

CONTRACT NOTIFICATION

CN No.	2021-06	Date: 13 April 2021
To:	Chief Executive Officer or equivalent	
Purpose:	Advice on Contract requirement	
Scope:	2021 Standard VET Funding Contract (version 1.0) ('Standard Contract') 2021 VET Funding Contract (Non-Victorian based training provider delivering to a National Enterprise) (version 1.0) ('Non-Victorian Contract')	
Subject:	Advice about the Eligibility Exemptions Initiative	

Purpose

This Contract Notification is to provide advice to training providers about the Eligibility Exemptions Initiative for 2021.

Background

The Department has expanded the Eligibility Exemptions Initiative in response to the severe economic impact of the COVID-19 pandemic. This will help meet the unprecedented demand for training from Victorians seeking to retrain and find employment, as the state recovers from recession.

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

TAFEs and Learn Local Organisations can offer exemptions in 2021 for up to **30 per cent** of commencements.

All other training providers can now offer these exemptions for up to **10 per cent** of commencements for the 2021 calendar year.

Main Points

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).

There are also 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 that a student is in a mandatory cohort.

Exemptions outside the mandatory cohorts referred to above 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 coronavirus (COVID-19) to help them gain new skills and employment.

Keeping track of your exemptions

The number of exemptions you can grant in a calendar year is based on 30% or 10% of your actual commencements in 2021, not how much that percentage is of your total Commencement Allocation.

You must keep track of how many exemptions you grant to make sure you don't exceed the 30% or 10% limit by the end of the calendar year. For example, you might choose to allocate an indicative amount of exemptions you'll offer for each semester or planned enrolment intake. You may need to scale back on offering further exemptions outside the mandatory cohorts if you are near the limit at any point during the year.

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 at the end of the calendar year, you may be required to repay associated funds.

The Department has created the new 'Eligibility Exemption Monitoring Report' on SVTS to assist you tracking your exemptions: SVTS > Reports > Monitoring Reports. This report is available to non-TAFE providers. TAFEs may continue to monitor their exemptions via the monthly reports issued directly by the Department.

Scenarios:

The below examples are provided to assist you in understanding and keeping track of exemptions.

A Learn Local provider uses 150 commencements and grants 48 eligibility exemptions (32%) in the first half of the year. Exemptions granted in the remainder of the year will have to be controlled to ensure the percentage comes down to no more than 30% for the full year.

An independent provider uses 400 commencements and grants 20 eligibility exemptions (5%) in the first half of the year. The provider is tracking well under their 10% limit and if they anticipate similar commencement numbers in the second half of the year, they have greater flexibility to apply exemptions if required. They must ensure that the percentage is no more than 10% for the full year.

Reporting

You must report exemptions using Eligibility Exemption Identifier 'Y' in the NAT00120 file

Commencements reported using the following Funding Source Identifier - State Training Authority are NOT counted toward the calculation of your exemption limit: 'ASP', 'ASL', 'DIP', 'DIL', 'UPP', 'FVP', '19P', '02P', 'JFP', 'JFL', 'JSP', 'PSP' and 'GSP'.

These are not counted because they are either:

- initiatives that provide eligibility exemptions independent of the Eligibility Exemption Initiative (for example, JobTrainer).
- used for skill sets (including Course Ins), where 'upskilling' and 'two at level in a lifetime' eligibility settings are not relevant.

Resources

- Fact Sheet 'Student Eligibility for Skills First' 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>
- '2021 Guidelines About Eligibility' published in the 'Documents' section of SVTS.

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