

Smart and Skilled

SMART AND SKILLED UPDATE – NO. 211 - 212

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Contents

1. 2023-24 Approved Qualifications Activity Schedules and Financial Caps.....	1
2. Continuing Students and 2023-24 Financial Caps.....	1
3. Requests to vary Approved Qualification Activity Schedule (AQAS) Variation Request.....	2
a. Entitlement Full Qualifications and Targeted Priorities Full Qualifications AQAS	3
b. Entitlement Apprenticeships and Traineeships and School Based Apprenticeships and Traineeships	3
4. 2023 Smart and Skilled Targeted Priorities Prevocational Part Qualifications program is now open.....	3
5. Smart and Skilled Targeted Priorities Prevocational Part Qualifications program Funding Priorities for 2023-24	3
6. Training Services NSW Regional Office Contacts	3

1. 2023-24 APPROVED QUALIFICATIONS ACTIVITY SCHEDULES AND FINANCIAL CAPS

Smart and Skilled enters the 2023-24 Activity Period with a refreshed supply of training, including an updated set of providers with contracts established through a competitive application process and coverage of a broader range of qualifications across NSW.

The wrapping up of JobTrainer funding means that Smart and Skilled has returned largely to pre-pandemic conditions and Financial Caps have been set accordingly. The additional funding for NSW Fee Free full qualifications is substituting the student fees providers would have collected from students and therefore does not add to the overall funding for standard subsidies which are attributable to Financial Caps.

Whilst this means the department will show restraint in its Financial Cap allocation decisions in the first quarter of 2023-24 until greater budget certainty is available in September, Regional Provider Support Managers and Strategic Relationship Managers will support each provider operating within the scope of their Smart and Skilled contract and in alignment with Smart and Skilled objectives.

2. CONTINUING STUDENTS AND 2023-24 FINANCIAL CAPS

The department is aware that due to high additional enrolments in the last quarter of 2022-23 and the Training Activity Data reported, continuing student commitments overall have increased since the 2023-24 Financial Caps were calculated.

From mid July 2023, the department will conduct the first Financial Cap Review as prescribed in the *Smart and Skilled Skills Delivery and Management Policy*. This review will focus on continuing students i.e., students that commenced training and the commencement training activity data has

been successfully reported prior to 30 June 2023. The review of continuing student commitments is undertaken after the closure and reconciliation of payments made in the 2022-23 Activity Period and identifying expected financial cap usage in the 2023-24 Activity Period.

The department will carefully review Financial Caps considering a range of factors including the level of commitment, the existing Financial Caps and overall allocation for the program. The department intends to limit adjustments during the first quarter of 2023-24. Where the amount expected to be paid for training activity of continuing student commitments is assessed to be less than the Financial Cap amount, it is unlikely an adjustment will be made.

Providers are reminded of the following matters regarding financial caps:

- there is no guarantee any individual Financial Cap will be increased. (Smart and Skilled Contract 18.6 (c) refers).
- that your organisation must meet its obligations to continuing students within the Financial Caps allocated and accepted in Approved Qualifications Activity Schedules for the 2023-24 Activity Period, and only enrol new students for 2023-24 if there is Financial Cap available.

Smart and Skilled Contract 18.1 (e) (iii) - Where a Financial Cap is for Commencing and Continuing Students, the Provider must manage its delivery of Subsidised Training to ensure that there is sufficient Financial Cap available for all Continuing Students. The Provider must only enrol new students using the available remainder of the Financial Cap.

Skills Delivery and Management Policy section 5.1.3 - A Provider is obliged to manage its Financial Cap to ensure there is enough Financial Cap available for all Continuing Students first, then only enrol new students to use the available remainder of the Financial Cap.

In addition to reviewing funding for continuing students, the department intends to manage Financial Caps during the 2023-24 Activity Period in accordance with the NSW Skills Delivery and Management Policy, which includes two review stages where Financial Caps may be adjusted. The second review is expected to commence in mid-September 2023. The scope of this review will be advised closer to the time.

3. REQUESTS TO VARY APPROVED QUALIFICATION ACTIVITY SCHEDULE (AQAS) VARIATION REQUEST

The Skills Delivery and Management Policy for Smart and Skilled Providers for 2023-24 Activity Period details the Department's approach to managing and monitoring Financial Cap(s) utilisation and managing adjustments to Approved Qualifications.

Following the comprehensive assessment of provider applications, providers are to operate within their allocated Financial Caps and Approved Qualifications as set out in the Approved Qualifications Activity Schedules (AQAS).

The offers made to and accepted by providers for the 2023-24 Activity Period consist of the Program(s), Region(s), Qualification(s) and Financial Cap(s) the department has selected each provider to deliver. This has been determined after considering all applications, analysis of labour market needs, program objectives and the available budget.

a. Entitlement Full Qualifications and Targeted Priorities Full Qualifications AQAS

To provide stability and equitable treatment of providers, the department does not intend to accept adjustment requests for Entitlement Full Qualifications (EFQ) and Targeted Priorities Full Qualification (TPFQ) until the second quarter of the 2023-24 Activity Period.

- Providers should only be promoting and seeking enrolments for Approved Qualifications on their AQAS. (Smart and Skilled Operating Guidelines 1.1 refers.)
- The department may consider requests in accordance with the Skills Delivery and Management Policy from October 2023 for areas prioritised by the department.

b. Entitlement Apprenticeships and Traineeships and School Based Apprenticeships and Traineeships

Providers may submit requests for Entitlement Apprenticeship and Traineeship (EAT) and School Based Apprenticeship and Traineeship (SBAT) Programs from July 2023.

- The AQAS adjustment form has been updated and is available on STS Online>Smart and Skilled Contract Management>Support Documents.
- The AQAS adjustment form will be updated to include the Entitlement Full Qualifications and Targeted Priorities Full Qualifications programs prior to October 2023. Further information will be available at that time.

4. 2023 SMART AND SKILLED TARGETED PRIORITIES PREVOCATIONAL PART QUALIFICATIONS PROGRAMS IS NOW OPEN

Smart and Skilled providers can now start negotiating and submitting Training Needs Identifications (TNIs) for consideration for the 2023-2024 Activity Period.

5. SMART AND SKILLED TARGETED PRIORITIES PREVOCATIONAL PART QUALIFICATIONS PROGRAM FUNDING PRIORITIES FOR 2023-24

The additional JobTrainer funding that allowed for an expansion in the types of part qualification training funded between 2020 – 2022 has ended. The focus of the Smart and Skilled Targeted Priorities Prevocational and Part Qualifications (TPPPQ) program has been reviewed based on the current environment and available funding, with a more targeted approach being adopted going forward.

Funding will be directed to priority groups and industries as per the Smart and Skilled Targeted Priorities Prevocational Part Qualifications Program Funding Priorities for 2023-24. Please see the attached document. This means part qualifications that may have been funded previously may no longer be considered. TNI applications are to align with the priority student groups and industries set out in the Funding Priorities.

Please note the attached document will also be available on STS online.

6. TRAINING SERVICES NSW REGIONAL OFFICE CONTACTS

It is strongly recommended that prior to submitting a TNI you speak to the appropriate Training Services NSW regional office to ensure the proposed training is relevant to the region and the TNI application includes all the necessary information. To contact your local regional office call 13 28 11 or refer to this [link](#) or call 13 28 11.