

Contract Notification

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| CN No. | 2018-20 | Date: | 20 August 2018 |
| To: | Chief Executive Officer or equivalent | | |
| Purpose: | Advice on Contract requirement | | |
| Scope: | <ul style="list-style-type: none"> • 2018-19 Standard VET Funding Contract • 2018-19 Restricted VET Funding Contract • 2018-19 VET Funding Contract (Non-Victorian based Training Provider delivering to a National enterprise) | | |
| Subject: | Process to determine Allocations and additions to Funded Scope for 2019 | | |

Purpose

- This Contract Notification is to advise all non-TAFE Training Providers who hold a Skills First 2018-19 VET Funding Contract of the process to inform Allocation requirements (both Commencement and Qualification) and additions to Funded Scope for the 2019 calendar year.

Background

- In order for the Department to determine a Training Provider's Allocations (both Commencement and Qualification) for 2019, the Training Provider is contractually obliged to participate in a process determined by the Department, and taking into consideration issues such as labour market needs (Clauses 5.6 and 5.7 of all 2018-19 VET Funding Contracts).
- This is a wholly separate process to the current Invitation to request increases to Allocations and/or additions to Funded Scope for 2018, published on 3 July 2018 (Contract Notification CN No. 2018-17). The Department will continue to receive requests under the 2018 variation process on a rolling basis until further notice.

Main Points

Submission of Program Delivery Plans - timing

- As part of the process of setting initial allocations for 2019, the Department will seek information from all contracted Training Providers about their anticipated delivery in 2019 in the form of Program Delivery Plans (PDPs).
- The 2019 PDP Process will open at 2:00pm Australian Eastern Standard Time, Monday 27 August 2018 and close at 5:00pm Australian Eastern Standard Time, Sunday 16 September 2018 (closing time). Training Providers must submit their PDP/s within this time.
- Any PDP sought to be submitted after the closing time will not be considered except, where at the Department's absolute discretion, there are found to have been exceptional circumstances and provided the integrity of the 2019 PDP Process will not be compromised.
- Enquiries about the 2019 PDP Process must be made via the Skills Victoria Training System (SVTS) using the category '2019 Allocations and Additions to Funded Scope'.

- Enquires will close at 4:00pm Australian Eastern Standard Time, Wednesday 12 September 2018. Any enquiry received after this time may not be answered prior to the closing time. Note that there will be no support available from the Department on Saturday 15 September 2018 and Sunday 16 September 2018.

Training Provider anticipated delivery

- A PDP must be submitted for each Training Package Qualification and/or Nationally Accredited Course that the Training Provider wishes to commence students in under the *Skills First* program in the 2019 calendar year. In circumstances where a single course or qualification is being delivered in different modes, multiple PDPs must be submitted:
 - The course or qualification is to be offered as both a standalone and as part of a dual qualification;
 - The course or qualification is to be offered as part of more than one dual qualification Program;
 - The course or qualification will be delivered using more than one combination of Apprenticeship/Traineeship/Non-Apprenticeship or Non-Traineeship;
 - The course or qualification consists of distinct streams, more than one of which will be delivered; and
 - The course or qualification will be offered in more than one way that represents significant differences in aspects within the PDP, such as (but not limited to):
 - alignment with Objectives of the VET Sector in Victoria (<http://www.education.vic.gov.au/skillsfirst/Pages/about.aspx>);
 - the duration and intensity of the course; and
 - the methods and modes of training and assessment.
- To reduce the administrative burden for Training Providers, the Department will make available on the SVTS all approved pre-populated PDPs submitted by the Training Provider as part of its Expression of Interest to the Skills First 2018-19 Provider Selection Process. Training Providers can then confirm or update these PDPs as required before submission.
- Note that the provision of pre-populated PDPs by the Department does not constitute approval by the Department of the training delivery contained therein, nor does it constitute an agreement between the Department and the Training Provider, or create any other form of contractual or promissory rights, and should not be relied upon in this regard.
- The Department also does not warrant the accuracy of the content of the pre-populated PDPs, and the Department will not be liable for any errors or omissions therein. It is the sole responsibility of the Training Provider to review and update each PDP as required prior to submission.
- Training Providers will need to complete new PDPs in two circumstances:
 - For any new course and/or qualification that has been added to the Training Provider's Funded Scope as part of the 2018 variation process published on 3 July 2018, and
 - For any other course and/or qualification the Training Provider anticipates delivering in 2019, provided it is on both the provider's *Scope of Registration (at the opening of the 2019 PDP Process)* and on the *Skills First 2019 Funded Course List*. Where the 2019 Funded Course List restricts the Enrolment Type (apprenticeship, traineeship or non-apprenticeship/traineeship) for a particular course, requests must be consistent with these limitations.
- As per the process of completing PDPs for the 2018-19 Provider Selection Process, Training Providers will need to consider their anticipated delivery with reference to the Government's objective to align employment demand with training supply. The two key reference sources Training Providers will need to refer to are the 2019 Funded Course List, published in the Documents section of SVTS on 3 August 2018, and the Regional Jobs and Training Needs Reports, published on SVTS on 20 August 2018.

