

Contract Notification

CN No.	2017-02	Date:	15 February 2017
To:	Chief Executive Officer or equivalent		
Purpose:	Advice to Training Providers		
Scope:	2017 Standard VET Funding Contracts; 2017 Standard VET Funding Contracts (Non-Victorian); 2017 TAFE VET Funding Contracts (v1.0) and; 2017 Dual Sector VET Funding Contracts (v1.0).		
Subject:	2017 Subcontracting application process (training and assessment)		

For all RTO staff

Purpose

- This Contract Notification advises Training Providers of the process for seeking approval to subcontract training and/or assessment under the following contracts:
 - 2017 Standard VET Funding Contract;
 - 2017 Standard VET Funding Contract (Non-Victorian);
 - 2017 TAFE VET Funding Contract and;
 - 2017 Dual Sector VET Funding Contracts (v1.0)

Background

- The 2017 VET Funding Contracts listed above require Training Providers to have the prior written approval of the Department of Education and Training (DET) before subcontracting training and/or assessment to any organisation; (note, the 2017 Restricted VET Funding Contract does not allow the subcontracting of any aspect of Training Services).
- Relevant Training Providers may now submit requests for approval of subcontracting arrangements pertaining to training and/or assessment for 2017 course commencements using the '**2017 Application for Subcontracting**' and '**2017 Subcontractor Declaration**' forms as found in the 'Documents' section of SVTS.

Main Points

- Training Providers are required to demonstrate through the application that the proposed arrangement is **genuine, specialised and limited**. Please refer to the Fact Sheet '**Subcontracting of Training and Assessment: 2017 request for approval**' as published in the Documents section of SVTS for discussion of this requirement.
- Training Providers with one of the 2017 VET Funding Contract types listed above will have a limit on the total number of commencements that can be approved for delivery involving a subcontracting arrangement relating to training and assessment during the 2017 training year. The Training Provider subcontracting limit will be 40% of the Initial Training Provider Allocation in the 2017 training year, to a maximum of 1000 subcontracted commencements.

- Subcontractors will also have a limit of 200 commencements that they can be subcontracted to deliver, in the government subsidised market. This limit applies to all Training Providers and any Related Training Providers.
- The Department may, in extenuating circumstances, apply discretion when applying both the 40 per cent limit and the 200 commencements per subcontractor limit.
- Applications must be lodged electronically via the Enquiries function of SVTS (under the Category “2017 subcontracting applications”) using the two forms provided. Neither of the forms may be altered. The ‘Request for Approval of Subcontracting – 2017’ form must be completed using a version of Microsoft Excel associated with Microsoft Office 2010 (or newer), and the ‘Subcontractor’s Declaration – 2017’ form must be completed using a version of Microsoft Word associated with Microsoft Office 2010 (or newer).
- Applications will remain open on a rolling basis for the majority of 2017. The Department expects to close the application process in the last quarter of 2017 and will publish a notification on SVTS advising of the exact timing.
- Training Providers will be advised of the outcome of any request for subcontracting approval via correspondence from the Department and, if approved, in an associated updated Contract Offer document.
- Training Providers should review the Fact Sheet ‘Subcontracting of Training and Assessment: 2017 request for approval’ as published in the Documents Section of SVTS for further information regarding the application process.

Critical Dates

- This Contract Notification is effective immediately.
- Applications should be lodged under the category ‘Service Agreement - Subcontracting’, and should include both of the required forms.

Relevant Resources

- Refer to the Documents section of SVTS for the:
 - ‘2017 Application for Subcontracting’ form;
 - ‘2017 - Subcontractor Declaration’ form; and
 - Fact Sheet ‘Subcontracting of Training and Assessment: 2017 request for approval’.

Greg Norton

Executive Director

Training Market Operations