

Jurisdictional approaches to student training entitlements: commonalities and differences

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About the research

Jurisdictional approaches to student training entitlements: commonalities and differences

Kaye Bowman and Suzy McKenna, Kaye Bowman Consulting

The past two decades have seen some evolution towards a more nationally consistent vocational education and training (VET) system. One of the challenges is to find the right balance between national consistency and appropriate flexibility, to accommodate the regional and local industry requirements and learner preferences that best serve the needs of states and territories. This report maps the implementation by jurisdictions of the most recent training market reforms, agreed to in the 2012–16 National Partnership Agreement on Skills Reform – a student training entitlement. The authors also undertake an analysis of the commonalities and differences in each jurisdiction’s approach. This report will be useful as a composite description and the analysis valuable to the review of the student training entitlement and other aspects of the 2012–16 National Partnership Agreement on Skills Reform, planned for 2015–16.

Key messages

- A set of clearly articulated principles on training entitlements would be useful in any future national partnership agreement. These principles would need to embrace the dynamic of consistency and flexibility that exists across the national training system.
- National coherence should be enhanced wherever possible, in particular by better alignment across all jurisdictions, of student eligibility criteria and the logic underpinning the allocation of subsidies. This is necessary to avoid unreasonable differential treatment of students across Australia.
 - A national public-value framework with indicative performance measures and risk management approaches would help to guide an improved design of the publicly funded training market.
- Information and transparency are crucial underpinnings of a demand-driven system.
 - Governments need sound regional and national labour market analyses to inform funding decisions.
 - To make an informed choice, students and others paying for training must be able to compare training options. More needs to be done to help them to understand their entitlements, know how to judge quality and have a good idea of the outcomes they can expect from their training.
- Flexibility in the public funding of training and in policy implementation by Australian states and territories should focus on ensuring that the right mix and quality of skills are produced to meet industry needs, nationally, regionally and locally, as well as to assist graduates to obtain jobs and/or move to further learning.
- The priorities of public subsidies offered via ‘entitlements’ are likely to be further refined in light of the improved availability of VET information from initiatives like ‘total VET activity’ (for more information see <<http://www.ncver.edu.au/totalvetactivity.html>>).

Readers may be interested in two related publications: *The development of Australia’s national training system: a dynamic tension between consistency and flexibility* and *Student entitlement models in Australia’s national training system: expert views*. These are available from the NCVER Portal, along with a research summary: *Balancing consistency and flexibility in student training entitlements: research overview*.

Dr Craig Fowler
Managing Director, NCVER

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Executive summary

This report maps the approaches taken by the Australian states and territories to the implementation of a student training entitlement within the national training system as at 30 March 2015. The entitlement was agreed to in the National Partnership Agreement on Skills Reform (NPASR) of 2012–16. The initiative aims to create a more accessible and equitable training system by ensuring that all working-age Australians have access to a government-subsided training place up to their first certificate III level qualification, as a minimum, as well as their choice of training provider. It is the most recent reform within the training market element of the national training system.

The evolution of the national training system since the 1990s has involved the development of three strategic elements: national frameworks for vocational education and training (VET) products; national standards for providers; and the development of a national training market. All three elements have had to find the right balance between consistency in key aspects, nationally, and flexibility to ensure responsiveness to the different local conditions and circumstances around the country. This project establishes the commonalities and differences between the jurisdictions' approaches to training entitlements as the basis for considering whether the right balance has been achieved between consistency and flexibility in this reform.

Method

Information was gathered from publicly available sources on each jurisdiction's approach to the student training entitlement as at 30 March 2015 and arranged by the categories in which flexibilities are allowed under the National Partnership Agreement on Skills Reform:

- eligibility for the entitlement
- the level of entitlement available
- the courses (qualifications) the entitlement applies to
- processes for setting subsidies, fees and prices and maintaining budget control
- the providers delivering the entitlement
- the way by which access to high-quality information on the training entitlement is provided to clients.

Student training entitlement profiles were then verified with each jurisdiction to ensure that there was clarity in our understanding and assessment of their approach, noting that information from public sources is not always easy to obtain or confirm. Following the endorsement by the jurisdictions, analyses of the commonalities and differences in each of the jurisdictional approaches were conducted.

Commonalities

As at the end of March 2015, all jurisdictions:

- meet the minimum requirement of the student training entitlement agreement within the 2012–16 National Partnership Agreement on Skills Reform. In addition, they all have

extended the entitlement beyond the minimum requirement, as the agreement encourages, but not in the same way

- have entitlement models that involve more contestability among providers, although the extent of the contestability is very different across the jurisdictions
- determine which providers may deliver their entitlement training through some form of quality assurance. All jurisdictions have entry-to-market or contractual arrangements that ask for at least some additional evidence than the 'minimum' on particular criteria in the national Standards for Registered Training Organisations (RTOs) 2015 to demonstrate quality performance (except the Northern Territory, which uses the 2015 standards as is)
- decide the distribution of public funds for entitlements across industries and occupational levels through the application of a public-value principle
- have expanded the public information available on entitlement eligibility, the courses included in the entitlements and their fees and subsidies. However, students still need more information to make good training choices. Students should be able to compare providers (by performance and cost) and courses (by outcomes). Such information has only become available recently on the enhanced nationally focused, *My Skills* website.

Differences

- Training entitlements differ across Australia as a result of all jurisdictions having gone beyond the minimum requirement regarding eligibility.
- Courses eligible for an entitlement differ because the focus is on the skills needs of the economies within jurisdictional boundaries.
- Course subsidy levels, student fees and the measures used to stay within budget constraints also differ. The Northern Territory fully subsidises entitlement courses, except for non-tuition or discretionary fees, which are low, and providers may charge the student. New South Wales fixes or fully regulates subsidies, fees and, therefore, prices. The other six jurisdictions have deregulated student fees to varying extents, such that providers receive variable prices. In four of the six, only non-tuition or discretionary fees are deregulated, whereas all aspects of fees are deregulated in Victoria and the Australian Capital Territory.
- Budget control generally is achieved through caps on entitlement places, with Victoria also using more dynamic subsidy amendments as a rationing device.
- With regard to aspects of quality, the finer details of the requirements of the various jurisdictions regarding entry to the entitlement market are crucial, as well as the contractual and performance requirements imposed on registered training organisations approved to operate within that market.
- All jurisdictions are supporting public provider/TAFE (technical and further education) viability in the more competitive training market, but are doing so in different ways.

Which differences matter

There are access and equity implications in state and territory differences in eligibility, the extent of the entitlement and the available courses. These differences lead to differential treatment of students across Australia.

The jurisdictions' ability to determine which courses are included in their entitlement schemes runs the risk of perpetuating shortages in the skills required in the national economy and which are not apparent at the state or territory level.

The rates of entitlement course subsidy and fees are different across Australia. This too has access and equity implications. Of concern is that subsidy levels can affect the providers' ability to deliver high-quality student educational experiences. Training quality maintenance and improvement is paramount.

Strong oversight of the credentials and performance of the registered training organisations delivering entitlements is essential. Some jurisdictions have tightened provider entry and performance requirements. The jurisdictions are well positioned to inform 'fit for purpose' improvements to national standards for VET providers and training products.

The standards for training products and providers should be continuously improved so that contractual requirements for evidence about quality are uniform. Experience so far with implementing entitlement models bears this out.

The jurisdictions still need to better understand the costs, constraints and obligations of the public provider and incorporate these appropriately in the design of contestable yet equitable funding models.

Transparency of VET information to prospective students has not been sufficiently achieved; nor is there national agreement on what students need to know to make informed training choices.

Conclusion

What was agreed in the 2012 National Partnership Agreement on Skills Reform was a consistent minimum or threshold level of entitlement. All jurisdictions have achieved this, and more. They have used the flexibility built into the agreement – but not in the same way. This is in keeping with how other elements of the national training system have evolved. There has been a tendency towards innovation in implementation at the jurisdictional level, followed by adaptation and adoption of successful practices nationally. Some innovations, such as in the types of evidence that demonstrate provider performance, could inform improvements to national standards for providers.

At this stage of the evolution of the student training entitlement a set of guiding principles would be useful in any future national partnership agreement. The aim of such principles would be to support greater cohesion and to enhance public understanding of, and participation in, the initiative. These principles would need to embrace the dynamic of consistency and flexibility that exists across the national training system.

National coherence should be enhanced wherever possible; for example, by better alignment of student eligibility, information and transparency, along with strategies for labour market analyses to inform to prioritising of funded courses. A national public-value

framework with indicative performance measures and risk management approaches would help to guide the design of the publicly funded training market.

Flexibility in the public funding of training should focus on ensuring that the right mix and quality of skills are produced to meet industry needs nationally, as well as regionally and locally, to assist graduates to obtain jobs and/or move to further learning.

Introduction

This report provides a summary of the approaches taken by the Australian states and territories to implement a student training entitlement within the national training system. This initiative was agreed to in the National Partnership Agreement on Skills Reform of 2012–16. The report analyses the commonalities and differences in each jurisdiction’s approach. It also considers the materiality of the differences in terms of the objectives of the national training system.

This mapping aims to inform consideration of the implications for the national training system of jurisdictional approaches to VET entitlement funding, including the associated provider quality standards.

Context

Twenty-five years ago Australian vocational education and training consisted mainly of eight different public TAFE systems run by the various state and territory governments. By the early 1990s, it had become widely recognised that Australia needed a national approach to key aspects of the VET system to ensure the country’s economic competitiveness. VET-trained individuals should be able to move readily between jobs and jurisdictions and Australian firms able to recruit from a nationally recognised skills pool. Thus the decision was taken to create a national training system, in which the state-based structures operated within a nationally agreed framework, achieved through a cooperative federalist approach.

That overarching framework was not well articulated at the time the reforms were introduced. Even today, it is not set out in an explicit way. In seeking to understand the drivers of the national system, we have identified three strategic elements that have remained constant: national frameworks for VET products; national standards for providers; and the development of a national training market. All three elements have had to find the right balance between consistency with the national framework and flexibility in local implementation:

- National frameworks for VET products (training packages and accredited courses) set consistent standards for training outcomes that meet industry needs. The products must therefore be of good quality and fit for purpose so that they lead to employment outcomes for students. On the other hand, VET providers must have the flexibility to deliver the training in ways that best suit their students and industry clients.
- National standards for VET providers set consistent thresholds for entry into the nationally recognised training market but with enough flexibility to encourage providers to pursue even higher standards.
- A national training market aims to achieve responsive and efficient publicly funded provision. The overall idea has been to move from a situation where state-based or owned or controlled public providers across Australia delivered the vast majority of publicly funded accredited VET to one where all registered training organisations have access to public funding through contestable funding arrangements. To do this, since 1992, four contestable public funding initiatives have been introduced:

- non-contestable public provider block appropriations for profiles of training activity based on historical enrolments and centralised skills-in-demand forecasts (from pre-1992)
- competitive tendering, under which public and private providers contest for public funding in specified training areas (from 1994)
- within the apprenticeship and traineeship component of the VET system, user choice of provider and key aspects of the training course (from 1998 after pilots in 1996 and 1997)
- student entitlement to a government-subsided training place for those deemed eligible, with the concurrent implementation of income-contingent loans (VET FEE-HELP) for eligible (Commonwealth-determined) diploma and advanced diploma VET students (from 2012 and to be in place in all jurisdictions by 2015).

However, the states and territories have always had flexibility in the extent to which they employ each funding initiative and in their detailed design and implementation arrangements.

In figure 1 the key national reform initiatives undertaken to develop these three elements of the national VET system are presented in a timeline.

Student training entitlement

As can be seen from figure 1, the introduction of a student training entitlement is the most recent reform within the training market element of the Australian national training system. The first entitlement scheme, the Victorian Training Guarantee, was one aspect of a suite of major reforms introduced in that state in 2009. South Australia introduced an entitlement scheme in 2012, the same year that student training entitlements were introduced into the National Partnership Agreement on Skills Reform of 2012–16 (Council of Australian Governments 2012, p.6). This reform aims to create a more accessible and equitable training system, by ensuring that all working-age Australians have access to a government-subsided training place up to their first certificate III level qualification. Students should also be able to choose to study with any registered training organisation eligible to deliver the training entitlement (Council of Australian Governments 2012, p.7). In this environment of increased competition, jurisdictions also have the capacity to develop and implement strategies which enable public providers to operate effectively, in recognition of their important function in servicing the training needs of industry, regions and local communities (Council of Australian Governments 2012, p.7).

In keeping with the approach to training market development taken to date, this is a flexible reform on many parameters, with each jurisdiction responsible for the design and implementation arrangements of their particular entitlement scheme. The way the national training entitlement is being implemented, at least in the early years, has led to some concern from provider representatives and close observers of the VET system that jurisdictional differentiation is re-emerging to an extent that could undermine the notion of a ‘national’ training system.

These concerns were the impetus for this report. We set out to establish the commonalities and differences between the jurisdictions’ approaches to training entitlements and whether the differences were in keeping with the flexibility allowed, and required, to ensure a good

fit with local conditions and skills needs or, alternatively, whether the approaches had differences that challenge the consistency required in a functional national training system.

The tension between consistency and flexibility in the national VET system and in entitlements was also explored with 17 thought leaders, whose views are set out in an accompanying paper (see Bowman & McKenna 2016).

Figure 1 Timeline of national reform initiatives undertaken to develop the three elements of the national VET system

	1992	1996	2000	2010	2015
PRODUCT STANDARDS		Australian Qualifications Framework (AQF)			
	Competency standards	Training packages (with regular improvements to meet industry needs). Training package development handbook.		2012 Standards/policies for training packages	
	Accredited courses – gradually decreasing in number and with greater industry focus				
	National register of accredited courses and, from 1996 onwards, training package qualifications				
PROVIDER STANDARDS	NFROT/ARF: a single framework for recognition of VET courses, providers (RTOs and state registering and accrediting authorities [or regulators])		Australian Quality Training Framework (AQTF) Standards for RTOs and state registering authorities		2015 Standards for RTOs and registering authorities
	National register of RTOs and the qualifications in their scope				
				2011 National VET regulator (ASQA) with Vic. and WA also maintaining state regulator	
TRAINING MARKET DEVELOPMENT (Publicly funded component)	<i>Continuing from 1990s</i> Profile of activity uncontestably funded via contract with public providers	<i>Continuing from 1994</i> Portion of funding via competitive tendering	<i>Continuing from 1997</i> Portion of funding via user choice for apprentices and trainees	<i>Continuing from 2009</i> Portion of funding to enterprises via competitive tendering and first student entitlement schemes	<i>Continuing from late 2012</i> Student entitlement to at least a first cert. III level nationally and student loans for diploma and above through VET FEE-HELP
	Multiple roles of government separated – i.e. as VET provider, purchaser and regulator Quality assurance provided via the above two standard elements Improved consumer information on VET to support good decision-making Market design principles to support concerted action				

Notes: NFROT = National Framework for the Recognition of Training; ARF = Australian Recognition Framework; ASQA = Australian Skills Quality Authority.

Method

Our starting point for this report was the student training entitlement agreement in the National Partnership Agreement on Skills Reform 2012–16 (Council of Australian Governments 2012) (documented in the next section). We assembled information from publicly available sources on each jurisdiction’s approach to the student training entitlement as at 30 March 2015 and arranged this by the categories where flexibilities are allowed under the National Partnership Agreement on Skills Reform. These are:

- eligibility for the entitlement
- the level of entitlement available

- the courses (the agreement uses the term ‘courses’ to refer to qualifications) the entitlement applies to
- processes for setting subsidies, fees and prices and maintaining budget control
- the providers delivering the entitlement
- the way by which access to high-quality information on the training entitlement is provided to clients (students and industry).

Our student training entitlement profiles were then verified with each jurisdiction to ensure we had understood their approach, noting that information from public sources is not always easy to obtain or confirm. There are several places on the various jurisdictions’ websites where full details of the student entitlement initiative can be found; even then some features are not clear. Further, the student training entitlement is often embedded in all-encompassing jurisdictional funding models with different names and within which other government-subsided programs, sometimes also referred to as ‘entitlements’, are on offer. In addition, some features of the models changed during the period of information-gathering.

Once the correct information was assembled under our defined categories we produced summary statements of each jurisdiction’s scheme. These were also verified by the jurisdictions and are provided in the third section of this report. We then undertook a comparative analysis of the schemes, both overall and by category, to identify key commonalities and differences. These are presented in the following section. After this section, we consider how the differences sit with the agreed objectives and key elements of the national training system.



The student training entitlement agreement of 2012–16

The student training entitlement agreement within the National Partnership Agreement on Skills Reform 2012–16 (Council of Australian Governments 2012) is reproduced in full in the box. It has essential minimum criteria, which all jurisdictions must implement. It also allows jurisdictions to tailor their approaches to suit their current circumstances and policy directions.

Box 1 The Student Training Entitlement Agreement in the 2012–16 National Partnership Agreement on Skills Reform

Preamble: All jurisdictions are committed to the introduction of a national entitlement to training. The flexibility in the essential criteria for the national training entitlement recognises that jurisdictions are at different starting points and have different reform destinations.

Essential Criteria: The national training entitlement will be an entitlement to access a government subsidised training place to a minimum of the first Certificate III qualification, which: a) is accessible through any registered training organisation (RTO), public or private, which meets state-based criteria for access to the national training entitlement; and b) is available as a minimum to all working age Australians (from post-school to age pension age) without a Certificate III or higher qualification, subject to meeting minimum entry requirements and state based criteria; and c) includes foundation skills or lower qualifications contained within the Certificate III qualification.

The Essential Criteria above are the minimum acceptable. Jurisdictions are encouraged to go beyond the minimum required, where affordable, and may vary other criteria as set out below.

1. Eligibility: The minimum requirement is that the entitlement is available to all working age Australians who do not have a Certificate III level qualification or higher. Jurisdictions have flexibility to go beyond the minimum, for example: to expand the entitlement beyond Certificate III; or to make the entitlement available to people who already have a qualification at Certificate III level or higher. Jurisdictions may also implement strategies to manage the uptake of the entitlement to balance supply and demand within their jurisdiction and budget constraints. Students must meet any eligibility criteria of the relevant Registered Training Organisation (RTO) to enrol in the course or institution of their choice.

2. Field of qualification: Consistent with the overall objective of the entitlement, jurisdictions may respond to jurisdictional priorities including by: determining which courses are subsidised, varying the subsidy levels; number of course places; and marketing particular courses strongly to potential students.

3. Facilitation of student choice: Jurisdictions will make efforts to ensure potential students have access to high quality information about courses and RTOs, to enable students to make informed choices about training.

4. Location: An 'entitlement' does not imply that all courses should be available in all geographic locations. Where necessary, students may need to travel or re-locate within the state to take up a particular course, or study on-line or through a delivery mode other than face-to-face.

5. Cross-border issues: States may develop bilateral jurisdictional arrangements to facilitate cross-border access to the national training entitlement for a student residing in another state.

Source: Council of Australian Governments (2012, Clause 28, Schedule 3).

