

Financial arrangements to support relevance, quality and inclusion

Gerald Burke and Peter Noonan

This paper considers the finance of VET against the major policy objectives which include making the system more responsive to industry needs, ensuring quality, improving equity and sharing costs.

The paper provides background information on the development of the current system, the size of enrolments and the sources of revenue.

It considers the major development in funding and associated regulatory arrangements. These are the arrangements for contestability for public funds, quality assurance of providers of training, a system of qualifications based on industry determined competency standards and financing arrangements affecting employers and individuals. For employers this includes incentives provided to employers to train apprentices and trainees and proposals to extend their contribution to training. For individuals it includes proposals to extend access and entitlement to training but also increases in fees and charges which may be supported by income contingent loans.