- The Department also notes that the *Free TAFE for Priority Courses* initiative will commence from 1 January 2019. A complete list of the included courses can be found at <https://www.vic.gov.au/freetafe/free-tafe.html>.
- If the Training Provider fails to confirm and/or update a pre-populated PDP, and does not submit any other PDP for that course or qualification, the Department will deem that the provider does not intend to commence students in that course in 2019. That course will be removed from the provider's Funded Scope for 2019 commencements.
- Any PDPs with a status of 'Draft' on the SVTS after the closing time, will be deemed not submitted.

Process for lodging PDPs

- PDPs must be lodged via the SVTS in accordance with the instructions in the "Guide to Program Delivery Plans". The Guide to Program Delivery Plans for the 2019 PDP Process has been published in the 'Documents' section of the SVTS.

Commencement Allocations

- To determine the maximum Commencement Allocation your organisation could receive in 2019, please refer to the table below.
- These are maximum allocations and individual Training Providers may be offered less than the maximum, subject to the Department's consideration of risk. If a Training Provider will be allocated less than the maximum Commencement Allocation available in their scenario, they will receive correspondence from the Department prior to the opening of the 2019 PDP Process.

| Contract type | Scenario | Commencement Allocation offered in 2018 as part of Contract offer | Maximum Commencement Allocation in 2019 |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------|
| Standard AND Non-Victorian Based Training Provider Delivering to a National Enterprise | New entrant to the market (never previously held a VET Funding Contract) | 200 | 500 |
| | Held a VET Funding Contract in 2016, but not in 2017 | 500 | 1000 |
| | Held a VET Funding Contract in 2017 (delivery of less than or equal to 400 commencements in 2017) | 500 | |
| | Held a VET Funding Contract in 2017 (delivery of 400 or more commencements in 2017) | 1000 | |
| Restricted | ALL | 200 (no capacity to seek additional commencements at any time) | 200 (no capacity to seek additional commencements at any time) |

- In some cases, Training Providers received a 2018 Commencement Allocation lower than was sought, and outside of the scenarios prescribed above. Each of these providers will also receive correspondence from the Department confirming their 2019 Commencement Allocation.
- SVTS will be configured so that the total number of commencements in PDPs submitted by the Training Provider cannot exceed the maximum Commencement Allocation available to that provider.
- The Department anticipates opening a separate process during the 2019 calendar year for Training Providers (except those holding a Restricted Contract) to request additional Commencement Allocations and or additions Funded Scope. An announcement will be made in 2019.

Qualification Allocations

- Decisions about Qualification Allocations will be finalised following analysis of all PDP data, including advice from TAFE institutes and dual sector universities.
- The same principles used to establish the 2018 market will be applied to establish the 2019 market to mitigate oversupply and maximise training in priority areas. That is, with reference to regional coverage – including cohort specific needs / access to training and taking account of the following Government priorities:
 - Building priority workforces like family violence prevention & the NDIS;
 - Apprenticeships, High value traineeships; and
 - high quality workers for the state's major infrastructure projects.
- As you would be aware, for 2018 the Department set Qualification Allocations to limit delivery in six courses deemed to be at risk of oversupply. As previously advised, Contract settings do not require these Qualification Allocations to automatically carry over into the 2019 calendar year and no assumption has been made that they will. For 2019, these six courses will be considered in the same manner as all other courses to determine if there is any risk of oversupply and whether any Qualification Allocations need to be made.

Additions to Funded Scope

- For the purposes of the 2019 PDP Process, approved Funded Scope will be taken as at 27 August 2018. If a Training Provider wishes to deliver a course or qualification in 2019 that is not on its Funded Scope by that date (including as a result of an application under the current 2018 variation process), and it submits a PDP in the 2019 PDP Process for that course or qualification, it will be considered as an application for an addition to Funded Scope to commence 1 January 2019.
- Applications for addition to Funded Scope will undergo a risk assessment and will be considered on a case-by-case basis. Note that it is the Department's strong preference that a Training Provider have a history of Skills First and or Fee-For-Service delivery, prior to a course or qualification being added to the provider's approved Funded Scope.
- To that end, if a Training Provider submits a PDP for a course or qualification with no reported paid delivery in either 2017 or 2018, the Training Provider is required to include a copy of the relevant Training and Assessment Strategy in their submission.
- It is at the Department's absolute discretion whether to approve a request for addition to Funded Scope.