The essential consistency required

As mentioned, the essential goal to be achieved across the jurisdictions with regard to the student training entitlement is that all working-age Australians (from post-school to age-pension age) are provided with access to a government-subsidised training place to at least their first certificate III qualification (including foundation skills or lower-level qualifications contained within the certificate III) and from any provider deemed eligible by the jurisdiction to deliver the entitlement.

The variability or flexibility allowed

The variability or flexibility allowed in student training entitlement approaches relates to:

- eligibility – jurisdictions can make the entitlement available to people who already have a qualification at certificate III level or higher

- the level of entitlement available – jurisdictions can expand the entitlement beyond the first certificate III qualification
- the courses the entitlement applies to
- the subsidy, fee and price levels of entitlement courses and how a balance is achieved between demand and budget constraints
- the providers delivering the entitlement – jurisdictions determine state-based criteria for public and private registered training organisations to access the entitlement and how cross-border access to the entitlement is facilitated
- the way by which access to high-quality information is achieved to allow students to make informed choices about training (Council of Australian Governments 2012).

Other VET reforms in the National Partnership Agreement 2012–16

The overarching objective of the 2012–16 National Partnership on Skills Reform Agreement is:

A vocational education and training (VET) system that delivers a productive and highly skilled workforce which contributes to Australia's economic future, and to enable all working age Australians to develop the skills and qualifications needed to participate effectively in the labour market.

(Council of Australian Governments 2012, p.5)

In addition to the student training entitlement, the states and territories and the Commonwealth agreed to:

- increase student access to income-contingent loans for higher-level VET diploma qualifications to improve access and participation in upskilling (some VET certificate IV qualifications in some states are also included a pilot program)
- improve transparency by reporting comprehensive information on VET activity, student outcomes and performance of registered training organisations
- strengthen VET quality by enhancing their capacity to develop and review registered training organisation performance and the validity of student assessments
- improve the efficiency and competitiveness of public registered training organisations
- increase the number of students completing qualifications by 375 000 nationally by 2017 with a particular focus on certificate III and higher qualifications and completions by Indigenous, disabled, regional and remote students (Council of Australian Governments 2012).

The 2012–16 agreement included changes in VET funding arrangements at all levels. The student training entitlement funding model that each jurisdiction had in place as at 30 March 2015 is summarised in the next section.



The student training entitlement models of each jurisdiction as at 30 March 2015

Introduction

The summary of each jurisdiction’s student training entitlement model provided in this chapter is based on the detailed profiles, presented in alphabetical order by jurisdiction, in the appendix. The profiles and summaries are a snapshot in time in what is likely to be a continually changing picture. *Readers need to be aware that student training entitlement funding models are dynamic. What is recorded here, while valid at 30 March 2015, may no longer reflect the situation.* Any known strategic changes in approach made or under consideration since April 2015 and up to August 2015 are included in the summaries.

In this section, the summaries are presented in the order in which the jurisdictions implemented an entitlement (see table 1). This ordering was chosen because the jurisdictions took earlier models into account when developing their own model. Two states, Victoria and South Australia, implemented fully student demand-driven provider contestable training entitlements ahead of the National Partnership Agreement on Skills Reform 2012–16. The previous agreement of 2008–11 had set out the broad objective to move to a ‘demand-driven’ model of VET provision to make the system more responsive to changing labour market needs and thus maintain Australia’s competitiveness. This was in keeping with recommendations of the report, *Learning for jobs: review of Australia*, published by the Organisation for Economic Co-operation and Development (OECD; 2008), which suggested that demand-driven approaches were superior to skills-forecasting approaches. Victoria’s VET policy-makers were receptive and in 2009 moved in this direction to create a VET system that would respond quickly and flexibly to the needs of individuals and industry. South Australia followed Victoria’s lead, in 2011. These early models had unintended consequences, such as budget overruns, training in areas of low need, poor-quality delivery from some providers and problems of financial sustainability for some public TAFEs. Both of these states have since refocused their entitlement. Other jurisdictions have been mindful of these issues when developing their schemes since the 2012 national student training entitlement agreement.

Table 1 Jurisdictional student training entitlements by time of first implementation

Jurisdiction	Timing
Victoria	From 2009
South Australia	From 2012
Queensland	From July 2013
Western Australia	From 2014
Tasmania	From 2014
Northern Territory	From 2014
Australian Capital Territory	From 2015
New South Wales	From 2015

Victoria

Background

Victoria implemented a student training entitlement in 2009 in the form of the Victorian Training Guarantee (VTG). The first version of the training guarantee operated between July 2009 and January 2011. It included broad student eligibility criteria; uncapped training places for those eligible; a wide choice of courses; full contestability between public and private registered training organisations, although TAFEs were paid a higher rate per paid hour relative to other providers and were allocated special funding for their ‘community support obligations’ (CSO) role; and greater flexibility for all participating providers to set course fees. This fully student demand-driven, competitive system saw rapid growth in VET enrolments, including in areas classed as having a skills shortage and in specialised courses. Providers became more competitive and responsive. However, there were some unintended and detrimental consequences:

- Substantial budget overruns occurred as student demand and places outpaced available funds.
- Strong growth in some areas of training was misaligned with the skills needs of businesses. This put the vocational outcomes for students at risk and contradicted the public-value principle of government funding decisions.
- Providers (private mainly) who did not aspire to deliver high-quality training became involved. Some VTG-contracted providers fraudulently manipulated the system for their own financial gain, delivering only limited benefits for students. In some instances this led to the unprecedented action of stripping students of the qualifications they had been awarded.
- The market share for TAFEs decreased. This was accelerated from 2012 when course subsidy rates for all TAFE providers were brought in line with those of non-TAFE providers. The result was widespread TAFE job losses, course cuts and campus and facility closures (Victorian Department of Education and Early Childhood Development 2012; Hetherington & Rust 2013; Noonan 2014; Deloitte Touche Tohmatsu 2015).

Victoria has recast its Victorian Training Guarantee in numerous ways, including adjusting subsidies, changing eligibility criteria, and tightening contractual requirements for registered training organisations and entry-to-market processes.

Entitlement as at 30 March 2015

The Victorian Training Guarantee Program as at 30 March 2015 provides an entitlement to training for those who are Australian citizens or permanent residents (holder of a permanent visa) or New Zealand citizens. The entitlement is to a qualification at any level for those aged under 20 years and a qualification higher than the one already held for those aged over 20 years. Students seeking to enrol in a Foundation Skills List course, the Victorian Certificate of Education (VCE) or the Victorian Certificate of Applied Learning (VCAL), or an apprenticeship are also exempt from the upskilling restriction. There is a ‘two commencements at level in a lifetime’ restriction, except for courses on the Foundation Skills List and for students recommencing training in the same qualification. There is also a ‘two commencements in a year’ restriction.

The courses to which the entitlement applies are those in the Funded Courses Report, which is updated regularly and subject to variation at any time. In July 2014, there were over 3000 course codes on the Funded Courses Report. Funded courses are assigned to one of five bands, which determine the range of subsidy the government pays to the VTG-contracted providers. The subsidy is informed by both the historical cost of delivery and the relative public and private value in undertaking certain courses. The public value is based on an assessment of the course's relevance to Victoria's workforce and productivity needs and whether student participation is falling short of, satisfying or exceeding these needs. The courses of greatest public value receive the highest levels of subsidy, and the courses of lowest public value the least. Subsidies also depend upon the qualification level, with lower rates allocated to diplomas and above, where income-contingent loans are available. Maximum Payable Hours are the maximum number of hours the Victorian Government will subsidise under the Victorian Training Guarantee for the achievement of the minimum realistic vocational outcome of any qualification. This is determined by the qualification 'packaging rules', which set out which units of competency can be combined to make up a valid Australian Qualifications Framework (AQF) qualification. There are cumulative loadings to the hourly subsidies paid to improve access for students in regional areas, Indigenous students and students from low socioeconomic backgrounds. The government has also committed special funding for a period to assist TAFEs to adjust to the new funding regime.

Student tuition fees are variable and are set by the VTG-contracted providers in accordance with the Victorian Department of Education and Training's *Guidelines about fees*. The price set by the providers (subsidy plus fee) is to reflect the demand for training, the cost of delivery, course quality and the provider's reputation. Price setting must be competitive. The government continually monitors prices to protect users of the system.

Information to help prospective students to find a suitable course and choose a training provider is provided through the Victorian Skills Gateway, a searchable directory of registered training organisations and their public course offerings in Victoria. Courses are linked to occupation descriptions, which include Victorian job prospect information and video case studies. Users can search via course, occupation or training provider. The information has been tailored to five audiences: students, adult learners, parents, careers practitioners and employers.

To become a VTG-contracted provider, the provider must meet the entry-to-market Standards for Registered Training Organisations and go through an annual entry process. Approximately 30% of VTG-funded registered training organisations are registered with the Victorian Registration and Qualifications Authority (VRQA) and are required to meet the 2010 standards of the Australian Quality Training Framework until such time as legislation enables implementation of the new national Standards for Registered Training Organisations 2015. The other approximately 70% of contracted VTG-contracted training organisations are regulated by the Australian Skills Quality Authority (ASQA) and are required to meet the new national standards for 2015. In the annual entry process, which evaluates a registered training organisation's eligibility for a Victorian Training Guarantee contract, the Department of Education and Training makes its assessment based on Victorian requirements. The department considers three key components: RTO registration; history of contractual performance; and financial health and management. In contrast, the enhanced Standards for Registered Training Organisations 2015 require reporting trainer qualifications; undertaking detailed pre-training assessments of current competencies held

by eligible students, including literacy and numeracy skills; developing training plans agreed with students; and a higher financial viability assessment than the equivalent demanded by the Australian Skills Quality Authority or the Victorian Registration and Qualifications Authority. Also Victoria restricts the provision of funded Foundation Skills and recognition of prior learning (RPL) to those RTOs on a preferred provider list. This, too, involves meeting criteria higher than the Australian Skills Quality Authority/Victorian Registration and Qualifications Authority equivalent.

The department has a memorandum of understanding (MoU) with the Australian Skills Quality Authority, whereby both parties have agreed to exchange relevant and appropriate information to support the effective regulation and administration of registered training organisations regulated by the Australian Skills Quality Authority that are contracted by the Department.

Future strategic directions

In early 2015, the incoming Victorian Government commissioned an external review of quality assurance in Victoria's VET system to help restore public confidence in the quality and value of VET (Victorian Government 2015) and to be fed into a VET funding review. The issues paper associated with the funding review (Mackenzie & Coulson 2015) identifies 27 changes the review is considering (see the section on Victoria in the appendix). Also, the department is intending to upgrade the Victorian Skills Gateway to be the entry point for all consumer information relating to vocational education and training in Victoria.

South Australia

Background

South Australia has had an individual entitlement to a government-subsidised training place since July 2012, when the Skills for All policy was introduced after extensive consultation with the community (Government of South Australia 2011). Under Skills for All, foundation skills courses, certificate I and II qualifications, and other qualifications in priority areas linked to the state's strategic priorities were free of charge to students aged 16 years or over and not at school. This was intended to attract people to undertake an initial VET qualification. For certificate III qualifications and above, registered training organisations could charge student fees up to \$7000. A 60% increase in course enrolments was achieved in the first year. This led to an historically high 44% growth in government funding for training. This 2013 training budget blow-out prompted reductions in public spending on new training places in subsequent years because the existing pipeline of entitlement students studying in courses of more than a year's duration had to be accommodated. The blow-out has also led to the refinement of key planks in the Skills for All policy framework to avoid budget overruns in future.

Entitlement as at 30 March 2015

South Australia's student training entitlement as at the end of March 2015 is available to Australian citizens, permanent residents, New Zealand citizens and holders of state-sponsored visas of various subclasses who are on a pathway to permanent residency. These people must be living in South Australia, aged 16 years or over and no longer in

school. (Others eligible include school students undertaking substantive amounts of VET and anyone in a contract of training; that is, apprenticeship or traineeship of any age.)

The entitlement is to two funded courses from certificate III level or above, unlimited fee-free priority courses (mostly foundation skills courses), a few certificate IIs and a few higher-level courses as at March 2015 (Skills for All Funded Training List 2014). Eligible courses are limited to those on the Skills for All Funded Training List. These are identified by their link to local and state employment opportunities.

Entitlement courses are price-banded, guided by the Public Value Framework. The framework is based on a combination of economic and participation indicators, resulting in courses with the highest public value placed in the highest subsidy band. The price band determines the contribution that the government will make to the cost of the course (the public-value component), together with any regional loadings (based on a modified Accessibility Remoteness Index of Australia [ARIA]) and student concession reimbursements that may apply (for example, to holders of a Health Care Card, Pensioner Concession Card, Veteran Affairs Concession Card or a prisoner in a South Australian correctional institution). The subsidies vary from full benchmark price down to 20% of the benchmark price for the deemed lowest public-value courses. The funded rate is higher for TAFESA than for private training providers. Registered training organisations can apply for a review of a subsidy level. To align training supply with demand and to provide increased certainty and transparency in the training market, as well as impose budget control, there are purchase limits to each course on the Funded Training List. All registered training organisations are advised not to enrol new students once enrolment limits are reached.

The government's subsidy is paid to the training provider that has attracted eligible students. The students also pay a fee set by the provider. Thus, student fees are variable. The provider may recover from the student both a student course fee and incidental expenses. Incidentals can include optional charges for non-essential goods and equipment or other non-consumables that become the property of the student.

In general, the quality requirements for registered training organisations' eligibility to deliver Skills for All entitlement training align with the national Standards for Registered Training Organisations 2015.

Skills for All training providers apply and are selected to deliver specific qualifications. The selection criteria include: the provider's past performance under public funding; their ability to have sufficient throughput of graduates in each of the qualifications they have applied to deliver; strong engagement with industry; evidence of high student and employer satisfaction; and financial health.

Providers who deliver to school students also need to appoint a School Student Officer, who is responsible for ensuring timely and appropriate communication between the training organisation and the school.

A notable additional requirement for registered training organisations to be eligible to deliver the entitlement in South Australia is that they have an Accountable Officer. The Accountable Officer is a nominated staff member with sufficient experience and background in vocational education and training to ensure compliance with regulatory requirements. The officer must provide professional leadership and judgment for the organisation on matters including: teaching and learning strategies; development of learning and assessment resources; and oversight of assessment practices. South Australia is the only

state with this requirement. Other states rejected this idea when it was proposed for the new VET Standards for Registered Training Organisations in 2013 after complaints from training organisations about red tape. It was not until 2015 that the new VET Standards for RTOs were agreed to. Having an Accountable Officer is not a requirement of the 2015 VET Standards for RTOs. That South Australia has retained this may have assisted the state in maintaining good-quality provision.

A training information portal has been developed that provides all information about Skills for All on a single website. The information includes the Funded Training List, a subsidy calculator and the list of contracted providers and their services and training courses.

Future strategic directions

WorkReady replaced Skills for All from 1 July 2015. Following broad consultation with industry and training providers, the new entitlement policy reduced the number of eligible courses and reserved 90% of new places in 2016 for TAFESA. This is to assist the public provider to transition to a more sustainable position in the competitive market.

Queensland

Background

Before July 2013, Queensland did not offer an entitlement model beyond funding the user choice program for apprenticeships and traineeships. From July 2013 a Certificate 3 Guarantee was implemented, along with a phased implementation of greater contestability for public funds. Since 1 July 2014, a fully student demand-driven funding framework has been implemented for the majority of government investment in the skills system. This is delivered through a contestable funding model, whereby registered training organisations (public and private) apply for pre-qualified supplier status (PQS) to deliver training under a range of publicly funded programs outlined in the Annual VET Investment Plan (Queensland Department of Education, Training and Employment 2014).

Entitlement as at 30 March 2015

Queensland's Certificate 3 Guarantee as of March 2015 is one of several VET programs funded by the state government. The other demand-driven government-subsidised programs include user choice, selected certificate IV and higher-level qualifications and a range of strategic interventions via other contestable funding processes.

The Certificate 3 Guarantee is for Australian and New Zealand citizens and others on the pathway to permanent residency who reside in Queensland, are aged 15 years or over and are no longer at school and who do not have or are not enrolled in a certificate III or above (VET qualifications gained at school excluded). VET in Schools (VETiS) students are also eligible for the Certificate 3 Guarantee. The entitlement is to a first certificate III qualification or higher-level first qualification.

The qualifications available under the Certificate 3 Guarantee are limited to those on the Queensland Training Subsidy List. At January 2015, the list included 34 certificate I, 113 certificate II and 129 certificate III qualifications.

Queensland bases the prices of Certificate 3 Guarantee qualifications on an hourly cost of training times calculated from one of three course base rates, determined by differences in

overheads, class size, industry area and the like. The subsidies available reflect the relative priority assigned to a qualification in terms of its public benefit to the state economy. That priority is based on the AQF level, the relevance to government of the industry area, industry advice on skill needs, and the effectiveness of the qualification in providing job outcomes for graduates. There are four priority levels, with the proportion of the indicative course value (or price) subsidised for non-concessional students from 80% for higher-priority certificate III qualifications to 50% for diploma and above qualifications.

Deregulated pricing arrangements mean that the government determines the level of subsidy available as a public contribution to training. Pre-qualified suppliers set the fees that will apply based on their offerings and negotiation with individuals and/or employers/industry. There are also higher government subsidies for concessional students, which enables suppliers to reduce the student co-contribution fee – but not to zero, a co-contribution fee is still charged.

Eligible students choose their own pre-qualified supplier: in other words, the entitlement funding is fully contestable among this group of providers, who include public providers and selected private providers. Pre-qualified suppliers are not allocated training places; the Certificate 3 Guarantee is a demand-driven funding program. The public providers do receive an annual grant to cover assets costs but they compete for training delivery on the same price, subsidy and fee level as private providers. The Queensland Department of Education and Training regularly reviews expenditure and has the ability to intervene to re-align expenditure to budgetary requirements. Strategies may include suspending enrolments in qualifications where supply is assessed as exceeding labour market demand, adjusting subsidy levels in targeted qualifications or imposing additional eligibility restrictions for targeted qualifications.

Pre-qualified suppliers of publicly funded training and assessment services are listed on Queensland's Skills Gateway website. In general, quality requirements for pre-approved registered training organisations align with the Standards for Registered Training Organisations 2015, but there is a set of five performance standards unique to Queensland that PQS providers must meet: qualification completions rates of 65% of all enrolled students and employment benefits for 55% of all students. Registered training organisations are monitored for compliance with policy and agreements. Where necessary, they can be referred to the Australian Skills Quality Authority for audit of training and assessment services. Any contravention of policy rules will result in disciplinary action. The department may also undertake performance review of qualifications in high enrolment and investment areas.

Western Australia

Background

Prior to January 2014, all apprenticeships and eligible traineeships in Western Australia were funded under a user choice model based on student-employer demand. The state also made other institutionally based training programs available to the private training market through competitive tender arrangements. With approximately 40% of the training budget open to competition, these funding arrangements could be described as a partially managed contestable training market.

