

FACT SHEET – SUBSIDY, CONCESSION AND WAIVER RATE INCREASES

From 2022 training subsidy rates, concession remuneration rates, and fee waiver contributions will increase, in line with indexation, to better meet provider costs and minimise student fees.

Funded Course List and Funded Skill Sets List

Background

The Funded Course List (FCL) and Funded Skill Sets List (FSSL) are lists of training programs (including courses, skill sets, and accredited 'course ins') that attract a Victorian Government subsidy for eligible students who commence training from 1 January each year.

Under the Victorian TAFE and Training System, a contracted training provider is paid a subsidy for the hours of training and assessment reported in relation to eligible students. Subsidies are calculated to represent a proportion of the cost of delivery per hour for each individual certificate, and then adjusted for additional costs (e.g. regional delivery).

Training providers holding Victorian Government contracts (TAFEs, dual sector institutions and other Registered Training Organisations) receive an hourly government subsidy (in arrears) to fund training delivered under their contract. The hourly rate differs for different programs and is published on the annual FCL and associated Funded Courses Report (FCR). Subsidy rates for skill sets and course ins are included in the FCL and FCR.

To make up the remainder of their cost of delivery, training providers charge student fees, setting the levels of payment themselves.

The subsidies the programs attract are intended to reflect the costs of training (with the student contributing an appropriate fee) and generally include courses that:

- align with industry needs and workforce demands
- represent government priorities, including the National Disability Insurance Scheme (NDIS), responding to family violence, and completing Victoria's infrastructure projects
- have strong job outcomes, such as apprenticeships
- meet other social needs, such as foundation skills courses.

Funding increases from 2022

To better meet provider costs and minimise student fees, the funding model for calculating subsidy and concession/waiver rates has been updated to include indexation and account for the economic impacts of the COVID-19 pandemic.

Increasing subsidy rates will support the Victorian Government's commitments to reskill unemployed workers and meet industry needs.

The increases will help providers better meet their costs, and counter factors impacting delivery scale, such as COVID-related space restrictions within face-to-face classes.

Funding will also ensure that the concessions reimbursement given to providers is in line with costs and does not disincentivise the enrolment of vulnerable students.

Starting 1 January 2022, the base subsidy rate for courses, skill sets and course ins on the FCL and FSSL will increase by 25 cents (\$0.25) per training program delivery hour, per student. This equates to approximately \$84 million over four years and a little over \$21 million ongoing. Similarly, from 1 January 2022, concession remuneration and fee waiver contribution rates will increase by \$1.00 per training program delivery hour, per student: equating to approximately \$15 million over four years and \$4.5 million ongoing.

Training providers will automatically receive funding increases through existing remuneration mechanisms in line with the terms of their contracts. That is, training is paid for in arrears, for the quantum of training hours that providers report delivering.

More information

More information on the Funded Courses and Funded Skill Sets Lists and the Skills First Initiative can be found following the links below:

Helpful links

Victorian Skills Gateway: <https://skills.vic.gov.au/victorianskillsgateway/>

2021 Funded Course List:

<https://www.education.vic.gov.au/training/providers/funding/Pages/fundedcourses.aspx>

2021 Funded Skill Sets List:

<https://www.education.vic.gov.au/training/providers/funding/Pages/fundedcourses.aspx>

Skills First: <https://www.education.vic.gov.au/training/providers/funding/Pages/skillsfirst.aspx>

Free TAFE: <https://www.vic.gov.au/free-tafe>

2020 Jobs and Training Needs reports:

<https://www.education.vic.gov.au/training/providers/market/Pages/jobs-training-needs.aspx>