficient funds towards infrastructure and maintenance of infrastructure.

There has been a consistent trend of underfunding and net deficits for the Victorian TAFE sector (when removing the impact of once-off grants or loan forgiveness). While the sector may have reported a net surplus in 2023, this was underpinned by once-off capital grants received to fund campus redevelopment. Without these once off grants, the net result would have been a \$35 million deficit for the sector.⁶

⁶ <https://www.audit.vic.gov.au/report/results-2023-audits-technical-and-further-education-institutes>

Victoria has the lowest Government recurrent expenditure on VET per annual hour of all jurisdictions, noting that this does not necessarily reflect improved efficiency⁷. Since 2013, Victoria has experienced the biggest decrease in total Government recurrent expenditure (including capital) of any jurisdiction, with a reduction of \$846.2m. Over the same period, New South Wales saw a decrease of \$136.4m while Queensland saw a decrease of \$145.6m.

The current funding model does not account for inflation, representing an annual cut to TAFE. Lack of indexation to inflation of Victorian VET funding is equivalent to approx. \$4 billion across 2014-2022 and \$8.5 billion across 2013-2022⁸ noting the large reduction in funding between 2013 and 2014 (-\$406.8m or a 17% reduction). VTA analysis of Victorian subsidy rates further supports this, with the majority of course subsidy rates not keeping pace with inflation and not reflecting the sector average cost of \$19 per contact hour (2021 dollars)⁹.

3. Ensure that TAFE growth is supported by appropriate digital infrastructure

Proposal: Recommend investment in digital infrastructure including online learning to improve equality of access to TAFE training. This investment should focus on bridging the digital divide and lifting TAFE digital infrastructure to industry-standard technologies and digital learning resources.

We strongly advocate for the inclusion of digital infrastructure development in Recommendation 4. The current scope of the Draft Strategy appears to be solely on physical infrastructure development, this presents a missed opportunity to invest in digital capabilities that could enhance training and education, and in doing so improve student access.

Expanding the scope to include digital infrastructure could improve TAFE student learning experiences. There is a critical opportunity to strengthen online and remote learning across the TAFE sector, with a particular focus on regional communities. We should prioritise technology that optimises student learning such as digitally connected classrooms, specialist hub and spoke models, addressing thin markets and digital capacity to both enable and enhance virtual delivery.

It is critical that digital infrastructure is explicitly prioritised to bring TAFE in line with other tertiary education institutions and mitigate transport accessibility challenges. Page 47 of the Draft Strategy states “around 90% of young people living in rural and regional Victoria cannot access their TAFE or university by public transport. Even when they can, they often have to leave classes early or wait a long time to get home”. Investment in digital infrastructure will reduce access barriers and contribute to students from any location having equal opportunity to participate in TAFE.

4. Co-locate kindergartens, schools, and TAFE where possible

Proposal: Prioritise the co-location of new kindergartens and schools with TAFE to enhance accessibility for students with children.

We have identified a key opportunity to enhance the strategic impact of Recommendations 2 and 3 in the Draft Strategy. Infrastructure Victoria should recommend that the Victorian Government prioritise the co-location of new kindergartens and schools with TAFE Institutes. This strategic approach of colocation has the potential to remove a key barrier to education for parents and child carers, particularly women. Making it easier for parents and child carers to pursue education and training is another step toward addressing skills shortages, strengthening economic growth, and helping Victorians live prosperous, purposeful lives.

⁷ Productivity Commission, *Report on Government Services 2024*, <https://www.pc.gov.au/ongoing/report-on-government-services/2024/child-care-education-and-training/vocational-education-and-training> (accessed 16 July 2024).

⁸ Analysis of VAGO Results of Audits: Technical and Further Education Institutes for the years 2013-2023.

⁹ ACIL Allen 2021 VET Pricing report

5. Support TAFEs to have autonomy over their own infrastructure

Proposal: Recommend that TAFEs have greater autonomy over infrastructure and asset management, including the ability to sell and reinvest, and repurpose existing infrastructure in Recommendation 4.

We propose that the content supporting Recommendation 4 should be amended to explicitly acknowledge that the TAFE sector needs to have more autonomy over its infrastructure assets to achieve this growth.

Results of 2023 audits by the Victorian Auditor-General's Office shows the TAFE sector's balance sheet remains strong due to its significant land and building assets and low debt levels. In 2023, the sector had \$4,056 billion in assets and \$448 million in liabilities¹⁰. However, TAFEs currently face constraints in the way they manage their infrastructure assets. Without proper investment, asset deterioration could weaken the sectors financial position and long-term sustainability.

We strongly support granting TAFEs greater autonomy over how they use and maintain their infrastructure. This should include the ability to sell redundant assets and reinvest into new infrastructure needs. Increased autonomy would enable TAFEs to invest in upgrading existing facilities to, for example meet sustainability standards, disability access, and expand student accommodation. Greater autonomy would also allow TAFEs to repurpose infrastructure for both training and delivery, and broader community use.

6. Leverage industry financing through public and private partnerships

Proposal: Explicitly encourage the investigation of public-private partnerships for TAFE infrastructure development and business co-location. This investigation should recognise the shared benefits from both government and industry.

We have identified a key opportunity to advocate for public and private partnerships to fund infrastructure that creates public and private benefit in Recommendation 4. We recognise that Government may not be able to fully finance TAFE infrastructure needs, making public and private partnerships essential. The VTA maintains it is reasonable to expect industry to provide funding support to infrastructure from which they derive benefit. In the case of TAFE, industry have access to a pipeline of skilled workers, training infrastructure, research and development capability, and opportunities for research and development leading to commercialisation.

Meaningful partnerships with industry can drive innovation, ensuring TAFE infrastructure is upgraded in line with industry expectations, and emerging technologies and practices. As a result, education and training is relevant and up-to-date, students are better positioned for employment outcomes, and employers and society benefit from a more skilled and adaptable workforce.

As new technologies and industries emerge, the demand for specialist training facilities will grow. The ability to attract investment will be significantly enhanced by a high quality, adaptable TAFE sector that is willing to meet industry needs. Considering this, infrastructure planning for TAFE should be closely aligned with industry planning.

Bendigo Kangan Institute's Automotive Centre of Excellence (ACE) is an example of successful public-private partnership. The ACE campus at Docklands has world-class vehicle and engine testing facilities, new workshop spaces, and a purpose-built auto electrical lab. It is a facility that provides one of the best pathways into the automotive industry and prepares students with real world, industry skills. The ACE has been supported with investment by industry and partners with major industry players including Toyota, BMW, Ford, Honda, Hyundai, Kawasaki, and many more.

¹⁰ [Results of 2023 Audits: Technical and Further Education Institutes | Victorian Auditor-General's Office](#)

Conclusion

The VTA supports many of the objectives and recommendations outlined in the Draft Strategy and commend Infrastructure Victoria for its specific focus on TAFE.

Our proposals will strengthen the Draft Strategy's impact by enhancing and refining the proposed recommendations and addressing key gaps to ensure the Draft Strategy effectively supports the long-term sustainability and growth of Victoria and the Victorian TAFE Network.

The VTA urges Infrastructure Victoria to consider and incorporate these proposals to maximise the strategy's effectiveness and the ambition of helping Victorians live prosperous, purposeful lives. We look forward to continuing to work with you as the strategy is finalised, and to working with the Victorian Government on their response and potential implementation.