

Key features of the VET Funding Contract

This fact sheet gives you an overview of the key features of the VET Funding Contract (the contract). For more details, read our [Questions and answers about the VET Funding Contract](#) and our range of topic-based fact sheets.



Skills First objectives

You must perform your contractual obligations consistently with the objectives of the Skills First program. Your training must:

- be high quality and relevant to industry and employers
- enable students to get the skills they need to make them job-ready
- help students to undertake further education
- promote and enable participation in training for disadvantaged learners
- be provided in the best interests of students.



Skills First Quality Charter

The [Skills First Quality Charter](#) helps you understand what we expect from you when training students under the Skills First program. You must comply with the charter and its six principles:

1. Commitment to serving the public interest
2. Accountable and effective governance
3. Informed choice
4. Deliberate planning of training program
5. High quality training and assessment delivery
6. Responsive feedback systems.



The contract structure

The contract has 4 parts.

1. Main body

The main body of the contract consists of definitions, objectives and the contract's main terms and conditions.

2. Schedule 1 – program specifications

Schedule 1 contains the program delivery obligations under Skills First. It is divided into three parts:

- Part A – student attraction, eligibility, pre-training review and enrolment, fees, training delivery
- Part B – evidence of participation, reporting, claims for payment
- Part C – the conditions for programs and initiatives that allow eligibility exemptions or fee waivers.

3. Schedule 2 – individual details and conditions

Schedule 2 details the terms and conditions that apply to your individual contract, such as your funded scope and commencement allocations.

4. Schedule 3 – special Initiatives

Schedule 3 contains the details of any specific funding for government-priority programs.



A managed market

The contract has mechanisms that allow us to manage and control how much Skills First training is delivered by training providers and for what programs. This is a way for us to meet government priorities and Victoria's skills and jobs needs, while managing the overall Skills First budget.

Funded scope

Funded scope is the name given to the range of programs you can deliver under Skills First. Funded scope is not restricted for TAFEs and Dual Sector universities. For all other training providers, we set your funded scope when you first enter a contract.

We determine funded scope based on the program delivery plans you submitted during the process of entering a contract. These plans include the details of the training you want to deliver in the coming year and an estimate of how many students you think you'll be able to train. From time to time, we may invite you to apply to have new programs added to your funded scope after this, but there are conditions.

Allocations

Commencement allocation

A commencement allocation is the fixed number of commencements we allow you to have within a defined period, usually a calendar year. It is split into separate numbers of commencements for AQF qualifications and skill sets.

A 'commencement' happens when you receive any payment from us for an enrolled student. Once you reach the limit of your commencement allocation, you cannot enrol any further students under Skills First.

From time to time, we may invite you to apply for an increase to your commencement allocation. When deciding whether to approve an increase, we consider issues such as labour market needs, government priorities, your capability and capacity, and the overall Skills First budget.

Program allocation

A program allocation allows us to mitigate the potential oversupply of training. We may use it to set a maximum number of commencements that can be delivered in any single program. A program allocation can apply across the whole market or for an individual training provider.

If we make a program allocation, sometimes we'll remove the limit at a later stage, or offer a process for you to apply for an increase.



Quality in training

The contract has provisions designed to help ensure that students get high quality training that's aligned with the Skills First objectives.

Student information

You must give students specific information at various stages in their Skills First training. This includes important information such as a statement of fees before they start their training and a training plan up to four weeks after their training starts.

[Fact sheet: Student information and protection](#)

Pre-training review

You must do a pre-training review with each student, either as part of their enrolment or before training starts, to decide if the program is suitable and appropriate for them. This includes deciding on the most suitable and appropriate program if the student is considering several options. You must document your decision and have a clear, documented business process for how you will do pre-training reviews.

We've published a Skills First pre-training review template in SVTS that you can choose to use and customise to your needs.