Entitlement as at 30 March 2015

Within Future Skills WA, the government VET funding model introduced in January 2014, there is a student training entitlement for those living in Western Australia and who have left school, who are Australian citizens or particular visa holders; namely, those with permanent visas and certain subclass visas, as well as the dependents or spouses of primary holders of visa subclass 457. There is no upper age limit or any restriction based on previous level of awarded qualification or on the number of entitlement courses/qualifications eligible students can undertake.

Eligible entitlement courses include apprenticeships, some traineeships, priority industry qualifications and priority foundation skills courses. Priority industry qualifications are primarily selected according to their alignment to the State Priority Occupations List. This list is developed on the basis of information and insights from: industry stakeholders, including training councils, together with market intelligence; economic indicators and projections of occupational employment growth; and analyses of labour supply factors such as the ageing workforce, migration and graduates entering the jobs market. The list is updated annually. Eligibility for foundation skills is based on assessed need.

The subsidies for entitlement courses are determined by: funding group (that is, groupings of qualifications with occupational outcomes); funding type (for example, apprenticeships, traineeships and other); entitlement indicator (that is, delivery region and fee type). The funded rate is higher for public training providers (formerly TAFE colleges) in recognition of the costs they incur for fixed facilities and community service obligations.

Student course fees are fixed. Priority courses attract lower fees than other courses. As a result, the rate of funding provided by the government for priority qualifications is higher on average than for other courses. The exceptions to this are qualifications at diploma and advanced diploma level, where course fees are higher but students have the opportunity to access VET FEE-HELP. While approved registered training organisations must charge the fee specified in the course fee schedule, they may charge for additional resources and other discretionary fees.

For qualifications categorised as a state priority, the government does not limit the number of training places that will attract a government subsidy, except where there is evidence that the number of enrolments may lead to an oversupply of graduates. These enrolments are monitored. Should there be a risk of oversupply, the government may, with prior notice, cease providing a subsidy for any new enrolments in that qualification. In the first year of operation of Western Australia's entitlement model, oversupply was not an issue and the department's preference is not to restrict the market unless there is a clear case to do so.

Entitled students use the training provider of their choice from those on the government's Preferred Provider List who have the student's chosen qualification on scope. There is a criteria-based selection process for public and private registered training organisations to be placed on the Preferred Provider List. The list includes all public training providers and around 300 private providers.

All providers, whether state training providers or contracted private providers, are required to meet the same contractual requirements and charge the same course fee rates. The quality arrangements are largely similar to the Standards for Registered Training Organisations 2015.

Western Australia requires registered training organisations to fulfil a set of key performance indicators. These are both compliance-based and measured against benchmarks for training delivery outcomes established by the department and the state regulator. The benchmarks include the proportion (specified in the funding agreement) of students who successfully complete qualifications or units of competency and the proportion of those who progress to further studies or employment.

The department has a memorandum of understanding with the Australian Skills Quality Authority. A similar information-sharing arrangement with the state VET regulator (the Western Australian Training and Accreditation Council [TAC]) is being finalised.

Information for students on Future Skills WA and the entitlement is available via the dedicated website.

Tasmania

Background

An 'entitlement' to training has effectively operated in Tasmania for many years, in that government subsidies have existed for all levels of qualifications at the public provider, TasTAFE. The effective date from which the term 'entitlement' has been used in Tasmania as per the 2012 National Partnership Agreement is 1 January 2014. From this date the entitlement became explicit, with the subsidies payable for entitlement students higher than for non-entitlement students.

Entitlement as at 30 March 2015

In Tasmania the entitlement is embedded in all government-subsidised training programs delivered by the public provider, TasTAFE, and all other registered training organisations funded through competitive programs such as Career Start, Skills Fund and user choice (apprenticeships and traineeships).

Students eligible for subsidised training must be: an Australian or New Zealand citizen or an Australian permanent resident or hold a state-sponsored visa on a pathway to permanent residence; be of working age, not at school (other than school-based apprentice) and reside or work in Tasmania. For entitlement-subsidised training, students must also *not* have a certificate IV or higher qualification and *not* have completed a certificate III qualification (including apprenticeship or traineeship) in the last five years or be currently enrolled in another publicly subsidised certificate III qualification. The exceptions are those people who are unemployed, retrenched in the past year, ex-offenders, people who completed a certificate III at school or those in a current contract of training. These people are eligible for an entitlement level of subsidy regardless of their prior qualifications.

The entitlement includes qualifications to the certificate III level. Students eligible for an entitlement can obtain one first certificate III qualification. If necessary, they can take a pathway to the certificate III, which may involve foundation skills training or studying for lower-level qualifications contained in the certificate III. Higher-level qualifications identified by industry as entry-to-work level are also covered by the entitlement. The entitlement is available for all certificate III qualifications (and the pathway thereto) delivered by TasTAFE and for targeted certificate III and below qualifications through contestable programs.

Prices for subsidised qualifications are not published. Entitlement students are subsidised at a higher rate than non-entitlement students, with the level of subsidy generally the same for TasTAFE as for other providers delivering entitlement training through the competitive programs. The subsidies vary according to the perceived public value of the courses. Private registered training organisations are not permitted to charge student fees beyond course fees but concessions must be made available to eligible disadvantaged students. The budget for training places allocated to TasTAFE (including for the entitlement) is capped, as are contestable entitlement program student places.

Only Skills Tasmania endorsed registered training organisation (ERTOs) can deliver government-subsidised training. This approach is designed to increase and assure the quality of government-subsidised training for learners and employers in Tasmania.

The Deed of Purchasing Agreement between the Department of State Growth and TasTAFE is the basis for all TasTAFE funding. A performance framework is incorporated in the deed and guides reporting. The key overall indicators of TasTAFE's success are graduate employment outcomes, and employer and student satisfaction with TasTAFE training. In relation to other endorsed registered training organisations, the Department of State Growth (Skills Tasmania) Agreement 2015–17 sets out quality training and assessment performance criteria and related monitoring/auditing requirements. The requirements are similar to TasTAFE's.

Access to information on the entitlement is provided to clients on the learners and subsidised courses pages of the Skills Tasmania website.

Northern Territory

Background

The Northern Territory introduced an entitlement in 2013 through the two independent, autonomous public providers (Charles Darwin University and Batchelor Institute of Indigenous Tertiary Education). From 2014, a new competitive pilot program, the Northern Territory Student Entitlement Model (NTSEM), was introduced for private providers. Implementation of the entitlement involves striking a balance between the benefits of competition and the need to have viable and strong public providers. The Northern Territory VET system operates in a thin market, in which the number of students and courses is restricted by population levels and distance. Working in this environment, public providers have a key role in assisting to meet community service obligations. They are also asked to deliver training under various government programs and in priority areas.

Entitlement as at 30 March 2015

Those eligible for the entitlement must be a Northern Territory resident, an Australian or New Zealand citizen visa holder without work/study restrictions and above school age (17 years) and no longer at school. Their entitlement depends on their highest level of previous qualification:

- Students who have not already completed a certificate III (or higher) level qualification have access to any qualifications offered under the entitlement up to a first certificate III (that is, including entitlement to foundation skills and certificate I or II qualifications relevant to the certificate III qualification).

- Students who have already completed a certificate III (or higher) have limited access to specified priority qualifications offered under the entitlement.

Entitlement eligibility does not guarantee that all qualifications will be available in all geographic locations or through all providers. The Northern Territory Skilled Occupation Priority List identifies which courses are available as entitlements. Courses are linked to the skills and jobs that are identified by industry and by economic modelling as necessary for the Northern Territory's economic growth. Apprenticeship or traineeship delivery is treated separately from the entitlement. Places under the Northern Territory Training Entitlement, which covers the two public providers, are fully subsidised. They are funded at an industry rate per training hour. For the private providers involved in the trial of the new competitive program, the Northern Territory Student Entitlement Model, the subsidies are different. The private providers in the trial are funded by qualification. While the prices are consistent across the private providers, they do vary depending on the qualification and, where needed, include an additional amount for the delivery of foundation skills. The pilot program allows private providers to charge a range of fees for non-delivery items. These fees are not capped but typically are low, in the range of \$100 to \$300. Entitlement program private providers can move funding between approved qualifications to meet student demand, up to the total value of their contract. The two public providers use general recurrent funding to deliver the entitlement. Both have the same contractual requirements as private providers in the pilot, although they have more flexibility in moving funding to respond to demand.

The Northern Territory Government has implemented criteria for access to public funding through the endorsed provider model (EPM). Contracted providers must meet specified criteria (including registered training organisation status) and have endorsed provider status to access and maintain access to government funding. The Northern Territory procurement contract and associated schedules assume that RTOs already undergo a rigorous quality assessment and registration process through Australian Skills Quality Authority and therefore do not duplicate criteria already assessed by the authority.

Registered training organisations are required to provide information to students about the entitlement, and eligibility for it, during advertising campaigns and the enrolment process. The Department of Business has information about the entitlement, eligibility, providers and courses available on its website.

Future strategic directions

As of March 2015 the overarching funding model for VET in the Northern Territory was being reviewed. Entitlement training arrangements may therefore change in the longer term. Skills reforms in the Northern Territory are being designed and implemented in partnership with public providers to minimise the impact on them of a changing training market. Over time, the skills reforms are expected to increase the access of private providers to the government-subsidised training markets and increase competition for the public providers.

Australian Capital Territory

Background

In the Australian Capital Territory access to government-subsidised training was previously available via the public provider, the Canberra Institute of Technology (CIT), and through other government-funded training programs, including user choice (Australian Apprenticeships Program). The 2012 the National Partnership Agreement on Skills Reform Implementation Plan for the Australian Capital Territory committed it to exploring greater contestability between providers in the jurisdiction. A suite of publicly available discussion papers was developed as part of this exploration (referenced in the section on the ACT in the appendix). These informed the design of the model.

Entitlement as at 30 March 2015

Additional access to a training entitlement in the ACT is now available through a newly funded initiative called Skilled Capital. The initiative aims to increase the proportion of training in the ACT delivered through the contestable market (from approximately 20% in 2014 to 24% in 2015 after the introduction of Skilled Capital). An entitlement can also be accessed through user choice and the remaining non-contestable appropriation provided to Canberra Institute of Technology. Thus from 2015, an entitlement to a training place in the ACT can be accessed through three avenues: the 'CIT training profile'; Skilled Capital; and user choice, with the Canberra Institute of Technology competing under the same contractual requirements as other eligible providers in the Skilled Capital and user choice programs. What follows refers to the Skilled Capital program only.

For the Skilled Capital entitlement program, eligible students are Australian citizens, permanent residents, New Zealand passport holders resident for more than six months, all of whom are living or working in ACT, are at least 15 years of age and not in secondary school or college. Eligible students can undertake any number of qualifications at the same level as, or lower than, their existing qualifications but for only one qualification at a time. They will not be funded if they have successfully completed within the last seven years a qualification they are currently undertaking. Eligibility for a certificate II level Skilled Capital qualification is restricted to those who have not completed a certificate III or higher, excluding foundation skills qualifications, and have not been awarded an ACT Year 12 certificate or did not achieve a C grade average or higher in Year 12.

The Australian Capital Territory restricts the particular qualifications to which an entitlement applies through Skilled Capital to those in areas of highest skills need. The ACT analyses skills needs and produces a list of qualifications, ranked by level of need and public value in the ACT. The higher-ranked qualifications on the ACT Skills Needs List attract a higher government subsidy. The subsidies are organised on a three-tiered subsidy structure, with Band A qualifications subsidised at the highest rate. The minimum subsidy in Band C is still high enough to ensure it encourages registered training organisations to offer high-quality training and attract additional student demand. The actual subsidy received is calculated using the base funding price per qualification to reflect the 'efficient' costs a registered training organisation would incur to provide training that meets the 'required quality standard' for a 'standard' student. The efficient prices are categorised into different fields of education (FoEs) based on industry cost drivers. All qualifications within a same field of education have the same unit cost per hour.

Qualification caps are used to limit the number of enrolments in each specific Skilled Capital qualification and to limit government liabilities and stay within budget. The subsidy is reviewed every six to 12 months. If the level of skills need has diminished after the qualification has been funded in Skilled Capital, the qualification may either not be available in future releases or subsidised at a lower rate.

No qualification is fully subsidised. Students pay a tuition fee to ensure that they have a personal stake in their education, but there are no tuition fees for foundation skills training and other support needed to complete Skilled Capital qualifications. Also there are fee concessions for those who hold an Australian Government Health Care Card, Australian Government Low Income Health Care Card, Australian Government Pensioner Concession Card or Veterans Gold Cards. For students eligible for a concession, registered training organisations have the option of waiving the remaining student fee.

Student fees are semi-deregulated, in that they must be set within a published minimum and unpublished maximum. There are safeguards to prevent registered training organisations from charging students artificially high fees; namely, the public disclosure of student fees, and contractual clauses that give the ACT Government the power to intervene in the price setting of individual registered training organisations if tuition fees are perceived to be unreasonably high. In addition, close monitoring is done for those Skilled Capital qualifications where monopolies of registered training organisations exist within the Australian Capital Territory due to population size and the nature of the training, to ensure the registered training organisations are not engaging in uncompetitive behaviour.

Registered training organisations must be approved to deliver subsidised entitlement training under the Skilled Capital initiative. The ACT Quality Framework underpins the delivery of training in the territory. The framework comprises contractual and compliance arrangements and incorporates a set of principles and obligations for registered training organisation conduct. Enhancements introduced under Skilled Capital include detailed processes for initial skills assessment and training plan development; integrated wrap-around services to support students; and work experience agreements.

The Australian Capital Territory has a memorandum of understanding with the Australian Skills Quality Authority, which allows for cooperation, information exchange and collaboration to support regulation and strengthen the quality of the VET system.

The Australian Capital Territory has developed the <skills.act.gov.au> website to improve access to high-quality information. The Skilled Capital website provides prospective students with clear information on fees, registered training organisations and courses.

Future strategic directions

The Australian Capital Territory intends to build on its websites to enhance consumer information.

New South Wales

Background

New South Wales implemented its first training entitlement through Smart and Skilled, a new all-encompassing funding framework for vocational education and training on 1 January

2015. Smart and Skilled includes an entitlement to government-subsidised training for up to and including certificate III level and a targeted priorities program, through which other government-subsidised training is available. 'Targeted priorities' training' is also referred to as 'other non-entitlement government subsidised training'.

Entitlement as at 30 March 2015

The NSW training entitlement applies to all who have left school, are aged 15 years and over and do not have a previous certificate IV or higher. The entitlement includes government-subsidised qualifications up to and including a first certificate III. A second certificate III or higher-level qualification can also be obtained by those who already have a certificate III but at a reduced subsidy level. Individuals who hold a certificate IV or higher qualification can still undertake a traineeship or apprenticeship through the entitlement.

The NSW Skills List defines the qualifications eligible for government funding. This list is developed through extensive labour market analyses and consultation with NSW industry and the community, with a view to supporting the diverse needs of the state economy and giving individuals the skills for jobs with good prospects. The 2015 NSW Skills List covers 743 qualifications.

NSW sets the government subsidy level and the student fee, which together equal the price paid to the provider. This price applies to all registered training organisations approved to deliver government-subsidised training, including the entitlement and targeted priorities programs. The base price is determined by qualification level and by whether it is for a first or further qualification. It is calculated to cover the costs associated with training delivery and assessment, including teaching staff, administration, utilities, course-specific costs and capital costs. It covers both variable and fixed costs. The price amounts to the efficient cost to deliver training to a 'standard' student, who is one who lives in a metropolitan area and is not eligible for a disadvantaged price loading. There are two types of loadings: needs and location loadings. Funding is also available for TAFE NSW and adult community education (ACE) providers to deliver entitlement training in thin markets, where there is no other training organisation willing to train for the set price.

NSW regulates subsidies and fees to avoid price competition, to encourage providers to compete on quality and to enable students to select the approved provider that best meets their needs. NSW uses caps on qualifications to stay within budget. The caps are set for each provider and by region.

Providers eligible to deliver the entitlement are pre-approved, based on capacity, capability and performance to deliver quality training in NSW. Students have a choice of provider from the list of pre-approved providers. The NSW Quality Framework, based on nine principles, is used to monitor and improve contracted registered training organisation performance. It has rigorous quality criteria, enhanced monitoring and reporting, student complaints processes and consumer protections.

Students can visit the Course Finder on the Smart and Skilled website to check their eligibility, find entitlement courses and the approved training providers who deliver them, and estimate their student fee. There is also a dedicated complaints and customer support centre (detailed on website) and a consumer protection policy with contact details for independent organisations, through which consumers can seek assistance or a review of their complaint.



Comparative analysis of jurisdictions' approaches to entitlements

Introduction

In this chapter we identify the overall approaches taken by the eight jurisdictions to the implementation of a student training entitlement, as at 30 March 2015, and we also examine the commonalities and differences in the individual categories in which flexibility in design is allowed.

Overall approaches

As detailed in the introduction, the development of a training market has been a key element of the national training system since its inception in 1992. Flexibility has always been a feature of this element, with each jurisdiction deciding the extent to which a particular funding approach is used and how it is implemented so as to ensure a fit with federally agreed national policy directions, as well as with local conditions and skills needs. (User choice implementation has nine nationally agreed principles though some aspects are still not 'harmonised' in practice.) As a result, each jurisdiction has differing proportions of the historic arrangement of non-contestable public provider block appropriations, competitive tendering, user choice and student entitlement funding arrangements, although the user choice component applies to all apprenticeship and traineeship training in all jurisdictions.

In this context, we have identified three main types of student training entitlement models across the eight jurisdictions, as at 30 March 2015 (see table 2).

- In three jurisdictions (Victoria, South Australia and Western Australia) the student entitlement is embedded in a new single overall contestable funding model. Each state's model has its own 'brand' name (see table 2).
- In two jurisdictions (Queensland and New South Wales) a new single overall contestable funding model has been introduced (again with their own 'brand' names), in which the training entitlement is one discrete program of several that complement each other and make up the total publicly subsidised training effort.
- In the remaining three jurisdictions (the Australian Capital Territory, Tasmania and the Northern Territory) a 'pilot' competitive training entitlement program has been introduced, which sits alongside the ongoing funding arrangements. The student entitlement is available through previous programs, including the public provider (non-contestable) profile and user choice funding programs, as well as the new competitive programs. In these three jurisdictions there are differences between the new competitive entitlement programs in terms of which providers are involved. In the Northern Territory and Tasmania the newly created contestable entitlement program is open to approved private providers only. In the ACT the public provider and approved private providers compete in the new entitlement program.

