

Understanding Funding Arrangements

The Vocational Education and Training (VET) system is largely financed by the government, with funding divided between the Commonwealth and state governments. The level at which a Registered Training Organisation (RTO) seeks funds may depend on the agreement it has in place and can be at either a federal or a state/territory level. There are primarily three categories under which these funding arrangements in the VET sector fall: Apprenticeships and Traineeships, State-based Funding, and VET Student Loans.

RTOs in Australia may generate revenue from multiple sources, not just these funded arrangements. This could include employers who finance training and assessment services for staff, or from students through 'fee for service' transactions. In some cases, the payment an RTO receives may be a blend of these various components.

As a manager of an RTO, it is crucial to have a comprehensive understanding of the funding arrangements available. This includes a knowledge and understanding of funding contracts, eligibility criteria, and the terms and conditions associated with receiving various payments.

Importance of Funding Opportunities:

- **State and Territory Considerations:** RTOs should assess funded training opportunities based on the specific State or Territory they operate in.
- **Allocated Funding for Qualifications:** understanding the qualifications listed for funding contracts and the associated threshold amounts is crucial for securing funding for your RTO.

Currently Funded Qualifications:

- Access a list of currently funded qualifications and determine which qualifications within your RTO's scope of registration are eligible for various funding contracts.
- Understand the eligibility criteria and requirements for RTOs seeking to provide training and assessment services under a funded program.

- Familiarise yourself with the roles and responsibilities of RTOs operating within funded programs.

Note: This VET Fact Sheet provides general information and should not be considered as legal advice.