[Fact sheet: How to consider literacy and numeracy skills](#)



Student eligibility

Eligibility criteria

To be eligible for Skills First training, a student must be:

- an Australian citizen or permanent resident, or a New Zealand citizen
- physically present in Victoria when they're doing training and assessment

The amount of subsidised training a student can do is limited. For example, a student can't start more than 2 Skills First-subsidised AQF qualifications or skill sets in a year or more than 2 programs at a time.

[Fact sheet: Student eligibility for Skills First](#)

Evidence of eligibility

You must sight and retain specified documents to show that you've checked a student's evidence of eligibility for the Skills First program.

The Guidelines About Eligibility list the documents we accept and describes the methods you can use to sight and retain the document. These methods include sighting an original document, an original certified copy, using the Commonwealth Government's online Document Verification Service (DVS) and using the Express Plus Medicare mobile app.

[Fact sheet: Sighting and retaining evidence of eligibility](#)

[Guidelines About Eligibility](#)



Fees and concessions

Fees, concession rates and waivers

You can set your tuition fees according to what you think is appropriate so that you can deliver quality training. We do not prescribe minimum or maximum fee level.

However, you do have to:

- apply a concession rate to any student that has an entitlement to one. This is 20% of the standard published fee that you would have charged a non-concession Skills First student in the same program at the same time
- charge zero tuition fees where there is a mandatory fee waiver prescribed in your Contract or Guidelines and the student meets the criteria.

We pay a contribution toward the revenue you lose by charging a concession or mandatory fee waiver.

The Guidelines about fees explain the requirements for tuition fees, including fee waivers and concessions.

Concession entitlement

Subject to some restrictions, students can get a concession on their tuition fees if they

- hold a current and valid Health Care Card, Pensioner Concession Card, or Veteran's Gold Card
- are the dependent spouse or child of a card holder
- self-identify as being of Aboriginal or Torres Strait Islander descent
- are referred under the Asylum Seeker VET Program.

You must check a student's concession card before their training starts. This is usually done at the time of enrolment.

[Guidelines About Fees](#)

[Fact sheet: Concessions](#)



Accountability

We have a public duty to ensure government funds are used appropriately when you deliver Skills First training to students.

Evidence of participation

You must keep evidence to prove to us that each student participated in their learning or assessment. This is called evidence of

participation. It is a form of funding assurance you give us to support your claims for payment.

[Fact sheet: Evidence of participation](#)

Recordkeeping

A record is any document that you or your staff produce or obtain while performing your obligations under the contract. You must keep records for each student until three years after they have completed or withdrawn from their training. You can create and keep any of your records electronically.

[Fact sheet: Recordkeeping requirements](#)

Subcontracting

You can subcontract any of the training services you provide under the contract, except for the pre-training review. However, you must get our prior written approval before you subcontract training and assessment.

You must report to us your use of brokering services (where you pay a third party to recruit students) and publish information about these services on your website.

You don't need our approval to subcontract other aspects of the training services, such as administrative tasks or marketing.

Your subcontracting agreement must include some specific conditions, such as preventing the subcontractor from subcontracting to someone else.

Audits and compliance

Our funding and quality assurance audits and reviews are needed to check that you're fulfilling your obligations under the contract.

We've developed a Skills First audit and review strategy to help you understand the

audit program and prepare for audits and reviews.

We've also published a guidance document to help you understand our approach to ensuring compliance with the contract, and how we respond when a concern or issue arises.

[Skills First Audit and Review Strategy](#)

[Compliance expectations under the VET Funding Contract](#)



Reporting and claims for payment

You must provide statistical data to us via [SVTS](#). The data is used to pay you a subsidy, shape policy, monitor activity, evaluate initiatives and plan for the future.

The Victorian VET Student Statistical Collection Guidelines and the Validation rule and rejects supplement contain all the information you need to know about this statistical collection.

[Victorian VET Student Statistical Collection Guidelines](#)

There are also several useful guides on [SVTS](#).