Figure 2 Schematic overview of student entitlement approaches, by jurisdiction

Jurisdiction	Model	Model type
Victoria	Embedded in a new single overall contestable model – the Victorian Training Guarantee	All approved providers may compete for course places and students in any state-subsidised training.
South Australia	Embedded in a new single overall contestable model – Skills for All	
Western Australia	Embedded in a new single overall contestable model – Future Skills WA	
Queensland	Great skills Real opportunities – as a specific Certificate 3 Guarantee Program	A specified entitlement program within an overall program, in which all approved providers may compete for course places and students.
New South Wales	In Smart and Skilled – as a specific entitlement program	
Australian Capital Territory	Embedded in public provider training profiles, plus a new discrete program called Skilled Capital, in which the public provider and other approved providers compete for places and students	Public provider provides entitlement subsidy to students from profile funds.
Northern Territory	Embedded in public providers’ training profiles, plus a new discrete program for private providers only ‘Entitlement’	
Tasmania	Embedded in all types of subsidised training programs, plus a new discrete program for private providers only	Approved providers also compete within a new discrete contestable entitlement program.

Analysis of the entitlement models by category

We provide a more detailed analysis of commonalities and differences under the following five categories:

- scope of the entitlements
- training courses available under the entitlements
- subsidies, fees and prices of entitlement courses and how overall budget control is achieved
- criteria and contractual conditions for registered training organisations approved to deliver the entitlement
- information made available to support students to make informed choices about entitlement training and how it is provided.

There are two points to note. Firstly, *only competitive entitlement programs are included in the itemised analysis*. To keep the analysis manageable, we have not examined the details of the entitlements available through public providers’ mainstream appropriations (in the ACT, Northern Territory and Tasmania). Secondly, *there is a dynamic relationship*

between the categories within the entitlement models. What is determined for one part can affect decisions made on the other parts. The entitlement model summaries provided in figure 2 for each jurisdiction (more detailed profiles are in the appendix) illustrate how the various parts contribute to the overall design of each entitlement model and work together. When we come to consider each category, we explain, where necessary, any differences arising from how other categories have been dealt with.

Scope of entitlement

The minimum requirement is that a student training entitlement be available for all working-age Australians (from post-school to age-pension age) who do not have a certificate III or higher qualification and to a minimum of a first certificate III level qualification (including foundation skills or lower qualifications contained in the certificate III qualification). However, jurisdictions were encouraged to go beyond this minimum and make the entitlement available to people who already have a qualification at certificate III level or higher and/or expand the entitlement beyond at least the first certificate III qualification.

Commonalities

The general criteria for a student to be eligible for a training entitlement are largely consistent across the jurisdictions. All jurisdictions include as possibly eligible persons to a training entitlement those who are Australian or permanent residents or holders of visas without work/study restrictions and who live and or work in the jurisdiction. Most also include New Zealand citizens (Northern Territory excepted), while Western Australia also includes spouses of primary holders of visa subclass 457 in its general eligibility criteria. These differences in citizenship criteria for eligibility are not material.

The only other consistent feature of the various jurisdictions' entitlement models is that that they all meet the minimum requirement of the national agreement. All jurisdictions have entitlements to at least a first certificate III for those of working age without a certificate III. All jurisdictions have gone beyond this minimum requirement but not in the same way.

Differences

There are differences in how working-age Australians are defined (generally from post-school to age-pension age). Rather than leaving the definition as 'post-school age' or 'no longer at school', some jurisdictions have specified a post-school age that differs from 15 years of age and over (NSW), to 16 years (South Australia) and 17 years and over (Northern Territory). There are also differences in how those 'still in school' are treated. The agreement was to exclude them, but some jurisdictions include those in school undertaking substantial VET (South Australia). There are differences in other eligibility criteria used. Western Australia, the ACT and South Australia cast a broad net. In these jurisdictions there are no further eligibility criteria for students beyond the general citizenship criteria and that they have left school. Post-school students, regardless of age and previous education level, can access eligible entitlement courses/qualifications in these three jurisdictions. There are differences in the number of entitlement qualifications that can be accessed. There is no limit in Western Australia. There is a limit of one entitlement course at a time in the ACT. There is a limit of two total entitlement courses in South Australia.

Victoria also casts a wide net. In Victoria those post-school who are aged under 20 years are eligible for any entitlement qualification and those aged over 20 years for a qualification higher than the one already held, but a student may only commence a maximum of two courses at the same qualification level in their lifetime.

In contrast, the other four jurisdictions have kept entitlement eligibility closer to the minimum requirement. In New South Wales and Tasmania the entitlement is limited to those who do not hold a previous certificate IV or higher. For these people in NSW the entitlement is for a first certificate III and for a second and subsequent certificate III or higher for those who already have a certificate III – but at lower subsidy rates. For those in Tasmania eligibility is for a first-only certificate III or higher. In the Northern Territory and Queensland eligible persons are those who do not have a certificate III or higher and the entitlement applies to a first, and only one, certificate III. These four jurisdictions have programs outside their entitlement programs that add to their total government-subsided training effort.

Which VET courses are within the entitlement

The 2012–16 National Partnership Agreement on Skills Reform specified that jurisdictions would determine which courses were part of the entitlement.

Commonalities

All jurisdictions specify the courses that are within their particular entitlement models and they do so using a similar method. All take a centralised planning approach to the determination of entitlement courses, generally those thought to be in demand in the particular jurisdiction. These courses are identified through consultations with industry and/or from other market intelligence, such as skills forecasts based on economic indicators; projections of occupational employment growth; and analyses of labour supply factors, such as the ageing workforce, migration and graduates entering the jobs market. The underlying common principle is to ensure public value or benefit from government-subsidised vocational education and training. All jurisdictions review their lists of entitlement courses regularly, at least annually, to ensure they remain responsive to skills needs in the current labour market and that subsidised training will deliver the best job outcomes for students.

Differences

The courses deemed as entitlement courses are not the same across all jurisdictions because the focus is on the skills needs of the economies within state and territory boundaries. Also different is whether user choice courses for apprenticeships and traineeships lie within the entitlement scheme or are handled separately.

Some jurisdictions have more entitlement-labelled courses than others. This may be due to economic diversity but it is also because of the different ways jurisdictions use course eligibility as a rationing device. For example, Victoria possibly has the largest number of entitlement-eligible courses but it then uses varying subsidy levels based on the relative public value of the courses to ration their uptake. All other jurisdictions limit the number of entitlement courses in their competitive entitlement programs to those of public value only. In some of these jurisdictions (ACT, Northern Territory and Tasmania), access to an

entitlement is also available through their public providers and thus to a wider range of courses than those included in their competitive entitlement programs.

Entitlement course prices, subsidies, student fees and overall budget control

The National Partnership Agreement in Skills Reform 2012–16 specifies that each jurisdiction determines the number of entitlement course places and their subsidy levels and fees, and manages the uptake of the entitlement to balance supply and demand and to stay within budget constraints. Also relevant here is another objective of the 2012–16 agreement: that public providers be assisted to adapt to an environment of greater contestability.

The equation that applies is: course government subsidy + student fee = price received by the provider. Knowing what constitutes a reasonable price for a course helps the jurisdictions to determine whether providers are charging competitively.

Commonalities

To determine the ‘reasonable’ price for a course all jurisdictions use historical course costs and judgments about the ‘efficient’ costs a registered training organisation would incur to provide training that meets the ‘required quality standard’ for a ‘standard’ student, who generally lives in a metropolitan area. Loadings are added for ‘non-standard’ students. Two types of loadings generally apply: one is geographically based, for those not in metropolitan areas (regional location loadings), while the other is for students with a disability or specified learning needs and/or for those financially disadvantaged.

All jurisdictions apply a similar general rule to subsidy decisions: that courses/qualifications of highest public value, that is, in highest demand in the economy and with the best possible job outcomes, attract the highest government subsidies. However, the number of subsidy bands and the range of subsidies do vary by jurisdiction. For example, in Victoria the range is 80% to 20% of the ‘reasonable’ price, while the range is narrower in other jurisdictions. When it comes to budget control the dominant approach is through the use of caps on entitlement places. The notable exception is Victoria, which uses ‘dynamic subsidies’. This means, that when a demand for a particular entitlement qualification is met, that qualification is moved to a lower band of subsidy on the assumption that demand for that qualification will fall also.

Differences

The Northern Territory stands out as the jurisdiction that fully subsidises entitlement courses, except for non-tuition or discretionary fees, which are low, and which the provider may charge the student.

New South Wales stands out as the jurisdiction that fixes or fully regulates subsidies, fees and, therefore, prices.

The other six jurisdictions have deregulated student fees so that providers charge variable prices. The extent of this deregulation varies. Only non-tuition or discretionary fees are deregulated in four of the six states (South Australia, Western Australia, Tasmania, Queensland), whereas all aspects of fees are deregulated in Victoria and semi-deregulated in the ACT.

We summarise how subsidies, fees and prices and overall budget control are achieved in the entitlement models by jurisdiction in table 2.

Table 2 Treatment of subsidies, fees, prices and budget control in entitlements, by jurisdiction, in summary

Jurisdiction	Subsidies	Fees	Prices	Overall budget control
Vic.	Variable — five bands	Fully deregulated	Variable	Subsidy adjustments
SA	Variable	Tuition fixed Discretionary variable	Partly variable	Capped places
Qld	Variable — four levels	Fully deregulated	Variable	Non-issue so far
WA	Variable	Tuition fixed Discretionary variable	Partly variable	Non-issue so far
Tas.	Variable	Tuition fixed Discretionary variable	Partly variable	Capped places
NT	All fully subsidised	Tuition fixed Discretionary variable	Partly variable	Capped places
ACT	Variable — three bands	Semi-deregulated	Variable	Capped places
NSW	Variable	Fixed	Fixed	Capped places

There is also variation in how the jurisdictions assist public providers to adapt to an environment of greater contestability. In the ACT, Tasmania, NSW and the Northern Territory public providers still receive uncontested training appropriations. In South Australia and Western Australia public providers are subsidised for entitlement courses at a higher rate than private providers. In Victoria and Queensland public providers receive special base funding and then compete on equal footing with private providers for entitlement students.

Which registered training organisations can deliver the entitlement and under what conditions

The student training entitlement agreement within the 2012–16 National Partnership Agreement in Skills Reform has jurisdictions selecting the registered training organisations that will be involved. An essential criterion is that the entitlement will be accessible through any registered training organisation, public or private, which meets state-based criteria for access to their training entitlement. There is flexibility for jurisdictions to select, if so desired, higher-quality providers than those that meet the ‘minimum’ standards for training organisations.

When mapping each jurisdiction’s criteria for the selection of registered training organisations to deliver a publicly funded subsidy for the student entitlement,¹ we used the Standards for Registered Training Organisations 2015 as the benchmark. We focused on items notably above or more explicit than the national Standards for Registered Training Organisations 2015 or, in some cases, items notably different from the requirements of the other jurisdictions. These considerations informed the categories that were mapped (see the appendix for details).

¹ And in some cases deliver any jurisdictionally funded accredited training.

Commonalities

All jurisdictions only provide an entitlement subsidy via a currently registered training organisation. They require participating registered training organisations to maintain registration and scope and meet their funding agreement obligations throughout the period of a contract.

All jurisdictions have criteria and a process for determining provider entry to the entitlement training market. The registered training organisation must have some degree of presence in the jurisdiction and in some cases in a specific region where the training is to be undertaken (New South Wales, Queensland and Western Australia). Registered training organisations are required to have the qualifications they intend to deliver on scope (or at least one of them to start with) and have them on scope during the contract period.

New South Wales has a method for weighting and ranking potential participants based on the NSW Quality Framework and other indicators of past performance. For the registered training organisation to maintain its position as a 'prequalified supplier' (one of the terms used for this status), most of the other jurisdictions require some degree of evidence of student outcomes, as well as engagement with industry and employers. The more mature systems have moved into contracting with providers with a good track record, as identified and ranked by contract performance monitoring measures and processes.

Where a jurisdiction's entry-to-market or contractual arrangements require evidence of higher quality than the minimum in the new national standards, that evidence is not substantially different from the standards but rather is required to demonstrate the performance of that quality.

On the whole there is a tendency towards consistency: most states and territories cover much the same high-level aspects or categories of quality performance as each other and the national standards.

Differences

Each jurisdiction's contracting arrangement is designed with reference to its unique legislation (such as consumer protection²) and public accountability framework. This explains some of the differences from jurisdiction to jurisdiction (and potentially confusion) experienced by registered training organisations, students and employers. Contracted training organisations are also expected to adhere, where applicable, to national legislation and regulations. The Standards for Registered Training Organisations 2015 require them to operate within any relevant legislation, regulation and government guidelines. One jurisdiction (the Northern Territory) simply requires the provider to be and remain registered and to fulfil the conditions of the jurisdiction's funding agreement. In other jurisdictions any requirements that are over and above the standards for registered training organisations that were in use when they developed their entitlement models tend to be aimed either at perceived deficits in those standards or at particular concerns about provider behaviours (especially third party arrangements). These issues emerged from the

² For example, a ASQA fact sheet advises: 'Your RTO is also subject to all relevant consumer protection law that applies in any jurisdiction where you operate'.

earlier implementation of the national training entitlement initiative. Some may be remedied when the new standards are implemented through 2015.

One stand-out difference is the South Australian requirement for the registered training organisations to have an Accountable Officer.

Another is in Victoria, where only those contracted providers who meet additional specified criteria are approved to provide government-subsidised recognition of prior learning and/or foundation skills. Victoria also stands out as having a contract that explicitly, clearly and comprehensively states what the contracted providers can do with the funds.

Five jurisdictions require some form of agreed and detailed training plan (or pre-training review) to be developed between the provider and the student (Australian Capital Territory, New South Wales, South Australia, Tasmania and Victoria). These appear to be variations on the user choice training plan. The ACT has a template that must be completed by the registered training organisation. This is an example of jurisdictional flexibility and innovation in determining what the evidence (as required by the standards) of transparent and individualised training design looks like.

The design of processes and frameworks for measuring and monitoring registered training organisation performance in the market is emerging as an area of difference and interest. Two states have developed comprehensive risk-based matrices (ACT and Victoria), while NSW has an explicit quality framework, which also acts as the framework for monitoring the department's own outcomes.

State performance measures, monitoring and risk-based audit regimes (ACT, Victoria, Queensland, and to some degree the NSW Quality Framework) are intended to identify poor-performing registered training organisations through a hierarchy of risk indicators and sanctions. Other states have no explicit, publicly available framework and/or methodology – outside adherence to the funding agreement. Western Australia has key performance indicators in the agreement, while Queensland requires evidence of student outcomes, including specifying the percentage of completions and a survey of graduate employment or further study destinations. In some jurisdictions (Queensland and Western Australia), public and other provider types operate under the same contractual arrangements for government-subsidised places. In others (Tasmania and Northern Territory), there is a different type of agreement in place for the public provider, which generally takes into account a public provider's special role in the community, as well as other factors, such as the staffing and infrastructure costs for a 'public entity'.

Other notable areas of provider operations where there are varying approaches across the jurisdictions include:

- requirements for training staff to undertake professional development
- expectations about registered training organisation engagement with local enterprises and employers and how this occurs
- arrangements for sharing information on registered training organisation performance with the Australian Skills Quality Authority, or a state regulator where applicable, and, in some cases, with the other jurisdictions
- varying jurisdictional approaches and requirements for the validation of assessment, which remains an area of confusion and debate

- emerging differences in subcontracting or third-party arrangements or brokering. Most jurisdictions require notification of such arrangements. Some also require the registered training organisation to seek permission from the contract manager. In other cases the registered training organisation can subcontract training services to another jurisdictionally approved entitlement training organisation and simply notify the contract manager. The Australian Skills Quality Authority now requires that the registered training organisation notify the regulator of the commencement or cessation of any third-party arrangements for the delivery of services (that is, training, assessment, educational or support services and/or activities related to the recruitment of prospective learners).

Information to allow students to make informed choices about training

The 2012–16 National Partnership Agreement on Skills Reform entitlement agreement required jurisdictions to make efforts to ensure that potential students have access to high-quality information about courses and registered training organisations to enable them to make informed choices about entitlement training. The 2012–16 agreement also included the development by the Commonwealth Government of the *MySkills* website as a source of comparable information about training in Australia.

Commonalities

All jurisdictions have at least the basic information available on their website. Some information is also available in print and through a departmental phone line. All jurisdictions have requirements about what, how and when contracted registered training organisations give information to prospective and enrolled students. These requirements are consistent with the national Standards for Registered Training Organisations 2015.

Differences

The jurisdictions' approach to the provision of information on aspects of the student training entitlement varies. Most jurisdictions' websites (except Tasmania and Northern Territory) enable, with varying degrees of sophistication, potential students to search for: the eligibility rules and subsidy level available for a particular course; who the approved providers are; and what the fee rules are. Platforms to enable the comparison of qualifications, subsidies available, course costs and registered training organisations are not well advanced in any jurisdiction.

Overcoming the differences

The enhanced *MySkills* website, launched in July 2015, does provide a contemporary, searchable and comparable source of information; that is, more consumer-friendly than the various jurisdiction websites and links directly to the jurisdictions' website information on entitlement initiatives. The new version of the *MySkills* website makes it easier for students and employers to find a course, its linkage to possible jobs, its providers, its price, and the location of registered training organisations.

While it makes sense to provide quality information for consumers, little is known about how this information may be used and whether or not it is driving student choice. It is likely that student choice is driven by a number of factors, possibly supplemented by the use of the available information.

Some views on this were gleaned through another phase of this research project, as reported in Bowman and McKenna (2016). As part of this research, 17 people with long-standing involvement in the VET sector were interviewed to gain their thoughts on various aspects of the student entitlement reforms, including on the provision of information for consumers. Noting that the expert interviews occurred prior to the launch of the enhanced *MySkills* website, the general consensus was that students need information to help them to choose where to do their training. In particular, they need to be able to differentiate between higher- and lower-quality providers. In addition to helping consumers to make choices, the availability of good consumer information that is consistent and independently verifiable could help to improve training quality.



Conclusion

There is no ‘national’ training entitlement. There was never any intention for this. What was agreed in the 2012 National Partnership Agreement on Skills Reform was that a consistent minimum or threshold level of entitlement be introduced for those working-age Australians without a certificate III: they would be entitled to a subsidy to train for at least one qualification at the certificate III level. All jurisdictions have achieved this, and more. They have all responded to the encouragement in the agreement to go beyond the threshold level of entitlement – but not in the same way. Similarly, as was the requirement, all have introduced a greater degree of contestability for publicly subsidised entitlement students and courses – again, not in the same way.

The jurisdictions are applying a range of approaches to student entitlement funding and to the associated provider quality standards. They are learning from their local experience, as well as from other jurisdictions. Each is adjusting their entitlement model accordingly. Alignment is becoming more discernible, gradually. This is in keeping with how other elements of the national training system have evolved. There has been a tendency towards innovation in implementation at the jurisdictional level, followed by adaptation and adoption of successful practices nationally.

In making specific conclusions about the student training entitlement models we return to the general objectives that have always been used to gauge the performance of national training reform initiatives.

Equity and access and sustainability

The equity and access goal of the student training entitlement is not explicit enough to guide coherent, transparent and sustainable approaches to its implementation. At present, the differences – in eligibility, the extent of the entitlement, the courses available and the fees imposed – lead to the differential treatment of students across Australia. Further information is needed to determine what kind of impact these differences might have on access and equity.

