

1. SMART AND SKILLED 2024-2025

As the core NSW government skills program, Smart and Skilled continues to equip the NSW workforce with the necessary skills to meet the demands of an evolving economy and address critical challenges and skills shortages.

Supporting students to achieve their vocational education and training goals is a shared objective of the department and Smart and Skilled providers.

In managing a shifting budget position, the department is balancing a broad set of factors, and remains focused on optimising the delivery of skills across NSW.

The key issues for providers for the 2024-25 Activity Period which are covered in this Smart and Skilled update are:

- Smart and Skilled Contract Review Notices for 2024-25 have been released; there are different types of Review Notices and correspondence that may apply.
- Modest changes have been made to the Smart and Skilled contract documents and policies, the NSW Skills List has been updated, and a new Prices and Fees list will apply for commencements in the 2024-25 Activity Period.
- The Smart and Skilled program framework remains in place, with some shifts in emphasis to address emerging issues and continuously improve program outcomes.
- Current contracts with providers have been reviewed and there may be changes to the approved programs, financial caps and approved qualifications for providers.
- A further tranche of NSW Fee Free places will be released for commencements between 1 July and 31 December 2024. Places are limited and once the target is met, NSW Fee Free fee waivers will no longer be available.
- Fee Free Apprenticeships and Traineeships will continue for student commencements up to 31 December 2024.

The department is carefully managing the Smart and Skilled and NSW Fee Free budgets. Information about the Targeted Priorities Pre-vocational and Part Qualifications program for 2024-25 will be released as soon as details can be confirmed.

If there are opportunities to make adjustments to funding arrangements for 2024-25, providers will be notified.

2. 2024-25 SMART AND SKILLED REVIEW NOTICE OFFERS

The department has now issued Smart and Skilled Contract Review Notices for the 2024-25 Activity Period. Most providers received an email notification directing them to their Review Notice which is available on the Contract Acceptance page of STS Online.

Providers must accept or decline as instructed **by the date shown on their Review Notice.**

Review of Smart and Skilled Policies 2024-2025

The department has reviewed the policy documents that will apply for the 2024-25 Activity Period.

Updated versions of the following policy documents have been released:

The updated policies are now available on the [Smart and Skilled website](#) and/or STS Online.

These policies take effect from the date that a provider accepts a Smart and Skilled Review Notice offer for 2024-25.

3. 2024-25 FINANCIAL CAPS

Financial Caps for the 2024-25 Activity Period have been allocated to providers. These allocations were determined by applying comprehensive criteria that identified which Financial Caps to assign to providers and calculating the value of each Financial Cap within the funding envelope.

The allocation approach is aligned with the shift in the Smart and Skilled budget, which is no longer supplemented with the additional funding for subsidies from Commonwealth or NSW initiatives that were in place since 2020. It aims to balance multiple priorities and optimise funding, by making funding available across the 15 Smart and Skilled regions and achieving broad coverage of qualifications in demand.

In setting each Financial Cap, our first priority is to support the continuing students. The allocations are based on the commitments at the end of the third quarter of 2023-24, and a forecast of expected enrolments in the final quarter that become continuing students. Now that the Financial Caps are released for 2024-25, each provider must responsibly manage new commencements up to 30 June 2024 to control the funding commitment for the students continuing in 2024-25 and should not seek to inflate this commitment in an attempt to drive up the amount of a Financial Cap.

Many, but not all, Financial Caps can also fund new commencements in 2024-25. The component for new students was determined by the following issues:

- Provider performance classification
- Relative performance on student outcomes and non drop-out rates
- Financial Cap utilisation in 2023-24
- Alignment of delivery to qualifications in demand.

Further considerations which influenced cap amounts were:

- Current funding and delivery of Foundation Skills qualifications
- Key qualifications which are the subject of price increases for superseding qualifications (see item 6 below).

4. NSW SKILLS LIST UPDATED – VERSION 15.0

The NSW Skills List has been updated to reflect:

- a. Update to a Vocational Training Order (VTO)
- b. Qualifications removed from the Pre-qualified List
- c. Updated tags on Skills List for NSW Fee Free qualifications.

Version 15.0 of the NSW Skills List is now available at: <https://www.nsw.gov.au/education-and-training/resources/nsw-skills-list>.

a. VTO change affecting the NSW Skills List

Following an update to a NSW Vocational Training Order, one superseding qualification detailed in a previous Smart and Skilled Update can now be delivered via a school-based traineeship under Smart and Skilled, as shown in the table below.

VTO change affecting superseding qualification		
Qualification code	Qualification title	Available pathway/s
AHC30221	Certificate III in Dairy Production	Traineeship, School-based Traineeship

b. Qualifications removed from the pre-qualified List

Qualifications on the Skills List that have no or very low training activity but where demand is expected to rise in the future may be added to the Pre-qualified List and can return to the Skills List if demand increases. Qualifications stay on the Pre-qualified List for a period of three years. If there have been no requests to re-add the qualification to the Skills List in that time, the qualification is removed from the Pre-qualified List.

5. PRICE CHANGES FOR THE 2024-25 SMART AND SKILLED ACTIVITY PERIOD

Training Services NSW reviews and updates qualification prices and fees. Qualification price changes are being introduced and will take effect for commencements on or after 1 July 2024.

Version 15.0 of the Smart and Skilled Prices and Fees Schedule reflects these changes and can be accessed at: <https://www.nsw.gov.au/education-and-training/vocational/funding/smart-skilled-fees>.

All questions relating to qualification prices and student fees can be emailed to marketdesign.implementation@det.nsw.edu.au.

a. Priority Qualifications

- Two additional qualifications will be eligible for NFF during this period:
 - CHC50221 – Diploma of School Age Education and Care
 - CHC43315 – Certificate IV in Mental Health.
- Skills NSW <https://skills.education.nsw.gov.au/> will be updated to reflect the changes to the NFF priority qualifications.
- Once the site is updated, only NSW Fee Free qualifications will be tagged 'NFF Jul-Dec 24'.
- The qualifications map to Commonwealth government priority industry sectors:
 - Aged Care (critical priority) This industry should be given precedence.
 - Other Care Sectors (Early Childhood Disability, Health)
 - Hospitality and Tourism
 - Construction
 - Agriculture
 - Technology and Digital
 - Sovereign Capability (e.g., Manufacturing/Engineering and Defence).
- If there are any changes to the list of priority qualifications, Providers will be notified via a Smart and Skilled Update.

b. Smart and Skilled Fee Free Arrangements Continue

Apprenticeship and traineeship qualifications are not affected by the Fee Free TAFE arrangements implemented for 2024. Fee Free Apprenticeships and Traineeships remain in place for eligible students who commence training up to 31 December 2024. Foundation Skills qualifications also continue to be fee free per the established Smart and Skilled fee policy.

6. FEE FREE APPRENTICESHIPS AND TRAINEESHIPS EXTENDED TO 31 DECEMBER 2024

The department is pleased to confirm a six-month extension of fee free apprenticeships and traineeships for students who commence their Smart and Skilled training up until 31 December 2024. Fee-free apprenticeships and traineeships remove financial barriers for students and support a strong pipeline of skilled workers to build the NSW economy.

7. VISIT APPRENTICESHIP AND TRAINEESHIP ROADMAP

Discover the future of skills development in NSW. The Apprenticeship and Traineeship Roadmap could help you deliver training for apprenticeships and traineeships that responds to learner and industry needs.

Visit nsw.gov.au/apprenticeship-traineeship-roadmap to find out more.