

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation, Science, Research and Tertiary Education Portfolio
Budget Estimates Hearing 2012-13
28 and 29 May 2012

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

TOPIC: COAG_VET national partnership and national agreement on skills

REFERENCE: Written Question – Senator Rhiannon.

QUESTION No.: BI-223

In February the Minister advised that the April COAG meeting would be considering the next VET national partnership and national agreement on skills – with the new agreements due to come into force on 1 July.

1. Will states and territories further open up competition for public funding? Could you provide details?
2. Are there any particular areas of study or particular courses that are being targeted for greater contestability in public funding? If so, what are those areas and what is the benefit of greater contestability in those areas?

ANSWER

1. States and territories have responsibility for managing their VET arrangements and have traditionally provided two thirds of the funding in the VET system. Steps to encourage responsiveness in training arrangements by facilitation and operation of a more competitive training market is a matter for states and territories.

In supporting the states and territories to implement VET system structural reforms under the new National Partnership Agreement, the Commonwealth has taken a neutral stance on the issue of increasing competition for public funding and no jurisdiction will be forced to introduce contestability for public funding as a result of the COAG agreement.

In line with this stance none of the \$1.75 billion in funding the Commonwealth put on the table through the National Partnership Agreement to support and reward states and territories implementing the reforms is tied to the introduction of contestability in public funding.

I understand that at least one jurisdiction is considering bringing forward an implementation plan for the reforms that does not involve opening the public provider up to competition.

2. State and territory governments are responsible for the administration of vocational education and training (VET) within their own jurisdiction which includes the budget for their VET activities.