Public value and responsiveness

All jurisdictions, understandably, use the principle of ‘public value’ to the jurisdiction itself and responsiveness to their local industry labour needs to determine eligibility or what constitutes approved courses. The absence of a national purchasing policy for skills means there is no coherent plan for meeting the needs of the overall Australian economy. This could lead to gaps in the courses covered by the entitlement because these are not in high demand in particular localities but are nevertheless critical to the national economy.

Efficiency and quality

When balancing the competing areas of efficiency (with an eye to public value) and quality (the achievement of student outcomes), the latter is paramount. If neither students nor the economy benefits from training outcomes, any amount of ‘efficiency’ becomes irrelevant and, as has been demonstrated in some states, the overall quality of the national training system can come into question. The combination of subsidy (government contribution) and

fees (student contribution) needs to provide sufficient resources to allow for training delivery that meets the course outcome requirements, with that delivery designed for the individual student or cohort of students.

With regard to the interplay between the national Standards for Registered Training Organisations and the contractual requirements for training organisations delivering entitlements in the various jurisdictions, some jurisdictions have learned from experience and tightened government-funded student entitlement provider entry and performance requirements. They now have a smaller number of higher-quality providers who have demonstrated expertise and outcomes in particular industry training package areas and/or with a student cohort.

There needs to be a mechanism by which the national standards and regulatory system adopt effective jurisdictional practices for determining and managing risk in their training markets. For example, the Australian Skills Quality Authority now requires that training organisations notify the regulator of the commencement or cessation of any third-party arrangements for the delivery of services (that is, training, assessment, educational or support services and/or activities related to the recruitment of prospective learners). We need more of this. If the jurisdictions detect a problem with quality related to the standards, then this should be investigated by the standards regulators and the standards altered appropriately. This would help to achieve continuous improvement in the standards and reduce the need for different contractual requirements for registered training organisations delivering entitlements in each jurisdiction.

Sustainability of public providers

There is no common approach among jurisdictions to how they support the public provider. This stems in part from particular views on the role of the public provider vis-à-vis other providers. The main differences are whether or not public providers are included in an expansive contestable approach or are providing the subsidy through uncontested profile arrangements with a contestable program for other providers on the side. There is still a need to better understand the costs, constraints and obligations of the public provider and those of other providers in the design of contestable, yet equitable, funding models.

Transparency

Our observation is that, as the entitlement schemes have rolled out, access to information to allow students to make informed choices about training (particularly jurisdictionally subsidised entitlement training and VET FEE-HELP) has become more available on government websites and on registered training organisation websites. These websites have become more informative and navigable, but more needs to be done to help consumers to compare courses and providers in a consistent and independently verifiable way. This matter has started to be addressed in the new version of *MySkills* and by greater attention in the jurisdictions to helping students and others compare the available training options. It is important because good consumer information could do as much to drive up training quality as regulation, standards or funding arrangements.

Next steps

At this stage of the evolution of the student training entitlement model it is our view that a set of guiding principles would be useful in any future national partnership agreement. The aim of such principles would be to support greater cohesion and enhance public understanding of, and participation in, the initiative. They would need to embrace the dynamic of consistency and flexibility that exists across the national training system.

National coherence should be enhanced wherever possible; for example, by better alignment of student eligibility and student information.

Flexibility in the public funding of training should focus on ensuring that the right mix and quality of skills are produced to meet industry needs nationally, as well as regionally and locally, to assist graduates to obtain jobs and/or move to further learning. A national public-value framework with indicative performance measures and risk management approaches would help to guide the design of the publicly funded training market.

In addition, the improved availability of VET information from initiatives like ‘total VET activity’ will enable the priorities of public subsidies offered via entitlements to be further refined.



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Appendix: Jurisdictions' student training entitlement models, as at 30 March 2015

The details presented here on student training entitlement models have been verified by each jurisdiction.

Australian Capital Territory: training entitlement model as at 30 March 2015

Name of model	ACT Entitlement to a Training Place
Date model implemented	From 2015, the ACT Entitlement to a Training Place can be accessed through three avenues: the existing contestable user choice/Australian Apprenticeship program (approximately \$13m annually); through Canberra Institute of Technology (CIT), which is provided with a direct appropriation (non-contestable of about \$68m annually); and through a new contestable initiative called Skilled Capital (\$21m over three years). Enrolments commenced 23 February 2015.
Previous training entitlement model or funding arrangements	<p>Access to a training entitlement has previously been via the public provider, the CIT, and through other government-funded training programs, including user choice (Australian Apprenticeships Program), Priorities Support Program and Productivity Places Program.</p> <p>The ACT Skills Reform Implementation Plan committed the ACT to exploring contestability in the ACT. The introduction of Skilled Capital has increased the proportion of training in the ACT delivered through the contestable market, and recent changes to the CIT Act are designed to support the public provider in what may become a more contestable market. Decisions on further changes to the size of the contestable market will be made in the best interests of training in the ACT.</p> <p>The Skilled Capital initiative is underpinned by a comprehensive evidence base to ensure the initiative is appropriately targeted to support high-quality training in the areas of highest skills need. Extensive research was undertaken, reflecting on the experiences of other state and territory governments, as well as the extensive range of literature that supports best practice principles within the training sector. Skilled Capital aims to provide training in areas of the greatest skills need in the ACT to deliver a productive and highly skilled workforce which contributes to the economic future of the ACT.</p> <p>The public provider, CIT, equally competes for funding under Skilled Capital and user choice and has the same contractual requirements as private providers. The public provider however still receives a direct non-contestable appropriation from the ACT Government for the delivery of a wide range of</p>

	<p>training programs. The appropriation to CIT funds the 'CIT training profile'. The CIT profile itself is an entitlement, as any Australian resident is entitled to a government-subsidised training place at CIT. This direct appropriation is not contestable. The CIT profile is not a part of the ACT's entitlement program – Skilled Capital; rather it represents another avenue (as mentioned in the first paragraph of this document) in the ACT to a student's entitlement for a government-subsidised place.</p> <p><i>Unless otherwise stated, the information in the remainder of this profile refers to the parameters of the Skilled Capital program.</i></p>
Skilled Capital Entitlement Program information as at 30 March 2015	
Who is eligible	For Skilled Capital, Australian citizens, permanent residents, New Zealand passport holders resident for more than six months, and living or working in ACT and who are at least 15 years of age and not in secondary school or college.
	<p>For Skilled Capital, an eligible student can undertake any number of qualifications at the same or lower level as existing qualifications held (with the exception for certificate II level qualifications*). That is, there are no restrictions regarding previous qualifications held at the certificate III or higher qualification levels.</p> <p>However students are not funded for two qualifications undertaken at the same time and are not funded if they have previously successfully completed a qualification they are currently undertaking within the last seven years.</p> <p>*For students to be eligible for a certificate II level Skilled Capital qualification they must:</p> <ul style="list-style-type: none"> ▪ not have completed a certificate III or higher, excluding foundation skills qualifications, and ▪ not have been awarded an ACT Year 12 certificate, or ▪ not have achieved a C grade average or higher in Year 12, or ▪ have suffered changed circumstances, which impacts on their ability to undertake training and/or work such as ill health <p>Explanation: The relatively unrestrictive eligibility criteria reduces barriers to participation and allows for retraining and movement of labour between occupations and other instances where people may benefit from an additional qualification at a lower level than their current qualifications.</p> <p>The onus of proof for student eligibility to the minimum entitlement rests with the provider, as does the eligibility for loadings and all is auditable.</p>
Courses to which the minimum entitlement applies	Courses to which the entitlement applies include those on the Skilled Capital list (a subset of those on the ACT Skills Needs List), those government-subsidised courses delivered by CIT, and those available through the user choice program. A full list of user choice qualifications can be found on the ACT Qualifications Register: < http://www.avetars.act.gov.au >.

	<p>The ACT Skills Needs List is a comprehensive snapshot of the market for training and employment and a proxy for skills needs. The analysis of Skills Needs produces a list of qualifications ranked by level of need and public value in the ACT. The higher-ranked qualifications attract a higher government subsidy under Skilled Capital.</p> <p>The ACT Skilled Capital Qualifications List includes 42 qualifications in total, of which five are diplomas, 11 are cert. IVs, 7 cert. IIIs and 19 cert. IIs, as at October 2014.</p> <p>Under Skilled Capital, students also have access to foundation skills training and the support needed to complete qualifications. This is in the form of integrated vocational and foundation skills training or contextualised foundation skills training and learning support.</p>
<p>Minimum entitlement – price, subsidy and fee levels</p>	<p>Government subsidies for training under Skilled Capital are calculated at the qualification level. The following equation shows this calculation.</p> <div data-bbox="531 842 1394 1003" style="background-color: #0056b3; color: white; padding: 10px; margin: 10px 0;"> $\text{Base government funding per qualification} = \underbrace{\text{Minimum nominal hours for qualification} \times \text{Efficient cost per hour for FoE}}_{\text{Efficient price of qualification}} \times \text{Subsidy rate for qualification}$ </div> <p>The base funding or price per qualification reflects the ‘efficient’ costs an RTO would incur to provide training that meets the ‘required quality standard’ and for a ‘standard’ student. The price per qualification includes for:</p> <ul style="list-style-type: none"> ▪ teaching costs ▪ course-specific costs (e.g. facilities, equipment and teaching supplies) ▪ recurrent costs (e.g. administrative staff, utilities) ▪ capital costs (captured through a margin on operating costs). <p>(This is as recommended in NSW Independent Pricing and Regulatory Authority [2013] <i>Pricing VET under Smart and Skilled: final report</i>).</p> <p>The efficient price of qualifications on the ACT Skilled Capital Qualifications List are categorised into different fields of education (FoEs) based on industry cost drivers. All qualifications within a FoE have the same unit cost per hour. (Setting unit cost per hour by FoEs is favoured over the Independent Pricing and Regulatory Tribunal [IPART]’s industry groupings as it is more comprehensive and based on the <training.gov.au> official mapping).</p> <p>Skilled Capital qualifications have varying subsidy levels based on a tiered approach, with higher subsidies paid for qualifications higher on the ACT Skills Needs List. The subsidies are organised along a three-tiered subsidy structure, with Band A qualifications being subsidised at the highest rate, then Band B and Band C subsidised at the lowest rate. The factors that inform the choice of subsidy rates under each band are explained in the following section.</p> <p>Firstly, the chosen subsidy rates must be affordable. Using the Budget Impact Cost Model, the cost of subsidy rates was examined. The subsidy rates chosen</p>

balance the need to constrain costs within the budget allocation with the need to increase attainment in skills qualifications.

Secondly, the gap in subsidy rates between the tiers should be large enough to impact on the take-up of a qualification, but not so large that the gaps create a barrier for students to undertake training in a given qualification. Evidence of low elasticity in the demand for education and training suggests that qualifications may require material differences in price to be effective in increasing training uptake.

Thirdly, the minimum subsidy will be high enough to ensure it encourages RTOs to offer training and attract additional student demand.

Finally, given the private benefits to training, no qualification should be fully subsidised. A private contribution should always be involved so that students have a personal stake in their education.

Student tuition fees for training under Skilled Capital are uncapped but there are two safeguards to prevent RTOs from charging students artificially high prices.

The safeguards are:

- The public disclosure of student fees: under Skilled Capital, RTOs are required to report their student fees to the ACT Government, which in turn makes this information publicly available, thereby increasing transparency around the cost of skills training, to allow students to make informed decisions in relation to their training options. Public disclosure of fees is also seen as fostering competition in the skills training market.
- Contractual clauses against artificially high and prohibitive prices are included in the contractual agreements with RTOs accessing Skilled Capital funding to give the ACT Government the power to intervene in the price setting of individual RTOs if tuition fees are perceived as being unreasonably high.

In addition to the above safeguards, close monitoring is also done for those Skilled Capital qualifications where monopolies of RTOs exist within the ACT, due to population size and the nature of the training, and to ensure the RTOs are not engaging in uncompetitive behaviour.

While tuition fees (at <http://www.skills.act.gov.au/find-registered-training-organisation-0#RTOList>) are not capped against high prices, a minimum tuition fee is imposed for training subsidised through Skilled Capital (excluding students who are eligible for a fee waiver). The minimum fee is linked to the efficient price of each qualification, provides a price signal that the government-subsidised training students receive has value, and ensures students have a personal financial stake in their training, which gives them greater incentive to complete their training.

There are student fee concessions for eligible ACT residents, who include those who hold an Australian Government Health Care Card, Australian Government Low Income Health Care Card, Australian Government Pensioner

	<p>Concession Card or Veterans Gold Cards.</p> <p>There are no student tuition fees for foundation skills training and the support needed to complete Skilled Capital qualifications. All funding for foundation skills training will be in addition to the vocational training funded under Skilled Capital. The government pays 100% of the published subsidy amount. All Skilled Capital students are eligible for up to six units of competency (UoCs) from approved foundation skills training courses. Total support funded is up to a maximum of \$1000 per student per qualification.</p> <p>RPL is paid at 100% of the unit of competency value. However, the Directorate will only pay for 50% of the qualification as RPL. That is, if the whole qualification has RPL, the Education and Training Directorate will only pay half of the qualification as RPL at 100% of the unit of competency value.</p>
<p>Overall entitlement funding control</p>	<p>All components of the Skilled Capital initiative have been designed with a limited budget as a consideration. There is a Budget Impact Cost Model, which allows the design of the Skilled Capital model to be tested for sensitivity under various likely scenarios.</p> <p>The budget of Skilled Capital is safeguarded through direct funding controls. Qualification caps limit the number of enrolments in each specific qualification subsidised through Skilled Capital to enable targeting to specific skills needs and to limit government liabilities.</p> <p>The subsidy is reviewed every 6–12 months and if the level of skills need has diminished after the qualification has been funded in Skilled Capital, the qualification may either not be available in future releases, or subsidised at a lower rate.</p>
<p>Which providers can deliver the minimum entitlement</p>	<p>All providers accessing contestable ACT Government funding must have an ACT funding agreement. This includes the public provider. All ACT funding agreement holders have the same contractual requirements.</p> <p>Registered training organisations must be approved to deliver subsidised training under the Skilled Capital initiative. Skilled Capital training providers are approved to deliver training through the initiative because they have met the high quality and performance criteria to provide training in the qualifications on the Skilled Capital Qualification List, have strong links with industry and can offer student support services.</p> <p>The ACT public provider, the Canberra Institute of Technology, is among the RTOs able to access the Skilled Capital initiative along with other private RTOs.</p> <p>The level of contestable funding in the ACT has risen from approximately 20% in 2014 to 24% in 2015 since the introduction of Skilled Capital.</p> <p>There is an additional statement of intent between ACT Government and CIT for the delivery of training subsidised by the direct allocation of funding from ACT Government.</p>

<p>Provider eligibility and quality performance criteria</p> <p>(This includes a synopsis and items notably above or more explicit than the national Standards for RTOs 2015 or in some cases items notably different from requirements of other state schemes)</p>	<p>RTOs on the list of ACT Skilled Capital Training Providers have a funding agreement (contract) with the ACT Government (an ACTFA). The ACT Standards (for the delivery of training) and the relevant Compliance Guide for Skilled Capital are a schedule to the ACTFA.</p> <p>The ACT Quality Framework underpins the delivery of training in the ACT. The framework has been developed to promote excellence and transparency and the quality of the VET sector in the ACT.</p> <p>The framework is comprised of contractual and compliance arrangements and incorporates a set of principles and obligations for the conduct of RTOs. Combined, these components support the ACT Government’s strategic direction for a flexible and responsive training sector, one which delivers high-quality training.</p> <p>The ACT Quality Framework complements the work of the national VET regulator, the Australian Skills Quality Authority (ASQA), in providing strengthened information and guidance to promote quality training and to assist RTOs to demonstrate and maintain compliance.</p> <p>The Education and Training Directorate has a memorandum of understanding with the ASQA. The MOU allows for cooperation, information exchange and ongoing collaboration between the directorate and ASQA to support regulation and strengthen the quality of the VET system.</p> <p>Students must undertake an initial skills assessment to be eligible for Skilled Capital. This is part of the Standard 2.4 of the ACT Standards for Delivery of Training and is a mandatory standard for all RTOs with an ACT Funding Agreement (ACTFA). It includes: an individual assessment per student of language, literacy and numeracy (aligned with Australian Core Skills Framework) and additional support needs, the qualification level to determine its appropriateness, an offer of RPL and explanation of credit transfer obligations and the identification of any actions to be implemented to address student needs.</p> <p>Providers must act ethically: maintain confidence of the territory and stakeholders and do or not do anything that is detrimental to the territory or the VET sector. Subcontracting (third party): providers may subcontract ‘training services’ to another RTO with ACTFA but needs written approval prior to subcontracting training services to others. Extensive list of requirements in sub-clauses. If the third party is a non-ACTFA holder subcontractor, the RTO must notify directorate of third-party arrangement.</p> <p>Share information with other agencies: the territory may disclose information (includes list) to any government agency involved in provision or regulation of education and training services. Where the territory becomes involved in a formal dispute with the recipient and the dispute relates to the provision of training pursuant to this Deed or regulation under the <i>National Vocational Education and Training Regulator Act 2011</i>, the territory will refer the matter to ASQA and may request ASQA to conduct an audit.</p>
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	<p>RPL: as per the Standards for Registered Training Organisations 2015</p> <p>Training plan: Conduct and document and maintain (signed and dated by relevant parties) a program of training and assessment for an individual student, developed by an RTO in consultation with the student as required for Skilled Capital as the basis for training and assessing a person undertaking a training course or qualification. Includes Foundation Skills strategy, if required. Details of training plan requirements are set out in the Skilled Capital Compliance Guide.</p> <p>Participation: training delivery must be supported by evidence (as defined by NCVET) of participation in each unit of competency.</p> <p>Support and monitoring: includes providing students with relevant learning resources and monitoring student achievement in line with outcomes and any additional support.</p> <p>Work experience: use the Work Experience Placement Agreement template, completed by all parties. Guidelines also available.</p> <p>Wrap-around services: where additional support funding is provided, the RTO must retain evidence the service has been provided.</p>
Other provider contractual requirements specific to the jurisdiction	<p><i>The Training and Tertiary Education Act 2014</i> is the main governing legislation for vocational education and training in the ACT: http://www.legislation.act.gov.au/a/2014-48/20141120-59420/pdf/2014-48.pdf.</p>
How access to high-quality information on the entitlement is provided to clients	<p>The ACT developed the skills.act.gov.au website to improve access to high-quality information. This website provides prospective students with clear information on fees, RTOs and courses. They intend to build on this by providing enhanced consumer information, which will include a more detailed breakdown of areas of skill shortage and a clearer overview of training activities in the ACT. Directorate field officers also meet with potential students, providing more information on training options for students in the ACT.</p>

Sources

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—*Skilled Capital: budget protection mechanisms*, Research paper 2 of 8, Canberra.

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—*Skilled Capital: funding model issues paper*, Report 5 of 8, Canberra.

—*Skilled Capital: concessions*, Report 6 of 8, Canberra.

