

Media Release

VET Funding Model Should Focus On Supporting Quality Outcomes

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For Immediate Release

The Australian Government should alter the funding mix for Vocational Education and Training (VET) in a way that delivers the outcomes that students and their employers are looking for whilst achieving meaningful budget savings. That's the message set out by the Australian Council for Private Education and Training (ACPET), the peak body representing independent higher education and VET providers, in its 2019 pre-budget submission.

“Australian taxpayers will be better served when funding is directed towards quality providers that students choose. Increasingly, these are independent providers in the VET sector that offer students and employers the outcomes they are looking for,” said Troy Williams, ACPET Chief Executive.

ACPET has drawn attention to Productivity Commission data that shows in 2017, just 27.7 per cent of the \$2.1 billion of government funding invested into VET was awarded to non-TAFE providers, which represents a reduction of 7.1 per cent on the previous year's funding.

“In a training system where 60 per cent of students choose to study with an independent provider, there is clearly a mismatch in funding support to students,” Mr Williams said.

Independent providers deliver around 60 per cent of all VET student enrolments nationally and about 90 per cent of international student VET enrolments. Significantly, student satisfaction rates for independent providers are equal to those of public sector TAFE colleges.

“Over half of VET student enrolments do not receive any public funding, which demonstrates that individuals see value in the independent system that supports life-long skill attainment, closely aligned to vocational opportunities. It's time that government recognised this,” Mr Williams said.

ACPET's submission calls upon the Australian Government to look at the way it funds VET programs. The peak body has argued that from the FY2019-20 budget, the Australian Government should implement a fully contestable, demand-driven funding model for vocational education and training that supports student choice in selecting their training provider.

“A well-designed entitlement model is one that does not promote one provider sector over another nor does it enable government policy to support one system over another. Entitlement models increase participation of students, businesses, providers and governments in the national training system,” Mr Williams concluded.

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