

# Contract Notification

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| <b>CN No.</b>   | <b>2019-10</b>   | <b>Date:</b> | <b>7 June 2019</b> |
| <b>To:</b>      | Chief Executive Officer or equivalent  |              |                    |
| <b>Purpose:</b> | For information  |              |                    |
| <b>Scope:</b>   | 2018-19 Standard VET Funding Contract  |              |                    |
| <b>Subject:</b> | <b>Invitation to training providers to request an increase to their Commencement Allocation for 2019</b> |              |                    |

## Purpose

- The purpose of this Contract Notification is to advise holders of a 2018-19 Standard VET Funding Contract of:
  - the framework for the Department's consideration of requests for increases to Commencement Allocation in 2019; and
  - the process for lodging such requests.

## Background

### *Framework for considering requests*

- In assessing a training provider's request for an increase to its Commencement Allocation, the Department will follow the process that was outlined in CN 2019-04 in relation to requests for additions to Funded Scope. The following will be considered:
  - **Market need:** whether there is a demonstrable and genuine need for the expanded activity, and how the proposed expansion meets the job and training needs of Victoria, including consideration of the specific course(s) the provider intends to deliver with the increased Commencement Allocation, the delivery location, and the target cohort;
  - **Training provider capacity and capability:** the Department's view of the training provider's capacity and capability to expand their activity; and
  - **Program budget:** the impact of the request on the *Skills First* program budget.
- In assessing market need, the Department will consider information submitted by the training provider, and the Department's view of whether a particular course is at risk of oversupply (consistent with the *Jobs and Training Needs Report*; information about market wide supply and demand obtained from Program Delivery Plans; monthly activity reporting; Departmental modelling; and industry consultation).
- In assessing a training provider's capacity and capability, the Department will consider the information submitted by the training provider, the nature of the program(s) sought, the training provider's history of delivery, and intelligence from a range of Departmental information sources, including but not limited to data and previous audits or reviews. In some instances, the Department may commission a formal audit or review prior to making a determination.
- Where concerns are identified in relation to market need, training provider capacity and capability, or program budget, the Department may refuse the request for an increase to Commencement Allocation, approve a

smaller increase, or set a Qualification Allocation, i.e. a limit on funded commencements in the program in question within the provider's overall Commencement Allocation.

#### *Process for lodging requests*

- In order for the Department to consider a request for an increase in Commencement Allocation, the training provider must:
  - lodge a *2019 Contract Variation Request – Addition to Funded Scope and/or Increase to Commencement Allocation* form, and
  - submit a Program Delivery Plan and a Training and Assessment Strategy for each program in which the training provider intends to deliver the increased allocation.

Please note that the form previously titled *2019 Contract Variation Request – Addition to Funded Scope* has now been updated to include requests for increase to Commencement Allocation. The *2019 Contract Variation Request – Addition to Funded Scope and/or Increase to Commencement Allocation* form may be found in the 'Documents' section of SVTS.

- Separately, to assist in completing Program Delivery Plans, a copy of the *Guide to the Program Delivery Plans* that was published with the 2018-19 *Skills First* Provider Selection Process may be found in the Documents section of SVTS. Page four of this document provides specific instructions on how to access the Program Delivery Plan on SVTS.
- Requests may be lodged from the date of this Contract Notification.
- Requests must be lodged as follows:
  - The request form and associated Training and Assessment Strategy must be lodged electronically via the Enquiries function of SVTS (under the category '*Skills First* Funding Contract – requests for Additional Commencements/Expanded Funded Scope');
  - The associated Program Delivery Plans must be lodged via SVTS in accordance with the instructions in the *Guide to the Program Delivery Plans*. Please note that, when lodging a Program Delivery Plan on SVTS, training providers should generate a new plan on the system by logging in to SVTS, and clicking on the following links: *Submit Applications > Program Delivery Plan List*, then select '*Skills First 2018-19-03 Invitation to Victorian based...*' from the drop-down list. Once this selection has been made, click the '*Create Plan*' link which will appear towards the top of the screen. Please note a new plan must be created for each request – providers should not open and edit details of an existing Program Delivery Plan.
- It is the Department's intention to respond to training provider requests within three weeks of receipt of all required information, noting that if further information is needed more time will be required. Further time may also be required where the Department elects to undertake quality assurance activity prior to finalising a decision. Training providers will be advised of the outcome of any request via correspondence from the Department and, if approved, an updated 'Schedule 2' to the VET Funding Contract will be issued.

#### **Critical Dates**

- Requests may be lodged from the date of this Contract Notification. The date of the closure of this process will be advised by SVTS announcement.

#### **Relevant Resources**

- *2019 Contract Variation Request – Addition to Funded Scope and/or Increase to Commencement Allocation* form (published in the 'Documents' Section of SVTS)
- *Guide to the Program Delivery Plans* (published in the 'Documents' Section of SVTS)

#### **Greg Norton**

Executive Director, Training Market Services