

Contract Notification

CN No.	2018-17	Date:	3 July 2018
To:	Chief Executive Officer or equivalent		
Purpose:	For information		
Scope:	2018-19 Standard VET Funding Contract 2018-19 Restricted VET Funding Contract		
Subject:	Invitation to training providers to request an increase their <i>Commencement Allocation</i> for calendar 2018, increase a <i>Qualification Allocation</i> for 2018, and / or add courses to their <i>Funded Scope</i> for 2018		

Purpose

- In the *Victorian Budget 2018/19*, the Government announced \$304 million in additional funding as part of the *Responding to Victorian Jobs Growth* initiative that will enable training providers to deliver more training to ensure there are enough skilled and qualified workers in areas that are critical to Victoria's economic prosperity. This investment will fund private training organisations, Learn Locals and TAFEs to deliver more than 30,000 additional places in the courses the economy and community needs.
- Therefore, within this context, the purpose of this Contract Notification is to advise non-TAFE training providers of the:
 - framework for the Department's consideration of requests for:
 - increases to *Commencement Allocations for 2018* (Standard Contract holders only), and/or
 - increases to *Qualification Allocations for 2018*, and/or
 - additions to *Funded Scope*; and
 - process for lodging requests.
- This process applies to calendar 2018 commencements only. A separate process, to be announced later in the year, will be run to determine parameters for 2019 commencements.

Background

Framework for considering requests

- In assessing a training provider's request for an increase to their *Commencement Allocation*, an increase to a *Qualification Allocation*, and/or an addition to their *Funded Scope*, the Department will consider the following:
 - **Market need:** whether there is a demonstrable and genuine need for the expanded activity, and how the proposed new activity meets the job and training needs of Victoria, including consideration of the specific course(s), 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 levels (particularly where the request includes an increase to the *Commencement Allocation*); 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 magnitude of growth sought, 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. In particular, for training providers that did not hold a 2016 or 2017 VET Funding Contract seeking an increase to their *Commencement Allocation*, a review is likely to be required.
- When considering a request for an increase to a *Commencement Allocation* for 2018, the Department will consider the training provider's uptake of its *Commencement Allocation* to date, and is unlikely to approve a significant increase where a large portion of the original 2018 allocation has not yet been utilised.
- Training providers may only lodge requests in relation to courses that are on both their *Scope of Registration* and on the *Skills First Funded Course List*. Where the Funded Course List restricts the *Enrolment Type* (*apprenticeship, traineeship or non-apprenticeship/traineeship*) for a particular course, requests must be consistent with these limitations.

Applications relating to the six courses for which Qualification Allocations were set

- At that time contract offers were made, the Department set *Qualification Allocations* for the following six courses to mitigate the risk of oversupply:
 - Diploma of Early Childhood Education and Care
 - Diploma of Screen and Media
 - Certificate IV in Competitive Systems and Practices
 - Certificate III in Civil Construction Plant Operations
 - Certificate III in Early Childhood Education and Care
 - Certificate III in Health Services Assistance
- Noting the strong uptake of commencements in these six courses to date in 2018 and in particular, the strong pipeline of workers training in these courses, it is the Department's intention not to consider requests for additional commencements in these courses. The only exception will be for the delivery of Certificate III or Diploma in Early Childhood Education and Care qualifications in regional Victoria where delivery has been lower than anticipated. Variation requests to deliver these two Early Childhood Education and Care qualifications in regional Victoria are therefore invited as part of this process. For the purposes of this process, delivery is deemed to occur in regional Victoria if the delivery postcode is one of the postcodes that attracts a regional loading under the VET Funding Contract.

Process for lodging requests

- In order for the Department to consider a request for an increase to a *Commencement Allocation*, an increase to a *Qualification Allocation*, and/or additions to *Funded Scope*, the training provider must:
 - lodge a '2018-19 Contract Variation Request – Increase to Commencement Allocation, Qualification Allocation, and/or Addition to Funded Scope' form, and
 - submit a *Program Delivery Plan* and a *Training and Assessment Strategy* for each course relevant to the request.
- The '2018 Contract Variation Request – Increase to Commencement Allocation, Qualification Allocation and/or Addition to Funded Scope' form has been published 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 has been re-published 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 and will remain open until further notice.
- 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 their 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 “2018-19 Call for Expressions of Interest...” 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 if further information is required 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.

Note regarding superseded/superseding courses and Funded Scope

- As detailed in Schedule 2 of VET Funding Contracts, 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 relevant). For example, if the superseded (or re-accredited) course has a *Qualification Allocation* of 100 commencements, then the superseded and superseding (or accredited and re-accredited) courses will have a combined *Qualification Allocation* of 100 commencements.

Critical Dates

- Requests may be lodged from the date of this Contract Notification and will remain open indefinitely.

Relevant Resources

- ‘2018 Contract Variation Request – Increase to Commencement Allocation, Qualification Allocations and/or Addition to Funded Scope’ 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