

Contract Notification

CN No.	2022-05	Date: 2 February 2022
To:	Chief Executive Officer or equivalent	
Purpose:	Advice on Contract requirement	
Scope:	All 2022 VET Funding Contracts (version 2.0)	
Subject:	Advice about the Eligibility Exemptions Initiative	

Purpose

This Contract Notification provides advice to training providers about the Eligibility Exemptions Initiative for 2022.

Background

The Department has continued the Eligibility Exemptions Initiative for 2022. The initiative allows you to grant exemptions to the following eligibility criteria only:

- the 'upskilling' requirement (Clause 2.4(a) of Schedule 1) and/or
- the '2 at level in a lifetime' limit (Clause 2.5(d) of Schedule 1).

This responds to the economic impact of the COVID-19 pandemic by helping to meet demand for training by Victorians seeking to retrain and find employment.

The exemptions are to help students who would otherwise not be able to access Skills First to reskill or retrain.

Main points

Each training provider has a fixed number of eligibility exemptions

Training providers can offer exemptions up to a fixed number of commencements for the 2022 calendar year.

This is different to previous years, where you could grant exemptions up to a set percentage of commencements for the year. We think this will make it easier for you to plan for and keep track of exemptions throughout the year.

Your fixed number of eligibility exemptions for 2022 is detailed in your **Schedule 2- Individual Details and Conditions**.

How we calculated your fixed number of exemptions

Before the end of 2021, we estimated the number of commencements you would use for the full year. We used this to calculate your fixed number of eligibility exemptions for 2022 as follows:

- For independent and private training providers, 10 per cent of your estimated full year commencements (with a minimum number of 5)
- For TAFEs and Learn Locals 30 per cent of estimated full year commencements

- For new training providers, an average of the number given to independent/private training providers

The estimate did not include commencements in skill sets and other initiatives that allow eligibility exemptions. This is consistent with our approach in previous years.

Reflecting the separate eligibility rules for students in foundation studies, multiple commencements in foundation courses were only counted once, in the first year of commencement.

Obligations and considerations when granting an exemption

There are some types of students who you **must** give an exemption to if they need it ('mandatory cohorts'). These are retrenched workers, automotive supply chain workers, and Jobs Victoria Employment Network Clients. Refer to the Guidelines About Eligibility for more information about what evidence to sight and retain for students in mandatory cohorts.

Exemptions outside these mandatory cohorts can be applied at your discretion. However, you should give preference for exemptions to students seeking to enrol in training that meets identified skills shortages and localised labour market needs or improves their employment prospects. In addition, you should use the exemptions to support women, young people, recent migrants and vulnerable people who've been disproportionately impacted by COVID-19 to help them gain new skills and employment.

Keeping track of your exemptions

You must:

- report exemptions using Eligibility Exemption Identifier 'Y' in the NAT00120 file; and
- keep track of how many exemptions you grant to ensure you don't exceed your fixed number of exemptions by 31 December 2022.

We provide the 'Eligibility Exemption Monitoring Report' on SVTS to help you track your exemptions (SVTS>Reports>Eligibility Exemption Monitoring Report). The report will show how many exemptions you can offer and how many you've granted. This will be available after your first payment claim for the collection year is invoiced.

TAFEs can continue to monitor their exemptions through the monthly reports we send to them.

Eligibility exemptions granted for commencements in previous years are not counted towards your 2022 exemptions limit even if the training continues into 2022.

You should contact the Department if you are near your limit, and you have prospective students who are in any of the mandatory cohorts. You should be aware that if you go over your exemptions limit, you may be required to repay funds.

Resources

- '2022 Guidelines About Eligibility' published in the 'Documents' section of SVTS.
- Jobs and Training Needs Reports at: <https://www.education.vic.gov.au/training/providers/market/Pages/jobs-training-needs.aspx>

Critical Dates

Effective for commencements from 1 January 2022.

Ryan Collins
Executive Director
Training Market Services