**Higher Education and Skills Group**

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|  Department of Education and Early Childhood Development |
| **Participation Branch Memorandum** |
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**To:** **ACFE Regional Council Chairs**

 **ACFE Board**

 **Adult Education Institutions**

 **Learn Local Organisations**

 **Participation Branch Staff**

**From: Bronwen Heathfield, Director, Participation Branch**

**Date: 16 June 2014**

**Subject: Training System Changes – 1 July 2014**

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The Victorian Government is increasing its investment in skills training to support productivity growth, participation and future economic development.  In this year’s budget, the Government has affirmed its commitment to the training sector, by continuing to commit $1.2 billion per year for this year and the next four years.

The training system will continue to be carefully managed for effectiveness and efficiency. The Government will monitor training activity, skills needs and student fees on an ongoing basis, and make necessary adjustments to settings so that taxpayer dollars are spent where they will deliver the greatest public benefit.

As of 1 July 2014:

* some training subsidies will be adjusted where there is evidence that students are paying no or very low fees;
* subsidies for recognition of prior learning will be simplified, with a single RPL base rate allocated for each subsidy band; and
* in additional to existing eligibility requirements, students will now only be able to begin a maximum of two subsidised courses at each qualification level, to encourage individuals to progressively gain higher skills.

**Course subsidies**

* Where students are paying no or very low fees in non-apprenticeship courses, the Government is making adjustments to subsidies to ensure that students are making a fair contribution to the cost of their training.

**Changes to Recognition of Prior Learning (RPL)**

* The Government will simplify subsidies for recognition of prior learning, with a single RPL base rate allocated for each subsidy band.

**Enrolments allowed under the Victorian Training Guarantee**

* In additional to existing eligibility requirements, including the ‘upskilling’ requirement, students will be limited to beginning a maximum of two courses at each qualification level in their lifetime, to encourage individuals to progressively gain higher skills.
* Courses available on the Foundation Skills List will be exempt from this restriction, to ensure eligible students can continue to access numeracy and literacy training which is essential for most jobs
* An exemption can be sought through the Department of Education and Early Childhood Development to ensure fair consideration for particular students who may be unfairly disadvantaged by this limit.

In addition, the current contract allows providers to report training activity within 120 days of the training taking place. This will be reduced to 90 days.

**When will these changes take effect?**

The changes to:

* Course subsidies and the RPL rate will apply from 1 July 2014
* Student eligibility changes commence from 16 June 2014.

Providers with VET Funding contracts have been notified through a contract notification. All enquiries concerning the contract variation should be lodged on SVTS under the category IVET funding contracts – July 2014 variations.

If you have general enquiries please contact Teresa Durka on 9947 1847 or durka.teresa.t@edumail.vic.gov.au or your relevant Training Participation Support Unit Regional Manager.

**Bronwen Heathfield**

Director, Participation Branch

Training Participation & Facilitation Division