

# Contract Notification

<b>CN No.</b>	<b>2019-17</b>	<b>Date:</b>	<b>15 August 2019</b>
<b>To:</b>	Chief Executive Officer or equivalent		
<b>Purpose:</b>	Advice on Contract requirement		
<b>Scope:</b>	<ul style="list-style-type: none"> <li>• 2018-19 Standard VET Funding Contract (extended to 31 December 2020)</li> <li>• 2018-19 Restricted VET Funding Contract (extended to 31 December 2020)</li> <li>• 2018-19 VET Funding Contract (Non-Victorian based Training Provider delivering to a National enterprise) (extended to 31 December 2020)</li> </ul>		
<b>Subject:</b>	Process to determine Allocations and Funded Scope for 2020		

## Purpose

- This Contract Notification is to advise all non-TAFE Training providers who hold a Skills First 2018-19 VET Funding Contract (extended to 31 December 2020) (Contract) of the process for setting Funded Scope, Commencement Allocations, and Qualification Allocations (if required) for the 2020 contract year.

## Background

- On 11 June 2019 the Department announced the offer of an extension to all 2018-19 Skills First VET Funding Contracts for one year until 31 December 2020. Participation in the process described in this document to determine Allocations and Funded Scope for 2020 will act as confirmation of a Training Provider's acceptance of the extension offer (or otherwise).
- In order for the Department to forecast subsidised training delivery and determine Funded Scope, Commencement Allocations, and Qualification Allocations (if required) for 2020, training providers are required to submit Program Delivery Plans (PDPs) (see Clauses 5.6 and 5.7 of all 2018-19 VET Funding Contracts).
- To note, this is an entirely separate process to the current process through which training providers can currently request increases to Allocations and/or additions to Funded Scope for the 2019 calendar year (Contract Notifications 2019-04 and 2019-10). The Department will continue to accept requests under the 2019 Contract Variation process on a rolling basis until further notice.

## Main Points

- The Department will seek information from all contracted training providers (including TAFE institutes and dual sector universities) about their anticipated training delivery in 2020 in the form of Program Delivery Plans (PDPs).
- The Department will then review total forecast training delivery in the context of forecast employment and training demand, delivery in Government priority areas, and regional coverage. On the basis of this analysis, determinations will be made as to individual training providers' Funded Scope, Commencement Allocations and Qualification Allocations (if required).
- It is therefore important that training providers submit PDPs that reflect as accurately as possible the nature and quantity of training they plan to deliver in 2020.

- Training providers are strongly encouraged to consider their anticipated delivery with reference to the Government's objective to align training supply with employment demand. The two key reference sources for this are the 2020 Funded Course List and the 2020 Jobs and Training Needs Reports, published in the Documents section of SVTS.
- Nothing contained in this document or in the PDP process more broadly should be understood as a final indication of a training provider's 2020 Funded Scope, Commencement Allocation, or Qualification Allocation. The Department will determine these settings following consideration of net forecast training delivery as expressed through the PDPs. Decisions regarding Funded Scope, Commencement Allocations and Qualification Allocations remain at the absolute discretion of the Department.
- Enquiries about the 2020 PDP Process must be made via the Skills Victoria Training System (SVTS) using the category '2020 Allocations and Funded Scope'.

#### *Submission of Program Delivery Plans – timing*

- The 2020 PDP Process will open in SVTS at 2pm (Australian Eastern Standard Time) on Tuesday 20 August 2019.
- The 2020 PDP Process will close at 5pm (Australian Eastern Standard Time) on Tuesday 10 September 2019. 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 the integrity of the 2020 PDP Process will not be compromised.
- It is anticipated that outcomes (including a 'Schedule 2' of the Contract for 2020) will be communicated to the majority of training providers before the end of October 2019.
- Enquiries about the PDP process will close at 5pm (Australian Eastern Standard Time) on Thursday 5 September 2019 to enable all enquiries to be responded to prior to the closing time (with the exception of enquiries relating to any technical issues experienced in SVTS).

#### *Program Delivery Plan Requirements*

- A PDP must be submitted for each Training Package Qualification and/or Nationally Accredited Course in which the training provider wishes to commence students under the Skills First program in the 2020 calendar year. In circumstances such as the following, where a single course or qualification is being delivered in different modes, separate 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;
  - The course or qualification will be delivered using more than one enrolment type, i.e. apprenticeship, traineeship, or non-apprenticeship/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 Skills First program;
    - The duration and intensity of the course; and
    - The methods and modes of training and assessment.
- If a training provider submits a PDP for a program in which they have not reported Skills First subsidised delivery, in either 2018 or 2019, the training provider is required to include a copy of the relevant Training and Assessment Strategy as an attachment.