—*Skilled Capital: foundation skills*, Report 7 of 8, Canberra.

—*Skilled Capital: additional support*, Report 8 of 8, viewed 16 March 2015, http://www.det.act.gov.au/training/funded_training_initiatives/skilled-capital, Canberra.

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New South Wales: training entitlement model as at 30 March 2015

Name of model	Smart and Skilled Entitlement program
Date model implemented	Smart and Skilled is a new all-encompassing funding framework for VET in NSW, which was implemented in full on 1 January 2015. Smart and Skilled includes an entitlement program to government-subsidised training up to and including for certificate IIIs and a targeted priorities program through which other government-subsidised training is available.
Previous training entitlement model or funding arrangements	<p>No previous entitlement model versions.</p> <p>NSW has previously maintained a high percentage of RTO hours for delivery by TAFE NSW, with private providers delivering just over 10% as of 2012 (Wilkinson 2014).</p> <p>In 2013–14, NSW allocated 85.4% of VET funding directly to TAFE, which has been responsible for planning and delivering most subsidised training in New South Wales for many years. Eleven per cent of the VET funding was contestable to subsidise RTOs for apprenticeships, traineeships and a shortlist of priority qualifications. Of this, the department distributed 2.75 percentage points to TAFE and 8.25 percentage points to around 750 private RTOs. One per cent of the non-contestable funding was provided to adult community education colleges as grants. The remaining VET funding covered departmental administrative costs (New South Wales Auditor-General 2014, p.9).</p> <p>In 2014–15, approximately 19% of the total VET budget of \$2310 million is contestable (New South Wales Auditor-General 2014, p.17).</p>
Entitlement program information as at 30 March 2015	
Who is eligible	<p>Australian and New Zealand citizens, permanent residents or humanitarian visa holders living and/or working in NSW who have left school, are aged 15 years and over and do not have a previous certificate IV or higher.</p> <p>Individuals who hold a certificate IV or higher qualification can still undertake a traineeship or apprenticeship through the entitlement. Additionally, individuals who have acquired an injury or disability and need to retrain in a new entry-level career can access the entitlement even if they hold a certificate IV or higher qualification.</p>
Level of entitlement	<p>Government-subsidised training entitlement is available for foundation courses and qualifications up to and including certificate III, including all apprenticeships and selected traineeships. Students are not limited by the number of subsidised courses they can study as long as they continue to meet the eligibility requirements. Students undertaking a course as a second or subsequent qualification pay a slightly higher fee.</p> <p>Students must provide evidence to providers to support their eligibility for Smart and Skilled. Providers must sight or maintain evidence that supports</p>

	<p>the eligibility of students who enrol and commence training under Smart and Skilled (Smart and Skilled Fee Administration Policy, pp.6–7). The department may at any time carry out monitoring of contracted providers’ operations and compliance with the Contract (Smart and Skilled Contract Terms and Conditions 2015, p.11).</p> <p>(There also are government subsidies subject to funding availability for ‘targeted priorities’ referred to as ‘other non-entitlement government subsidised training’ (see diagram below on eligible providers by NSW Smart and Skilled program).</p>
<p>Courses to which the minimum entitlement applies</p>	<p>The NSW Skills List defines the qualifications eligible for government funding.</p> <p>The NSW Skills List is developed through extensive labour market analyses and consultation with NSW industry and the community to support the diverse needs of the NSW economy and give individuals the skills for jobs with good prospects.</p> <p>The 2015 NSW Skills List covers 743 qualifications. It includes apprentice and trainee qualifications</p> <p>The 2015 ‘entitlement’ is for entry-level qualifications including identified:</p> <ul style="list-style-type: none"> ▪ qualifications up to certificate level III ▪ all apprenticeships and selected traineeships.
<p>Minimum entitlement – price, subsidy and fee levels</p>	<p>Pricing arrangements are informed by the NSW Independent Pricing and Regulatory Tribunal Review of 2013 and the NSW Government response to the tribunal’s final report.</p> <p>NSW sets the student fee and the government subsidy level, which together equals the price paid to the provider. The price paid applies to all RTOs approved to deliver government-subsidised training, including the entitlement and targeted priorities programs.</p> <p>A fixed base price is set for each qualification on the 2015 NSW Skills List. The qualifications prices range from \$1000 to over \$10 000 (2015 schedule for student fees).</p> <p>The base qualification price is calculated to cover the costs associated with training delivery and assessment, including teaching staff, administration, utilities, course-specific costs and capital costs. It covers both variable and fixed costs.</p> <p>The base qualification price is the efficient cost to deliver training to a ‘standard’ student, who is one who lives in a metropolitan area and is not eligible for a disadvantaged price loading.</p> <p>The base price is determined by qualification level and by first and second or further qualifications. Students pay more for second or third qualifications, except trainees and apprentices, who always pay the first qualification rate even if they already have a first post-school qualification and also for apprentices; fees are capped to \$2000 for commencing students in 2015.</p>

Category	Loading
Needs	
Aboriginal and Torres Strait Islander	15%
Disability	15%
Long-term unemployed	10%
Location	
Regional	10%
Remote	20%

Loadings are applied to the base price for qualifications to meet the higher cost of disadvantaged learners. There are two types of loadings: needs and location loadings. Smart and Skilled providers can claim to a maximum of one needs and one location loading per student.

Also there are community service obligation payments for TAFE NSW and adult community education providers where cost to service is significant, that is, in thin markets.

Qualification level	First post-school qualification		Second or further post-school qualification	
	Fee	Subsidy	Fee	Subsidy
Foundation	10%	90%	10%	90%
Certificate II-III	25%	75%	30%	70%
Certificate IV	30%	70%	35%	65%
Diploma/Advanced Diploma	40%	60%	45%	55%

Student fees are for the whole qualification. The *average* student fees and subsidies are shown in the table above. Note that actual fees and subsidies may vary from averages as adjustments are made to higher-cost courses to ensure students in these are not disadvantaged and reduce the incentive to choose cheaper courses. Also additional costs to students beyond standard fees may occur (for example, for essential items that become student property and optional items that providers must explain).

Regarding RPL, the fee and subsidy will be reduced by 50% for each unit of competency gained through RPL, as reduced training effort is required. The fixed cost of the qualification will be reduced by 50% of the proportion of units of competency granted RPL. The variable cost will be reduced by 50% of the total cost of each units of competency granted RPL.

There are no fee concessions for diplomas and advanced diplomas. Students in diploma, advanced diploma and selected certificate IV qualifications may be able to access VET FEE-HELP loans to help cover the cost of their training. The loans will not have to be repaid until the recipient's income reaches a defined level. The compulsory repayment threshold for the 2014–15 income year is \$53 345. For 2015–16, the compulsory repayment threshold will be \$54 126.

Overall entitlement funding control

NSW has set provider caps by region to stay within budget.

Which providers

Smart and Skilled has various program streams. Specific kinds of RTOs are

<p>can deliver the minimum entitlement</p>	<p>eligible to apply for funding under different program streams, as shown in the table below. Government subsidies for entitlement training follow the student but only to the specific RTOs eligible for the specific qualification and region, and up to a cap.</p> <table border="1" data-bbox="395 338 1244 674"> <thead> <tr> <th colspan="2">Entitlement Program</th> <th colspan="2">Targeted Priorities Program</th> </tr> <tr> <th>Qualifications</th> <th>Eligible RTOs</th> <th>Qualifications</th> <th>Eligible RTOs</th> </tr> </thead> <tbody> <tr> <td>Certificate levels II and III</td> <td>All RTOs, except enterprise based RTOs</td> <td>Certificate level IV and above</td> <td>Private RTOs and ACE except enterprise based RTOs and TAFE*</td> </tr> <tr> <td>Foundation Courses – Certificate levels I and II</td> <td>TAFE and ACE</td> <td>Prevocational and part qualifications</td> <td>All RTOs except enterprise based RTOs</td> </tr> <tr> <td>Apprenticeships and Traineeships</td> <td>All RTOs</td> <td colspan="2">Note: *TAFE receives direct funding to provide subsidised Certificate level IV, Diploma and Advanced Diploma training.</td> </tr> </tbody> </table> <p>Source: Department of Education and Communities (2014).</p> <p>There is also a complementary Community Services Obligation program to the Smart and Skilled entitlement program, which involves the TAFEs and ACE providers. CSO funding supports learners who cannot effectively access Smart and Skilled training due to barriers.</p>	Entitlement Program		Targeted Priorities Program		Qualifications	Eligible RTOs	Qualifications	Eligible RTOs	Certificate levels II and III	All RTOs, except enterprise based RTOs	Certificate level IV and above	Private RTOs and ACE except enterprise based RTOs and TAFE*	Foundation Courses – Certificate levels I and II	TAFE and ACE	Prevocational and part qualifications	All RTOs except enterprise based RTOs	Apprenticeships and Traineeships	All RTOs	Note: *TAFE receives direct funding to provide subsidised Certificate level IV, Diploma and Advanced Diploma training.	
Entitlement Program		Targeted Priorities Program																			
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Foundation Courses – Certificate levels I and II	TAFE and ACE	Prevocational and part qualifications	All RTOs except enterprise based RTOs																		
Apprenticeships and Traineeships	All RTOs	Note: *TAFE receives direct funding to provide subsidised Certificate level IV, Diploma and Advanced Diploma training.																			
<p>Provider eligibility and quality performance criteria</p> <p>(This includes a synopsis and items notably above or more explicit than the national National Standards for RTOs 2015 or in some cases items notably different from requirements of other state schemes).</p>	<p>Selected providers hold a Smart and Skilled contract with the NSW Government managed by the Department of Education and Communities through State Training Services. Operating guidelines are part of the contract and set out expectations of performance for Smart and Skilled providers. Training delivery for government-subsidised training, including the entitlement, is managed under the Smart and Skilled contract.</p> <p><i>Information sharing (c35):</i> NSW has a memorandum of understanding with ASQA to cooperate and share information on audit and monitoring arrangements. The different roles and interests of both are explicit. Providers must agree that State Training Services may share their information with any Australian Government agency (c35). A formal approval process needs to be followed before information is passed on.</p> <p><i>NSW Quality Framework:</i> The Quality Framework provides high-level information on regulation, Smart and Skilled training provider selection and eligibility, performance monitoring, consumer protection and information, evaluation, validation of assessment, teaching and leadership, and industry engagement. Essentially it sets out the government’s plan for monitoring provider performance. Emphasis is placed on capacity to deliver in NSW. Risk and performance indicators will be used to inform provider monitoring. The risk and performance indicators are being developed in conjunction with preparation of the Smart and Skilled Contract Management Plan.</p> <p>The following are areas where the NSW Smart and Skilled operating guidelines or contract indicate or specify activities or evidence of them at higher level of quality than the (national) Standards for RTOs 2015.</p> <p><i>Inducements (g1):</i> Smart and Skilled will enable students to select a Provider based on quality, not price. The provider must not, and must ensure that its agents and contractors do not, market, publicise or otherwise communicate</p>																				

	<p>information about the training or engage in any other conduct that may have the effect of encouraging students to choose a provider based on price or other inducements (including any financial or other benefit).</p> <p><i>Recognition of prior learning:</i> consistent with the NSW Recognition Framework. RPL (assessment) processes are more explicit in contract than some other states.</p> <p>Participation in training is mainly a record-keeping item.</p> <p><i>NSW Smart and Skilled Consumer Protection Strategy:</i> mainly in line with RTO standards 5 and 6. The Consumer Protection Strategy is available at <http://www.training.nsw.gov.au/forms_documents/smartandskilled/contract/consumer_protection_strategy.pdf>.</p> <p><i>Industry engagement:</i> the NSW Skills List defines which qualifications are subsidised by the NSW Government. Development of the Skills List has involved extensive consultation with industry and the community. Industry and employers will help to drive the quality of training so that training continues to meet their needs. This will be achieved by industry involvement in independent validation of assessment and getting feedback from employers on their training experience and outcomes.</p> <p><i>Teaching and leadership:</i> comply with Smart and Skilled Teaching and Leadership Policy and demonstrate participation in relevant professional development activities – all staff. Areas identified include: teaching/training/assessment/contract compliance/continuous improvement/industry collaboration.</p> <p><i>Training plan (G13):</i> specifies that the RTO must develop a detailed training plan for each qualification for which there is an enrolment with student(s) input and provide it to the student(s). (The 2015 Standards for RTOs include a training plan as a means of informing students on their training.)</p>
Other provider contractual requirements specific to the jurisdiction	<p>The law of NSW governs the contract. Applicable laws means all applicable laws, legislative instruments, regulatory requirements and licences and consents including the: <i>National Vocational Education and Training Regulator Act 2011 (Cth)</i>; <i>National Education and Training Regulations 2011(Cth)</i>; <i>AT Act, Apprenticeship and Traineeship Regulation 2010</i>; <i>Children and Young Persons (Care and Protection) Act 1998 (NSW)</i>; <i>Higher Education Support Act 2003</i>, <i>Copyright Act 1968</i>; <i>Competition and Consumer Act 2010 (Cth)</i>, <i>Disability Discrimination Act 1992 (Cth)</i>; <i>Disability Discrimination Act Education Standards</i>; <i>Privacy and Personal Information Act 1998 (NSW)</i>; <i>Animal Research Act 1985 (NSW)</i>; <i>Student Identifiers Act 2014 (Cth)</i>; and <i>Standards for NVR Registered Training Organisations 2012</i></p> <p><http://www.training.nsw.gov.au/forms_documents/smartandskilled/contract/contract.pdf>, p.4.</p>

<p>How access to high-quality information on the entitlement is provided to clients</p>	<p>Students can visit the Course Finder on the Smart and Skilled website to check their eligibility, find the right Smart and Skilled course and approved training provider and estimate their student fee.</p> <p>NSW State Training Services has a dedicated complaints and customer support centre (detailed on website) and a consumer protection policy with contact details for other responsible agencies in NSW.</p>
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Sources

- NSW Auditor-General 2014, *Report performance audit: vocational education and training reform*, Department of Education and Communities, Sydney.
- NSW Department of Education and Communities 2014, *Smart and Skilled: training provider guide to 2015 prices fees and subsidies*, Sydney.
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- Wilkinson, J 2014, *TAFE organisation and funding in NSW: past and present*, NSW Parliamentary Research Service e-brief, issue 17, Sydney.

Northern Territory: training entitlement model as at 30 March 2015

Name of model	Northern Territory Student Entitlement (Model) (NTSEM) – private provider model
Date model implemented	<p>2013 through the two independent, autonomous public providers (Charles Darwin University and Batchelor Institute of Indigenous Tertiary Education)</p> <p>From 2014, under a pilot program, the entitlement is also available through 13 private providers. The entitlement as a competitive program is being trialled through a pilot program involving private providers only.</p> <p>The overarching funding model for VET in the NT is being reviewed so this will likely change in the longer term.</p> <p>CDU and BIITE are funded from a different source from the private RTO trial. The general recurrent funding (their main source of VET funding that is non-competitive) of CDU and BIITE is being used to deliver the entitlement.</p> <p>CDU and BIITE have the same requirements under the entitlement as private providers under the trial, although they have more flexibility in moving funding to respond to demand.</p> <p>The NT Training Entitlement Model (NTSEM) and Guidelines outline the system.</p>
Previous training entitlement model or funding arrangements	<p>No previous entitlement.</p> <p>Note: The Northern Territory VET system operates in a thin market, whereby the number of students and courses is restricted by population levels and distance. Operating in this environment, the role of public providers is more than just the delivery of qualifications and carries with it increased costs. Public providers have a key role in assisting in meeting community service obligations, and are asked to deliver training under government programs and in priority areas. Part of the reform process is striking a balance between the benefits of competition and the need to have viable and strong public providers. As the skills reforms are developed, programs will be designed and implemented in partnership with public providers to minimise the impact of a changing training market. The skills reforms over time will increase the access of private providers to the government-subsidised training markets and increase competition for public providers.</p> <p><i>Unless otherwise stated, the information in the remainder of this profile refers to the parameters of the competitive entitlement program being trialled.</i></p>
Entitlement information as at 30 March 2015	
Who is eligible	NT resident Australian or NZ citizen visa holder without work/study restrictions and above school age (17 years) no longer at school and does not have a certificate III or above.

<p>Level of entitlement</p>	<p>The eligibility process is illustrated below and yields two groups:</p> <p>Group 1: students who have not already completed a certificate III (or higher) level qualification have access to any qualifications offered under the entitlement for a first certificate III (includes foundation skills (language, literacy, numeracy and employability skills) and/or lower qualifications at certificate II level within the certificate III qualification (as required).</p> <p>Group 2: students who have already completed a certificate III (or higher) have limited access to specified priority qualifications offered under the entitlement.</p> <div data-bbox="197 607 1262 1299" data-label="Diagram"> <pre> graph TD subgraph Step1 [Step 1: Eligibility criteria] A[Resident in the Northern Territory] --- B[and] B --- C[Australian/ New Zealand citizen or holder of a visa without work/study restrictions] C --- D[and] D --- E[Above post-school age (no longer at school)] end A --> F[Yes to all criteria] E -- No --> G[Not Eligible to access student entitlement] F --> H[Group 1 - access any course offered under the entitlement] I[Highest level of previous qualification] --> J[Below Certificate III] I --> K[Certificate III or above] J --> H K --> L[Group 2 - limited access to specified courses offered under the entitlement] </pre> </div> <p>Public and private training providers also offer government-subsidised and fee-for-service training outside the entitlement. Students who are not eligible for an entitlement, students who can't find their qualification of choice or students who want to choose a different training provider can still access training; the difference is that a subsidised training place is not guaranteed outside the entitlement.</p> <p>Responsibility for establishing student eligibility rests with the RTO. Checks are conducted on each student, based on reported data and queries raised with the RTO on a quarterly basis. Site audits are ongoing and most RTOs have been visited in 2015. RTOs are required to retain proof of eligibility checking processes and data.</p> <p>Loadings are not currently applied to the entitlement.</p>
<p>Courses to which the minimum entitlement applies</p>	<p>Courses on the NT Skilled Occupation Priority List (NTSOPL):</p> <p>Entitlement courses and places are identified by industry and economic modelling as in high demand, priority or considered industry-critical to the NT. Courses on this list are linked to the skills and jobs needed to grow the</p>

