

Contract Notification

CN No.	2015-19	Date:	30 December 2015
To:	Chief Executive Officer or equivalent		
Purpose:	Variation to VET Funding Contracts		
Scope:	2014-16 VET Funding Contract (TAFE), 2014-16 VET Funding Contract (Dual Sector), 2014-16 VET Funding Contract, 2016 VET Funding Contract (Standard and Restricted), and All previous VET Funding Contracts and Service Agreements (in relation to the 'Reconnect' Program initiative <u>only</u>)		
Subject:	Changes to VET Funding Contracts – 'Back to Work Scheme' and 'Reconnect' Program		

For all RTO staff

Purpose

- To vary the abovementioned VET Funding Contracts and associated guidelines to implement the Victorian Government's training initiatives under the 'Back to Work Scheme'.

Background

- The Victorian Government has expanded its 'Back to Work Scheme' to include a number of new training initiatives. The 'Back to Work Scheme' is designed to help get young unemployed, retrenched workers, out-of-trade apprentices, and the long-term unemployed, back to work. Since 1 July 2015, employers have been able to claim incentives when they engage eligible employees in ongoing employment. The Scheme has now been expanded to include a number of training related initiatives.

Main Points

'Back to Work Scheme' exemption from specific VTG eligibility requirements

- For course commencements from 1 January 2016, 'Back to Work Scheme' participants who, in conjunction with their employer, seek to enrol in accredited Vocational Education and Training under the Victorian Training Guarantee, will be exempt from having to meet the 'upskilling' and/or 'two at level in a lifetime' and/or 'two "courses in..." in a lifetime' requirements set out in Clauses 2.6 b) v), 2.7 c) and 2.7 d) respectively of Schedule 1 in the abovementioned VET Funding Contracts.
- All other eligibility requirements (including the 'two at a time' and 'two in a year' requirements as described in the *2016 Guidelines about Determining Student Eligibility and Supporting Evidence*) remain in place.
- In order for the student to access the exemption, the RTO must sight, and retain for audit purposes, a copy of the standard email issued by the State Revenue Office to the student's employer that confirms the student's status as a 'Back to Work' participant. A sample of this email is at **Attachment 1**.
- RTOs must report training activity undertaken by participants in the 'Back to Work Scheme' against *Funding Source Identifier - State Training Authority* 'BWL' (for apprentices/ trainees) or 'BWP' (non apprentices/ trainees), and the *Eligibility Exemption Indicator* must be set to 'Y' in instances where an exemption to the 'upskilling' and/or 'two in a lifetime' requirement is accessed.
- The *Victorian VET Student Statistical Collection Guidelines – 2016* and the *2016 Guidelines about Determining Student Eligibility and Supporting Evidence* will be updated to reflect these changes when their next versions are published.

Fee Concessions for Back to Work Participants (for TAFE institutes and dual sector University enrolments only)

- All 'Back to Work Scheme' participants enrolling in government subsidised training at TAFE institutes or dual sector Universities will be eligible for a Fee Concession for course commencements from 1 January 2016 at all qualification levels. Where such concessions have been granted, Fee Concession Contributions (reimbursements) will be made to TAFE institutes and dual sector Universities by the Department in the same manner as other concessions as described in Clause 12 of Schedule 1 of the 2014-16 VET Funding Contact (TAFE and Dual Sector only). For the purposes of the Clause 12.30 of Schedule 1, the 'Maximum Fee Concession Contribution per hour' for each course will be determined based on the 'Indigenous Completions Initiative' column of the Client Tuition Fee Contribution report (i.e. which provides a maximum across all qualification levels).
- In order for the student to access the 'Back to Work Scheme' Fee Concession, the TAFE institute/dual sector University must sight, and retain for audit purposes, a copy of the standard email issued by the State Revenue Office to the student's employer that confirms the student's status as a 'Back to Work' participant. A sample of this email is at **Attachment 1**.
- Where a TAFE institute or dual sector University has granted a 'Back to Work Scheme' Fee Concession, the training activity must be reported against the relevant 'Back to Work Scheme' *Funding Source Identifier - State Training Authority* as described above. The *Fee Exemption/Concession Type Identifier* must be 'H' if the student presents a valid Healthcare Card, and 'O' (other) if the student does not hold a valid Healthcare Card.
- The Victorian VET Student Statistical Collection Guidelines – 2016 and the 2016 Guidelines about Determining Student Eligibility and Supporting Evidence will be updated to reflect these changes when the next versions are published.