### *Process for lodging Program Delivery Plans*

- PDPs must be lodged via the SVTS in accordance with the instructions in the Guide to Program Delivery Plans, which will be published in the Documents section of the SVTS when the PDP process opens on Tuesday 20 August 2019.
- Any PDPs with a status of 'Draft' after the closing time will be deemed not submitted.
- PDPs may be submitted for any program that was on the training provider's scope of registration as at 31 July 2019 and is also on the 2020 Funded Course List.
- A number of changes have been made to reduce the administrative burden of the PDPs for training providers. These include:
  - The removal of the question that required an 'overview of process for determining if this specific training is suitable and appropriate'
  - The removal of the question regarding intention to subcontract the training
  - The addition of a 'duplicate' button which creates a second draft copy of an existing PDP which the training provider can then edit and submit.
- As was the case in the 2019 PDP process, the Department will prepopulate draft PDPs for each provider based on:
  - PDPs submitted by the training provider as part of the 2019 PDP process, for programs that were successfully included on the training provider's 2019 Funded Scope
  - PDPs submitted by the training provider as part of a successful 2019 Contract Variation Request.
- Training providers should review and update these PDPs as required before submitting them.
- 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.
- It is the sole responsibility of the training provider to ensure that the content of the PDPs is accurate and to review and update each PDP prior to submission. The Department will not be liable for any errors or omissions therein.

### *Additional requirements for holders of a 2018-19 VET Funding Contract (Non-Victorian based Training Provider delivering to a National enterprise) (Non-Victorian Contract)*

- Under the Non-Victorian Contract, training providers must have in place a legally binding agreement with a National Enterprise under which the training provider will deliver accredited training to:
  - i. at least 50 Victorian employees of that National Enterprise per calendar year; and
  - ii. at least 50 employees of that National Enterprise in Australian States or Territories other than Victoria per calendar year.
- As part of the PDP process for 2020, training providers must submit an updated Training Provider Declaration and National Enterprise Declaration demonstrating that the above agreement remains in place for 2020. The forms to be used for these declarations can be found in the Documents section of SVTS.
- Training providers are requested to submit both declarations by SVTS enquiry, using the category '2020 Allocations and Funded Scope' and the subject line 'National Enterprise Declarations'.

### *2020 Commencement Allocations*

- The Department will determine 2020 Commencement Allocations after reviewing net forecast training delivery as expressed through PDPs, including advice from TAFE institutes and dual sector universities.

- To inform the PDP process, SVTS will limit training providers to a Commencement Limit the same as their 2019 initial Commencement Allocation. The total number of commencements included in submitted 2020 PDPs should not exceed that number.
- To be clear, the Commencement Limit displayed in SVTS should not be taken to be the training provider's 2020 Commencement Allocation, as this will be determined by the Department after reviewing all training providers' PDPs.
- Regardless of the Commencement Limit displayed in SVTS, training providers should endeavour to provide as accurate a forecast as possible of training delivery in 2020, i.e. expected commencements should be realistic, not inflated to meet the remaining Commencement Limit. This is essential in order for the Department to form an accurate picture of net forecast training delivery in 2020.

#### *2020 Qualification Allocations*

- The Department will determine if any Qualification Allocations (limits on Commencements in particular programs) are necessary in 2020 following analysis of all PDP data, including advice from TAFE institutes and dual sector universities.

#### *2020 Funded Scope*

- As was the case in last year's process, any program for which a training provider submits a 2020 PDP that is already on their Funded Scope in 2019 will be approved for inclusion in their Funded Scope for 2020, provided the program is included in the 2020 Funded Course List and remains on the training provider's scope of registration.
- If a training provider fails to submit a PDP for a program or enrolment type (eg. apprenticeship, traineeship, non-apprenticeship/traineeship), the Department will deem that the provider does not intend to commence students in that program or enrolment type in 2020 and will not include it on the training provider's Funded Scope for 2020.
- For the purposes of the 2020 PDP Process, 2019 Funded Scope will be taken as at 20 August 2019.
- 2020 PDPs for programs that are not on the training provider's 2019 Funded Scope on 20 August 2019 will undergo a risk assessment and will be considered on a case-by-case basis for inclusion on the training provider's 2020 Funded Scope. 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.
- It is at the Department's absolute discretion whether to include a program on a training provider's 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 2020 PDP Process to apply for inclusion on the Foundation Skills Approved Provider List. This includes applications for additional Domains.
- Training providers who are already on the Foundation Skills Approved Provider List will be automatically rolled over in their Domain/s for the 2020 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 2020 PDP Process. For the purposes of assessing whether a program will be automatically approved for inclusion on 2020 Funded Scope on the basis of having been on a training provider's 2019 Funded Scope, superseded/superseding qualifications will be taken into account.

#### *Notice of 2020 Allocations and Funded Scope*

- It is the Department's intention to notify the majority of Training providers of their 2020 Funded Scope and Allocations (including Qualification Allocations if any) before the end of October 2019. 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 2020.

#### **Resources**

- The 2020 Funded Course List (in the Documents section of the SVTS).
- The Jobs and Training Needs Reports (in the Documents section of the SVTS).
- A Guide to Submitting Program Delivery Plans will be published in the Documents section of the SVTS when the PDP process opens on Tuesday 20 August 2019.
- Enquiries about the 2020 PDP Process must be made via the Skills Victoria Training System (SVTS) using the category '2020 Allocations and Funded Scope'.

#### **Critical Dates**

<b>PDP Process opens in SVTS</b>	2pm Tuesday 20 August 2019
<b>PDP Process enquiries close</b>	5pm Thursday 5 September 2019
<b>PDP Process closes</b>	5pm Tuesday 10 September 2019
<b>Outcomes (2020 Schedule 2) communicated</b>	Before end of October 2019

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