	<p>Northern Territory. The NTSOPL methodology has drawn extensively on the 2012 Western Australian State Priority Occupation List methodology. The list is scheduled for publication in March on an annual basis. An annual review will commence in October each year.</p> <p>Courses on 2014 Skilled Occupation Priority List include about 150 qualifications, of which two are cert. IIs, about 70 cert. IIIs, about 60 cert. IVs, and the rest are diplomas or above (as of December 2014).</p> <p>The entitlement is not available for apprenticeship or traineeship delivery. Please note this restriction applies to the private provider pilot only. RTO offerings, both subsidised and not subsidised, for apprenticeships and traineeships are separate from the entitlement. The entitlement does apply to apprenticeship and traineeship delivery through the public providers.</p> <p>Entitlement to a training place does not guarantee that all qualifications will be available in all geographic locations. Places are limited under the Northern Territory Training Entitlement and for a student to undertake training a participating RTO must be offering the qualification.</p>
Minimum entitlement – price, subsidy and fee levels	<p>Places under the NT Training Entitlement are currently fully subsidised (100%). Providers who are delivering under the pilot program may charge a range of fees to students relating to non-delivery items. These fees are not capped and are typically in the range of \$100–\$300.</p> <p>Prices under the entitlement are different for the public providers and the private providers undertaking the trial. CDU and BIITE are funded at an industry rate per hour, and RTOs participating in the private trial are funded by qualification.</p> <p>Qualification prices are set by the Department of Business and the levels are consistent across providers, but vary depending on the qualification itself. Under the trial, prices include an amount for delivery of foundation skills where needed.</p> <p>RPL is currently funded the same as standard delivery, although there are restrictions on how much of a qualification can be RPL and if exceeded the funding is reduced.</p>
Overall entitlement funding control	<p>Students who don't have a certificate III qualification can undertake any qualification of choice offered under the program; for students who already have a qualification training places are directed towards priority areas only.</p> <p>Entitlement program providers are capped at the value of their contract. They have the ability to move funding between approved qualifications to meet student demand, up to the total value of their contract.</p>
Which providers can deliver the minimum entitlement	<p>Registered training organisations offering the Northern Territory training entitlement include the two public providers and 13 private providers (viewed 13 March 2015 at <http://www.dob.nt.gov.au/training/skills-reforms/flexible-reforms/Pages/ntte-model.aspx>).</p> <p>Private and public providers do not compete; there are separate arrangements</p>

	under the current program.
<p>Provider eligibility and quality performance criteria</p> <p>(This includes a synopsis and items notably above or more explicit than the national Standards for RTOs 2015 or in some cases items notably different from requirements of other state schemes)</p>	<p>The Northern Territory Government has implemented criteria for access to public funding through the endorsed provider model (EPM). RTOs need to meet these criteria and obtain endorsed provider status if they wish to access government funding.</p> <p>RTOs already undergo a rigorous quality assessment and registration process through the national Australian Skills Quality Authority. The Northern Territory operates under the national system and is not seeking to duplicate criteria already assessed by ASQA.</p> <p>The endorsed provider model (EPM) includes self-assessment, transparency and quality assurance specifications <http://www.dob.nt.gov.au/training/skills-reforms/flexible-reforms/Pages/default.aspx>. The model has capacity, capability, performance and transparency criteria that relate to the Northern Territory’s training market and government priorities. RTOs will need to apply to be an endorsed provider; to maintain endorsed provider status, the RTO will need to conduct an annual self-assessment.</p> <p>Features of note in the EPM guidelines on the website include proven experience in delivering training in similar markets.</p> <p>Two instruments are used to contract training services in the NT. The Department of Business memorandum of agreement for General VET Activities is generally used with RTOs participating in the entitlement scheme. It is a straightforward procurement contract for training services and does not contain any additional jurisdictional requirements relating to VET quality.</p> <p>A schedule (Schedule ET – Northern Territory Training Entitlement) sets out the specifics of delivery, reporting and the financial arrangements. It refers to the NT Training Entitlement Model and the NT Training Entitlement Guidelines. RTOs are expected to maintain their endorsed provider status through the period of the contract. It also outlines a range of situations where ‘funding flexibility’ may occur in keeping with the aim of implementing the reform over time and evaluating the practical parameters of the initiative In practice.</p> <p>Information on RTO performance is not systematically provided to other jurisdictions or ASQA, although there is ad hoc information sharing between jurisdictions and ASQA. The contract states that the department may disclose information in relation to the performance of the RTO to any relevant government training authority in any other state or territory.</p>
Other provider contractual requirements specific to the jurisdiction	None.
How access to high-quality information on	RTOs are required to provide information to students about the entitlement and eligibility during advertising and the enrolment process. The Department of Business has information about the entitlement, eligibility, providers and

the entitlement is provided to clients	courses available on its website.
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Sources

Norther Territory Department of Business undated, *Funding growth in the NT training market: a discussion paper*, Darwin.

—<<http://www.dob.nt.gov.au/training/skills-reforms/flexible-reforms/Pages/training-entitlement.aspx>>, viewed March 2015.

—<<http://www.dob.nt.gov.au/training/skills-reforms/flexible-reforms/Pages/ntte-model.aspx>>, viewed March 2015.

—<http://www.dob.nt.gov.au/training/skills-reforms/flexible-reforms/Pages/default.aspx>, viewed March 2015.

—*Memorandum of Agreement for General VET Activities: sample*, and the associated schedule (supplied by the NT Department of Business, July 2015).

Northern Territory Implementation Plan National Partnership Agreement on Skills Reform, viewed 13 December 2015, <http://www.federalfinancialrelations.gov.au/content/npa/skills/skills-reform/NT_IP.pdf>.

Queensland: training entitlement model as at 30 March 2015

Name of model	<p>Great skills Real opportunities – Certificate 3 Guarantee</p> <p>The Queensland VET investment framework (see below) is outlined on page 5 of the 2014–15 Annual VET Investment Plan, and can be accessed at: <http://training.qld.gov.au/resources/information/pdf/vet-investment-plan.pdf></p>
<div style="text-align: center; background-color: #f4a460; padding: 5px;"> ANNUAL VET INVESTMENT PLAN <i>(Annual plan to inform stakeholders of government's VET investment priorities)</i> </div> <p>The diagram illustrates the Queensland VET investment framework, structured into three main horizontal layers:</p> <ul style="list-style-type: none"> INVESTMENT STRATEGY (Top Layer): <ul style="list-style-type: none"> Demand-Driven Skills Market: Contestable training market to manage investment in priority training outcomes identified through the Annual Skills Priority Report developed by the Ministerial Industry Commission, and outlined in the VET Investment Plan – preference for all AQF levels to be managed through demand-driven skills market where appropriate. Other Contestable Processes: (eg. funding rounds, targeted or open tenders) INVESTMENT PROGRAM (Middle Layer): <ul style="list-style-type: none"> User Choice: (Apprenticeships & Traineeships – Trade Strategy from July 2015) Certificate 3 Guarantee: (includes VETIS, Foundation Skills) Higher Level Skills: (Certificate IV & above, skill sets, VET FEE-HELP) Strategic Interventions: <ul style="list-style-type: none"> Disadvantaged Learners: Community Learning, Indigenous Training Strategy Industry & Employers: Industry Partnerships Strategy (includes regional workforce development) PARTICIPATION STRATEGY (Bottom Layer): <ul style="list-style-type: none"> Indigenous Training Strategy: (Strategic VET Partnership, Cape York & remote, participation strategies) VET in Schools: (VET investment priorities, Employment stream qualifications) Priority Cohorts: (eg. Year 12 Graduates, Students with a Disability) <p>Arrows indicate that the Participation Strategy feeds into the Investment Program, which in turn feeds into the Investment Strategy. Additionally, the Queensland Training Subsidies List (bottom of the diagram) feeds into the Demand-Driven Skills Market.</p> <div style="text-align: center; background-color: #d9ead3; padding: 5px;"> QUEENSLAND TRAINING SUBSIDIES LIST <i>(List of qualifications and skill sets to be subsidised through the demand-driven skills market)</i> </div>	
Date model implemented	Certificate 3 Guarantee commenced from July 2013.
Previous training entitlement model or funding arrangements	<p>The Certificate 3 Guarantee was implemented from July 2013, along with a phased implementation of contestability. Prior to July 2013, Queensland did not offer an entitlement model outside funding arrangements for the user choice program.</p> <p>Since 1 July 2014 a fully demand-driven funding framework has been implemented for the majority of government investment in the skills system.</p> <p>From 1 July 2014, the government introduced a contestable funding model, whereby RTOs (public and private) apply for pre-qualified supplier status (PQS) to deliver training under a range of publicly funded programs outlined within the Annual VET Investment Plan.</p>

	<p>The 2014–15 Annual VET Investment Plan provides details of budget allocations for a number of investment programs, with 75% of total investment made available through contestable arrangements</p> <p><http://www.training.qld.gov.au/information/vet-investment-plan/index.html>.</p>
Entitlement information as at 30 March 2015	
Who is eligible	<p>Australian and New Zealand citizens and others on the pathway to permanent residency, permanently residing in Queensland who are aged 15 years or above, and no longer at school (with the exception of VET in Schools) and who don't have or are not enrolled in a certificate III or above post-school qualification.</p>
Level of entitlement	<p>For the first certificate III qualification or higher-level qualification completed if the student doesn't already hold one (qualifications gained at school excluded).</p> <p>The government will pay a higher level of entitlement (subsidy) for students requiring foundation skills, concessional students, Year 12 graduates in high-priority qualifications and students residing in Cape York, Torres Strait and remote locations in Queensland.</p> <p>Students who do not hold or are not enrolled in a certificate III or higher-level qualification (excluding qualifications completed at school) may be eligible for a government subsidy. This includes students who have withdrawn from a certificate III or higher-level qualification.</p> <p>Details about specific eligibility for the Certificate 3 Guarantee and Higher Level Skills Program can be accessed at: <http://training.qld.gov.au/information/vet-investment-plan/index.html>.</p>
Courses to which the minimum entitlement applies	<p>The Queensland Training Subsidies List contains subsidies available for the delivery of foundation skills and lower-level qualifications, certificate III qualifications and certificate IV to advanced diploma level qualifications, including skill sets.</p> <p>The list includes approximately 34 certificate I, 113 certificate II and 129 certificate III qualifications (at January 2015) that attract a subsidy under Certificate 3 Guarantee.</p> <p>Under the Certificate 3 Guarantee, foundation skills training (that is, language, literacy and numeracy training) and lower-level vocational qualifications are also subsidised in certain circumstances, based on an individual's learning, skilling or support needs, to meet mandated prerequisites for the certificate III level qualification, or if the student is assessed as requiring this pathway in order to progress to the certificate III level qualification or to achieve employment outcomes.</p>
Minimum entitlement – price, subsidy and fee levels	<p>Price or indicative course value is determined by qualification and is based on a pricing model to calculate the government contributions.</p> <p>Price is calculated based on funded hours for the qualification, multiplied by one of three course base rates that reflect differences in overheads, class size,</p>

industry area etc. The three base rates established are: \$5.23 (A); \$7.03 (B) and \$9.86 (C).

Indicative Course Value = Qualification Funded Hours (FH) X Funded Rate per Hour (RH)

A Queensland Training Subsidies List fact sheet is available at:

<<http://training.qld.gov.au/resources/information/pdf/qld-training-subsidy-factsheet.pdf>>.

The subsidy represents the level of government contribution available for a qualification and is determined by the relative priority assigned to a qualification. The relative priority is determined based on the AQF level, the relative priority to government of the industry area, industry advice on skill needs, and the relative effectiveness of the qualification in providing outcomes for graduates.

Queensland currently has four priority levels, with the proportion of the indicative course value (or price) subsidised for non-concessional students ranging from 80% for higher-priority certificate III qualifications to 50% for diploma and above qualifications.

Government Contribution = Funded Hours (FH) X Funded Rate per Hour (RH) x Priority

A location loading is applied on submission of pre-qualified supplier (PQS) claim data for classroom-based and employment-based delivery modes within Cape York and Torres Strait (250%) and remote (175%) locations of Queensland.

Student fees:

The current 2014–15 Annual VET Investment Plan and associated policies support deregulated pricing arrangements, whereby the government determines the level of subsidy available as a public contribution and the PQS determines the level of fees that will apply, based on their offering and negotiation with individuals and/or employers/industry, referred to as the co-contribution fee.

For concessional students, a higher government subsidy enables the pre-qualified supplier PQS to reduce the co-contribution fee; however, a co-contribution fee is still charged and collected.

Concessional arrangements for the Certificate 3 Guarantee are outlined in the policy documents at: <<http://training.qld.gov.au/resources/training-organisations/pdf/c3g-policy.pdf>>.

There are exceptions to the co-contribution fee conditions as follows:

- Community Learning participants: this training is provided fee-free to students, with any additional costs met through Community Learning funding
- Queensland Year 12 graduates undertaking high-priority qualifications: this training is provided fee-free to students
- VET in Schools students: this training is provided fee-free to students with

	<p>any additional costs met by the school</p> <ul style="list-style-type: none"> ▪ Foundation skills: this training can be provided fee-free to students if determined by the PQS. ▪ Lower-level qualifications for concessional students: this training can be provided fee-free to students if determined by the PQS. <p>RPL is funded the same as ‘Competency achieved’ and ‘Competency not achieved’ final training outcomes, excluding lower-level training at certificate I and II levels and ‘Withdrawn’ outcomes.</p> <p>Note: the public provider receives an annual grant to cover assets costs but competes for training delivery on the same price, subsidy and fee level arrangements as private providers.</p>
Overall entitlement funding control	<p>The Certificate 3 Guarantee is a demand-driven funding program, and as a result pre-qualified suppliers are not allocated agreement values or training places.</p> <p>The department regularly reviews expenditure against budget and has the ability to intervene to re-align expenditure within budgetary requirements. Strategies may include suspending enrolments in qualifications where supply is assessed as exceeding labour market demand, adjusting subsidy levels in targeted qualifications or imposing additional eligibility restrictions for targeted qualifications to reduce and expenditure levels.</p>
Which providers can deliver the minimum entitlement	<p>Pre-approved RTOs, known as pre-qualified suppliers.</p> <p>PQSs include public providers and some selected private providers.</p> <p>For all entitlement funding, eligible students choose a PQS of their choice; that is, all is fully contestable among PQS including TAFEs and private providers.</p>
Provider eligibility and quality performance criteria (This includes a synopsis and items notably above or more explicit than the national National Standards for RTOs 2015 or in some cases items notably different from requirements of other state	<p>Pre-qualified suppliers are RTOs approved by the Queensland Government to deliver publicly funded training and assessment services.</p> <p>From 1 July 2014, all RTOs may be eligible to apply to become a PQS.</p> <p>The Department of Education and Training manages the PQS agreements and monitors performance against a set of five performance standards and expectations and other sections of the agreement. These training organisations must meet the performance standards and key performance indicators for the program as follows:</p> <ol style="list-style-type: none"> 1. Disclose information upfront to enable informed consumer choice. 2. Demonstrate professional and ethical standards of behaviour. 3. Comply with all funding terms and conditions. 4. Support the learning needs of students, including: <ul style="list-style-type: none"> ▪ consistency with Queensland VET Inclusive Learning Framework as a core business element ▪ assess language, literacy and numeracy prior to any foundation skills training (against the Australian Core Skills Framework and the Core Skills for

schemes)	<p>Work) and develop a plan with the student.</p> <p>Note: Training and support plans apply only to students assessed as requiring foundation skills training.</p> <p>However, PQS must supply all students with a training fact sheet or written summary for the qualification that includes costs, training timelines, support services and the requirement to complete an employment survey.</p> <p>5. Achieve a minimum outcome for students includes:</p> <ul style="list-style-type: none"> ▪ maintain strong industry and employer networks to: <ul style="list-style-type: none"> – deliver training that directly links to local job vacancies and employment outcomes – facilitate any vocational or work placements – support students to transition to the workforce or into further training, or advance in their chosen career ▪ deliver quality training and assessment services that support students to complete the qualification ▪ inform students they are required to complete an employment survey within three months of completing or discontinuing subsidised training ▪ manage an effective student survey process to achieve an adequate response rate. The employment survey template is provided in the Student Employment Survey fact sheet <p>NOTE: this is unique to Queensland.</p> <p>The outcomes and performance indicators for Certificate 3 Guarantee are as follows: as a result of participating in the Certificate 3 Guarantee, the department expects students will:</p> <ul style="list-style-type: none"> ▪ complete a qualification at the certificate III level ▪ transition to the workforce, into further training, or advance in their chosen career. <p>In accordance with these objectives, the department will measure PQS performance against the following key performance indicators and benchmarks:</p> <ul style="list-style-type: none"> ▪ qualification completions: at a minimum achieve a qualification completion rate of 65% of all enrolled students ▪ employment benefit: at a minimum achieve 55% of all students gaining an employment benefit as a result of the training. This means those unemployed before training gain a job, and those employed before training receive some type of job-related benefit. This includes VET in Schools students. For lower-level qualifications that provide basic trade skills, the preferred employment outcome is recruitment into an apprenticeship. <p>NOTE: this is unique to Queensland</p> <p>The government has published an 'Evidence guide for pre-qualified suppliers'. It</p>
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	<p>aims to support development of a shared understanding of the requirements a pre-qualified supplier must meet and helps explain the linkages between the VET PQS agreement and relevant programs within the VET Investment Plan from July 2014.</p> <p>VET Quality Framework is defined in the agreement and has the same meaning given in the <i>National Vocational Education and Training Regulator Act 2011</i>.</p> <p>Inducements: must not offer</p> <p>Subcontracting: The contracted RTO may subcontract training and assessment tasks but the RTO remains liable for all aspects of the contract agreement. The subcontract can be to a non-PQS RTO. Does not have to notify or get permission from department. However, the PQS remains liable to the department for all of its obligations or liabilities under the VET PQS Agreement. This excludes third-party promotion of funded programs.</p> <p>Brokers: not allowed</p> <p>Performance monitoring and evaluation to ensure compliance with the policy, agreement and relevant program policy: may include referral to ASQA for audit of training and assessment services and any other contravention of policy rules resulting in an action. The department may also undertake performance review of qualifications in high enrolment and investment areas. Non-compliances are categorised as minor, significant or critical. (Note: ASQA has four categories – minor, moderate, major, severe.)</p> <p>The department regularly communicates with ASQA on contractual audit outcomes of a PQS where it has concerns on provision of quality outcomes for students. The department has also established a memorandum of understanding with ASQA regarding the sharing of information.</p> <p>Pre-qualified suppliers are required to:</p> <ul style="list-style-type: none"> ▪ publish their price list ▪ ensure increased awareness and disclosure of information to prospective students to enable more informed decision-making ▪ report on qualification completions, employment or further study outcomes of students ▪ demonstrate ongoing engagement with key local employers, industry and community groups, and government service providers.
Other provider contractual requirements specific to the jurisdiction	<i>Further Education and Training Act 2014</i> (when applicable)
How access to high-quality information on the entitlement	From the PQS policy document, performance standard and expectations: disclose information upfront and enable informed consumer choice; publish the latest audit results on its website.

is provided to clients	The department automatically publishes PQS on its Skills Gateway website located at < http://skillsgateway.training.qld.gov.au/ >. There is no ability for a PQS to change their details on Skills Gateway, as this information is based on < training.gov.au >.
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Sources

Queensland Department of Education, Training and Employment 2014, *Certificate 3 Guarantee Program Policy 2014–15*, version 1, Brisbane.

—2014–15 Annual VET Investment Plan.