'Reconnect' program - 10% subsidy loading for certain Victorian Certificate of Applied Learning activity

- Linked to the government's 'Reconnect' program, a subsidy loading of 10 per cent will apply to all early school leavers aged 15-19 (without Year 12 or equivalent) for training and assessment in any Victorian Certificate of Applied Learning (VCAL) course. For students also holding a concession card, this will be in addition to the 30 per cent loading that they already receive under current arrangements. This loading will apply to all activity in 2016, irrespective of the course commencement date.
- The abovementioned VET Funding Contracts are hereby amended accordingly as detailed in **Attachment 2**.

Critical Dates

- This Contract Notification is effective from 1 January 2016 as it relates to:
 - eligible 'Back to work' participants who will commence their training in 2016, and
 - any enrolment that meets the criteria for the 'Reconnect' program 10% subsidy for VCAL activity in 2016 (irrespective of when the training commenced).

Relevant Resources

- The Victorian Government's 'Back to Work Scheme': <http://www.vic.gov.au/backtowork/>

Lee Watts

Executive Director
Training Market Operations

Sample standard email from State Revenue Office

Below is a sample of the standard email issued by the State Revenue Office (SRO) to the student's employer approving an SRO 'Back to Work' claim. This letter is confirmation of the individual's eligibility for the 'Back to Work' eligibility exemption at all RTOs that hold a VET Funding Contract, and for 'Back to Work' fee concession at TAFE institutes and dual sector universities. RTOs must sight, and retain for audit purposes, a copy of this letter for each relevant individual.

From: [REDACTED]/SRO
 To: [REDACTED]
 Date: 16/12/2015 04:21 PM
 Subject: Re: Fw: Back to Work scheme [SEC=UNCLASSIFIED, DLM=For-Official-Use-Only]

Email from the State Revenue Office to the Employer

Dear [REDACTED]

Your claim for a Back to Work payment BTWM1002 for [REDACTED] has been considered and approved. <

Letter confirms Back to Work approval here

For this back to work payment the entitlement amount is \$5,000. This will be paid in two instalments, the first being \$2,500. This will be paid &/or offset as requested shortly.

This is paid in relation to the following employee:

- [REDACTED]

Eligible employee(s) listed here

If your employee is going to undertake accredited vocational education and training, they may be exempted from certain eligibility requirements under the Victorian Training Guarantee Program. If they choose to enrol at a TAFE institute, they will also be eligible for a 'Back to Work' fee concession. You should provide your employee with a copy of this email as evidence of their 'Back to Work' eligibility for them to present when they seek to enrol at a Registered Training Organisation that is contracted with the Victorian Government. A list of these organisations can be found on the Department of Education and Training's website: <http://www.education.vic.gov.au/training/learners/courses/pages/rtolist.aspx>

If you have any queries please contact the State Revenue Office (SRO) on 13 21 61. Please quote customer number [REDACTED] any enquiries with the SRO.

Yours sincerely,

[REDACTED]
 Branch Technical Officer
 Payroll Tax, Returns, Entitlements and Strategy
 Victorian State Revenue Office

For all 2014-16 VET Funding Contracts, 2016 VET Funding Contracts, and any Previous VET Funding Contract where an eligible individual is participating in relevant training, the clause which describes how student loadings will be applied* is now varied (as indicated with a grey background) in relation to payments for activity from 1 January 2016, as follows:

- a) By a student loading being any one or combination of the following three:
- i) For Eligible Individuals who self-identify as being of Aboriginal or Torres Strait Islander descent (and are reported as such through the “Indigenous Student Identifier” field of the Student Statistical Report) by multiplying the ‘Subsidy’ or ‘RPL Subsidy’ for the course by 1.5;
and
 - ii) For Eligible Individuals aged 15-19 years as at 1 January in the year of commencement of training without a senior secondary certificate or an accredited qualification at Australian Qualifications Framework (AQF) II or above, and eligible for a concession in accordance with Clauses 3.7 and 3.8 of the Guidelines about Fees, by multiplying the ‘Subsidy’ or ‘RPL Subsidy’ for the course by 1.3; and/or
and
 - iii) For Eligible Individuals aged 15-19 years as at 1 January in the year of commencement of training without a senior secondary certificate or an accredited qualification at Australian Qualifications Framework (AQF) II or above, and undertaking training in the Victorian Certificate of Applied Learning (Foundation, Intermediate or Senior), by multiplying the ‘Subsidy’ or ‘RPL Subsidy’ for the course by 1.1 (this applies only to units reported against the VCAL course code); and/or

* For example: Schedule 1: Clause 12.7 for 2014-16 VET Funding Contracts, Schedule 1: Clause 13.14 for 2016 VET Funding Contracts etc