A reminder about Training Provider Groups

- Training Providers are reminded that pursuant to Clause 5.9 of the Contract, the Training Provider cannot have a qualification on its Funded Scope that is also on the Funded Scope of another registered training organisation with a VET Funding Contract that is a member of the Training Provider Group unless the Department agrees otherwise in writing (including in Schedule 2).

Foundation Skills Approved Provider List

- There will be no opportunity as part of the 2019 PDP Process to apply for inclusion on the Foundation Skills Approved Provider List. This includes applications for additional Domains.
- Accordingly, if a Training Provider was unsuccessful in its application for inclusion on the Foundation Skills Approved Provider List, and or in a Domain, as part of its Expression of Interest to the Skills First 2018-19 Provider Selection Process, the Department will remove the applicable PDP/s for the 2019 PDP Process.
- Training Providers who are already on the Foundation Skills Approved Provider List will be automatically rolled over in their Domain/s for the 2019 calendar year.

Note regarding superseded/superseding courses and Funded Scope

- As detailed in Schedule 2 to the VET Funding Contract, Training Providers are reminded that unless otherwise advised by the Department via a Contract Notification or Notice, where a course identified in the Training Provider's Funded Scope:
 - is superseded (as applies to programs that are Training Package Qualifications), or
 - is deleted as a result of reaching its expiration date and is subsequently re-accredited (as applies to Nationally Accredited Courses);

the superseding Training Package Qualification (or re-accredited Nationally Accredited Course, as applicable) will automatically be deemed added to the Training Provider's Funded Scope once the course has been added to both the Training Provider's Scope of Registration (as identified on training.gov.au) and the Funded Courses Report.

- In these instances the superseding (or re-accredited, as applicable) course will retain the same Restrictions (i.e. Enrolment Type, 'Effective for Course Commencement Dates (CCD) from', and 'Effective for Course Commencement Dates (CCD) to' characteristics as the superseded (or deleted, as applicable) course as indicated in Schedule 2 Part B. This includes retention to the same Qualification Allocation (if any).
- To assist Training Providers, the Department has sought to normalise these courses and qualifications for the purpose of the 2019 PDP Process. Where possible, the Department has already updated details on Training Providers PDPs from the 2018-19 Provider Selection Process to align with the 2019 Funded Course List.

Notice of 2019 Allocations and Additions to Funded Scope

- It is the Department's intention to notify the majority of Training Providers of Allocation decisions (including any Qualification Allocations if any) by Friday 5 October 2018. Notification will be made through an SVTS enquiry and via registered post, and will include an updated 'Schedule 2' to the 2018-19 VET Funding Contract to commence 1 January 2019.

Resources

- Guide to the Program Delivery Plans for the 2019 PDP Process has been published in the Documents section of the SVTS. Page four of this document provides specific instructions on how to access the Program Delivery Plan on the SVTS.

Information Sessions

- The Department will hold three optional Information Sessions:
 - 10:30am Australian Eastern Standard Time, Tuesday 28 August 2018 at Treasury Theatre, Lower Plaza, 1 Macarthur St, Melbourne VIC 3000
 - 2:30pm Australian Eastern Standard Time, Tuesday 28 August 2018 at Treasury Theatre, Lower Plaza, 1 Macarthur St, Melbourne VIC 3000
 - 11:00am Australian Eastern Standard Time, Wednesday 29 August 2019 at Rydges, Geelong - Myers St & Gheringhap Street, Geelong VIC 3220
- Each session will run for no-more than one hour and will focus on the process for submitting PDPs. Spaces are limited and Training Providers are required to register their attendance via the Events Registration function of the SVTS to ensure availability. Places will be limited to 2 representatives from each Training Provider.
- For Training Providers unable to attend, the Department will take a video of one of the earlier sessions and provide a link on the SVTS.

Critical Dates

- Please refer to the table below for an outline of key steps in the process of establishing the 2019 market and indicative timing:

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| 03 August 2018 | Publication of <i>Skills First</i> – 2019 Funded Courses List on the Skills Victoria Training System (SVTS) |
| 20 August 2018 | Publication of the Regional Jobs and Training Needs Reports |
| 2:00pm (AEST) Monday 27 August 2018 | Skills Victoria Training System (SVTS) open for Training Providers to submit PDPs |
| 4:00pm, (AEST) Wednesday 12 September 2018 | Enquires on the SVTS close |
| 5:00pm (AEST) Sunday 16 September 2018 | SVTS closes for Training Providers to submit PDPs |
| 16 September – 5 October 2018 | Department to analyse anticipated delivery and determine if Qualification Allocations are required |
| 5 October 2018 | Majority of market informed of 2019 Allocation decisions |

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Training Market Quality