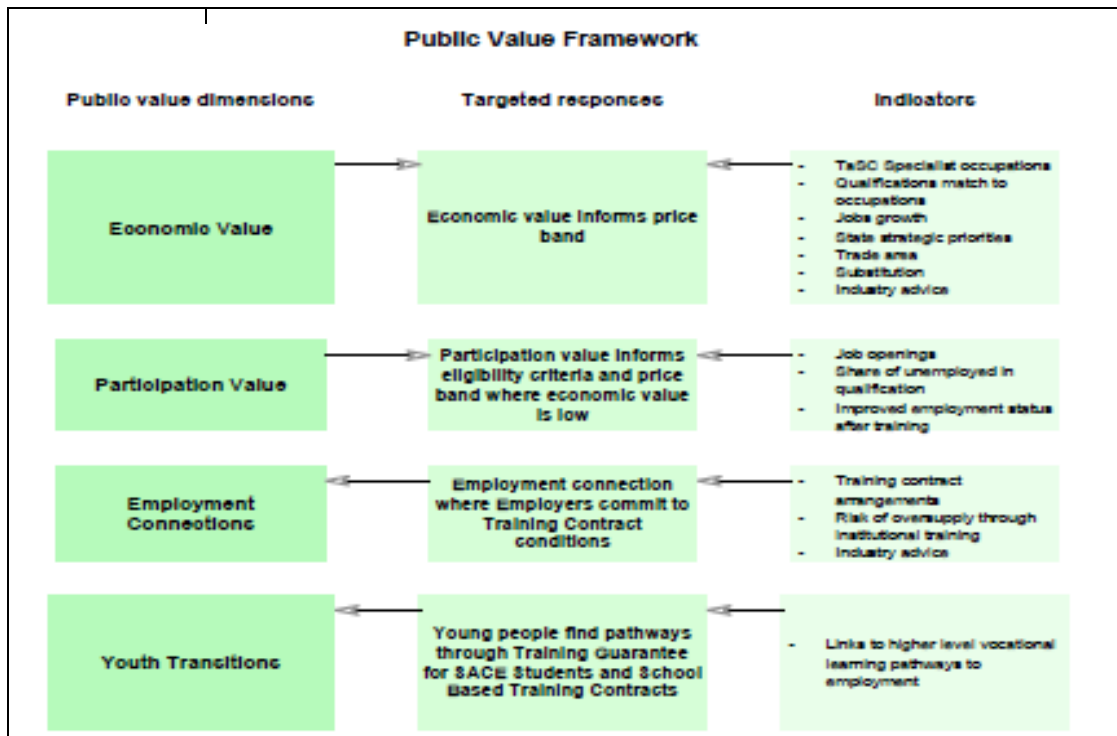
— 2015, *Pre-qualified supplier policy*, 2014–2015, viewed 17 March 2015, <<http://www.training.qld.gov.au/resources/training-organisations/pdf/pqs-policy.pdf>>.

—VET ‘Pre-qualified Supplier (PQS) Agreement’, version 1, effective 1 July 2014, Brisbane.

South Australia: training entitlement model as at 30 March 2015

Name of model	Skills for All
Date model implemented	From 2012: refocused from 2014.
Previous training entitlement model or funding arrangements	<p>South Australia has had an individual entitlement to a government-subsidised training place since July 2012, when Skills for All, the current strategic direction for VET in SA, was first introduced and following extensive consultation with the community in response to the <i>Skills for All: productivity and participation through skills</i> green paper released in July 2010.</p> <p>Under Skills for All, implemented in 2012, foundation skills courses, certificate I and II qualifications, and qualifications in priority areas linked to the state's strategic priorities were free of charge to students aged 16 years or over and not at school, to attract people to undertake an initial VET qualification. For certificate III qualifications and above, RTOs could charge student fees up to \$7000. A 60% increase in course enrolments was achieved in the first year. The increase in course enrolments between 2012 and 2013 was driven by strong growth in certificate I and II courses and certificate III and IV courses. Both TAFE SA and private/non-TAFE SA providers were involved in the growth but the growth rate was higher for private/non-TAFE SA than for TAFE SA.</p> <p>The increase in course enrolments between 2012 and 2013 involved significant growth in government funding for training to a historically high level. Training investment across the state for the 2013 calendar year increased by 44% on pre-Skills for All investment. The 2013 training budget blow-out led to reductions in public spending on training in subsequent years to accommodate the existing pipeline of students in training across the full spectrum of Skills for All funded courses (where their courses are of duration greater than one year) and to the refinement of key planks in the Skills for All policy framework.</p> <p>An independent evaluation of this first phase of implementation undertaken in 2014 (ACIL Allen Consulting 2015) informed the refinements in the next phase.</p>
Entitlement information as at 30 March 2015	
Who is eligible	<p>An Australian permanent resident, or New Zealand citizen living in SA or holder of state-sponsored visas on pathway to permanent residency (includes visa subclasses 489, 475, 487, 495, 160, 161, 162, 163, 164, 165 and 188), resident of SA, aged 16 years or over and:</p> <ul style="list-style-type: none"> ▪ not enrolled at school, or ▪ in school undertaking substantive VET (under a training plan that includes a planned and structured pathway or to complete a certificate III and relevant work placement), or ▪ in a contract of training (that is, apprenticeship or traineeship) regardless of age and whether in school or not.

<p>Level of entitlement</p>	<p>The entitlement is to two funded courses from certificate III level and above and unlimited fee-free priority courses for which the student meets the eligibility criteria.</p> <p>Priority courses include mostly foundation skills courses (language, literacy and numeracy), a few certificate IIs and a few higher-level courses as at 30 March 2015 (Skills for All Funded Training List 2014).</p> <p>The training provider is responsible for determining whether a student is eligible for the minimum entitlement: Clause 15 of the Skills for All standard contract (s.4A Evidence of Eligibility). The training provider must undertake all reasonable investigation to authenticate that a person is an eligible student for the purpose of receiving the subsidy; and must not enrol a student in a course if the completion of the course would result in the student exceeding their Skills for All entitlement, among other obligations. Further, a student may only be enrolled in two courses, including priority courses and skills sets. Other criteria apply.</p>														
<p>Courses to which the minimum entitlement applies</p>	<p>Courses on the Skills for All Funded Training List attract a training subsidy. These courses are focused on training linked to employment plus foundation courses to support that outcome. At commencement of 2015 the courses on the list included:</p> <table border="1" data-bbox="384 1003 651 1279"> <thead> <tr> <th>AQF</th> <th>No.</th> </tr> </thead> <tbody> <tr> <td>Certificate I</td> <td>40</td> </tr> <tr> <td>Certificate II</td> <td>180</td> </tr> <tr> <td>Certificate III</td> <td>280</td> </tr> <tr> <td>Certificate IV</td> <td>230</td> </tr> <tr> <td>Diploma</td> <td>180</td> </tr> <tr> <td>Advanced diploma</td> <td>60</td> </tr> </tbody> </table> <p>(Note: these numbers are the current courses, not the superseded ones. They are rounded as well).</p>	AQF	No.	Certificate I	40	Certificate II	180	Certificate III	280	Certificate IV	230	Diploma	180	Advanced diploma	60
AQF	No.														
Certificate I	40														
Certificate II	180														
Certificate III	280														
Certificate IV	230														
Diploma	180														
Advanced diploma	60														
<p>Minimum entitlement – price, subsidy and fee levels</p>	<p>Price banding has been introduced to ensure that the government invests in training that is of greatest public value to South Australia. The introduction of price banding follows feedback from key industry representatives, including the Australian Council of Private Education and Training – SA, which sought government consideration of subsidy price reductions through banding. Note that the government has continued to cap enrolments where necessary in addition to price banding.</p> <p>Price banding is guided by the Skills for All Public Value Framework. The Public Value Framework assesses a course’s public value, based on a combination of economic and participation value, resulting in courses with the highest public value placed in the highest band. The framework for determining public value is set out in the figure below.</p>														



Source: Skills for All – Overview of future directions, 13 December 2013, p.3.

The subsidy for the course is reduced according to the public-value assessment of the course, as shown in the table above. The list below shows the proportion of the current subsidy paid in each band. The price band adjustment is applied to the benchmark subsidy for courses at certificate III and above as follows:

Price band Subsidy adjustment

Fee free	Increase on benchmark due to fee-free status
Band 1	Benchmark subsidy
Band 2	90% of benchmark subsidy
Band 3	70% of benchmark subsidy
Band 4	50% of benchmark subsidy
Band 5	20% of benchmark subsidy (subsidy framework January 2014)

The price band determines the contribution that the government makes to the cost of the course (the public-value component), together with any regional loadings and concession reimbursements that may apply. The remainder of the cost (the private benefit component) is met by the student or their employer.

Price banding has been applied to the Skills for All Funded Training List, release 8.0 published 8 January 2014, and took effect for new enrolments and training accounts created after 10 February 2014. A subsidy is paid for up to three separate attempts by an eligible student to complete a unit of competency or its equivalent.

The government's subsidy is paid to the provider – the provider may recover from the student incidental expenses in addition to the student course fee. Incidentals can include optional charges for non-essential goods, and equipment or other non-consumables that become the property of the student.

The minister can set a maximum amount chargeable for courses for which a fee

	<p>may be charged to students. The minister may also specify courses for which no student fee may be charged. Certificates I and II, and foundation and priority courses are fee-free. VET FEE-HELP, for the diploma level and above and some certificate IVs, is available.</p> <p>An eligible student enrolled in a certificate III course and above, which is not fee-free, will be eligible for a student course fee concession if, at the commencement of training in a unit of competency in the course, the eligible student holds a current: Health Care Card; or Pensioner Concession Card; or Veteran Affairs Concession Card; or is a prisoner in a South Australian correctional institution. This includes all prison inmates, detainees, people on remand, those held in South Australian institutions in connection with an offence, and extends to children in South Australian detention centres who are beyond school age.</p> <p>Also, Skills for All providers receive subsidy loadings for delivery in rural locations to reflect the additional costs incurred due to thin markets, the higher costs of consumables and the cost of maintaining a regional/rural presence. A modified Accessibility Remoteness Index of Australia is used to determine regional loadings.</p> <p>The location loading classifications and additional subsidy loadings are:</p> <table data-bbox="384 1021 1098 1249"> <tr> <td>Highly accessible</td> <td>0% in the Adelaide metropolitan area</td> </tr> <tr> <td>Accessible</td> <td>10%</td> </tr> <tr> <td>Moderately accessible</td> <td>20%</td> </tr> <tr> <td>Remote</td> <td>30%</td> </tr> <tr> <td>Very remote</td> <td>40%</td> </tr> <tr> <td>Interstate</td> <td>0%</td> </tr> </table> <p>Recognition of prior learning (RPL) is paid at 50% of the standard rate for qualifications at certificate III or above. No RPL is paid for certificate I or II. Skills for All focuses on upskilling not credentialing. Initial assessment of applicants is required as part of the contract. This includes potential for recognition of existing skills. If there is potential for high need of RPL, the applicant is advised to enrol in a higher-level qualification or undertake RPL as fee for service so as not to reduce their entitlement.</p> <p>Up to five bridging units that may help a student complete the qualification can be subsidised through the entitlement. This is determined in the initial assessment.</p>	Highly accessible	0% in the Adelaide metropolitan area	Accessible	10%	Moderately accessible	20%	Remote	30%	Very remote	40%	Interstate	0%
Highly accessible	0% in the Adelaide metropolitan area												
Accessible	10%												
Moderately accessible	20%												
Remote	30%												
Very remote	40%												
Interstate	0%												
Overall entitlement funding control	<p>The Public Value Framework is used to better align training supply with the government’s objectives. Public investment is aligned with public value to ensure that training benefits the state and reflects strategic skilling priorities and budgetary considerations. The Public Value Framework, and the targeted response that it supports, is a way of aligning training supply with demand.</p> <p>RTOs are advised not to enrol new students once enrolment limits are reached.</p>												

<p>Which providers can deliver the minimum entitlement</p>	<p>Both TAFE SA and private/non-TAFE SA providers who have successfully applied to deliver the entitlement. These are known as Skills for All providers.</p> <p>Skills for All training providers apply and are selected to deliver specific qualifications (not just what is on their scope of registration approved by ASQA and listed on <training.gov.au>) against a range of selection criteria including: the provider’s performance under public funding; sufficient throughput of graduates in each of the qualifications they applied to deliver; strong engagement with industry; evidence of student and employer satisfaction; and financial health.</p> <p>Skills for All is based on a competitive market model, whereby eligible TAFE SA and private/non-TAFE SA providers can attract students based on the quality of training offered.</p>
<p>Provider eligibility and quality performance criteria</p> <p>(This includes a synopsis and items notably above or more explicit than the national Standards for RTOs 2015 or in some cases items notably different from requirements of other state schemes)</p>	<p>On 26 March 2012, South Australia referred its powers in relation to regulation of training providers and courses to the Commonwealth Government with the proclamation of the <i>Vocational Education and Training (Commonwealth Powers) Act 2012</i>.</p> <p>The South Australian Government, through the funding of training, sets standards for training providers who access public funding to ensure that high standards are met over and beyond the minimum requirements of the Australian Quality Training Framework (AQTF), which provides the foundation for quality in the VET system.</p> <p>RTO eligibility criteria include: satisfactory place of business in SA; regulatory record; management team to lead educational activities; level of engagement with industry; support for diverse needs of students; learner and employer satisfaction; arrangements for assuring quality of training and assessment outcomes; sufficient trainers and assessors.</p> <p><i>Training provider quality and performance</i> includes the following:</p> <p>RTO will provide high-quality training, strong links to industry and support for students; have appropriate systems and controls in place; will cooperate in surveys of student and employer satisfaction; cooperate in independent validations of assessment; agree to disclosure of performance information with registering body and other government and regulatory bodies; and have an Accountable Officer (see below). Staff should undertake professional development annually to maintain and update training and assessment competencies and vocational competency. The code of practice must be publicly available (see below).</p> <p><i>Accountable Officer:</i> SA is the only state that requires this position/role as part of the contract. The Accountable Officer concept is not part of the revised Standards for RTOs 2015. It was in the draft standards but removed after the change of government and complaints from RTOs about red tape. SA had supported keeping this requirement in the standards and retains it in the current Indicative Terms and Conditions for training providers.</p> <p>The Accountable Officer is a nominated staff member with sufficient experience</p>

	<p>and background in VET to perform the duties. The Accountable Officer is responsible for ensuring the applicant’s compliance with regulatory requirements and must provide professional leadership and judgment for the organisation on matters including:</p> <ul style="list-style-type: none"> ▪ teaching and learning strategies ▪ development of learning and assessment resources ▪ oversight of assessment practices. <p><i>Code of Practice</i> ensures that the rights of students as consumers are protected and that they receive the training services detailed in enrolment. The Code of Practice also covers access and equity, legal obligations, the maximisation of outcomes, and engagement with industry. It is designed to ensure that quality of training and assessment meet individual needs of students by assessing current skills and knowledge prior to commencement of training (see below).</p> <p>A training provider must, among other things, assess the learning needs and requirements of each eligible student, including whether any bridging training is required. There are no SA-specific guidelines that directly address learners’ needs and/or support requirements.</p> <p><i>Recognition of prior learning:</i> The RTO is required to offer the opportunity to apply for RPL at time of enrolment.</p> <p><i>Subcontracting:</i> only to an RTO with a Skills for All contract; cannot ‘partner’ as is allowed in national standards; cannot engage a third party to do activities for enrolment of students as in clause 15). Bridging units may be subcontracted under conditions (but must have a Skills for All contract).</p> <p>Skills for All providers can subcontract to another Skills for All approved provider, noting that both must have the relevant units on their contract schedules.</p> <p><i>Performance monitoring:</i> conducted through system data reporting on duration of training, RPL and number of attempts and completions; contract compliance audits and willingness to work with ASQA to share information. A Quality Assurance and Compliance Framework pamphlet sets out the eight key elements of the framework methodology and current activities.</p> <p>A memorandum of understanding between the Australian Skills Quality Authority (ASQA) and the Department of State Development was signed on 10 December 2012. This covers, among other things, Commonwealth notification of cancellation of a training provider’s registration, imposition of sanctions or conditions on an RTO’s registration; and the department’s notification of a notice of termination or suspension of payments under a funding agreement.</p>
Other provider contractual requirements specific to the jurisdiction	<p>Skills for All training providers must provide to the minister regular reports on data relating to the Skills for All contract and, where appropriate, in AVETMISS-compliant form in accordance with data guidelines published by the minister.</p> <p>This obligation extends to student satisfaction information; completion rates and graduate employment; and staff development activities.</p>

How access to high-quality information on the entitlement is provided to clients	Under Skills for All a training information portal has been developed. Information about Skills for All providers, their services and training courses is available on one website. This also contains the Funded Training List, a Subsidy Calculator etc.
Future strategic directions	WorkReady replaced Skills for All from 1 July 2015. Under WorkReady and following broad consultation with industry and training providers the number of eligible courses has decreased, while 90% of new places for 2016 have been reserved for TAFESA to assist it to transition to a more sustainable position in the competitive market. Other elements of WorkReady include better alignment to industry needs, co-investment in training among employers, employment service providers and/or students, enhanced public-value assessment process, streamlined subsidised training list, and better integration across program areas.

Sources

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- Government of South Australia 2011, *Skills for All: the strategy direction for vocational education and training in South Australia 2011–2014*, Adelaide.
- 2013, *Skills for All: overview of future directions*, 13 December, Adelaide.
- 2014a, *Skills for All: summary report 2014*, Adelaide.
- 2014b, *Skills for All: subsidy framework*, release 3.0, January 2014, viewed March 2015, <<http://www.skills.sa.gov.au/DesktopModules/SearchBoost/DownloadDoc.ashx?filepid=0&file=180>>, Adelaide.
- 2014c, 'Indicative terms and conditions', 1 July, Adelaide.
- 2015a, 'Training provider handbook', release 5.1, 24 February, Adelaide.
- 2015b, *Skills for All: Funded Training List*, effective from 3 March 2015, release 8.2, 24 February, Adelaide.

Tasmania: training entitlement as at 30 March 2015

Name of model	<p>There is no overarching name for Tasmania's implementation of the national training entitlement. The training entitlement in Tasmania is embedded in all subsidised training programs. This includes TasTAFE and through RTOs funded through all competitive programs, including Career Start, Skills Fund and user choice. The entitlement includes qualifications to certificate III level.</p> <p>Subsidised qualifications are listed at: <http://www.skills.tas.gov.au/learners/subsidisedcourses>.</p>
Date model implemented	<p>An entitlement to training has effectively operated in Tasmania for many years. In terms of the national partnership the effective date for the use of the term 'entitlement' is 1 January 2014, the date when the entitlement became explicit and subsidies payable for entitlement students became higher than for non-entitlement students.</p>
Previous training entitlement model or funding arrangements	<p>Previous entitlement effectively existed for all levels of qualifications at TasTAFE.</p>
<p>Entitlement information as at 30 March 2015</p>	
Who is eligible	<p>Eligibility for subsidised training (including national entitlement) criteria: Australian or NZ citizen, or an Australian permanent resident, or a state-sponsored visa on a pathway to permanent residence. And must be of: working age; not at school (other than a school-based apprentice) and reside or work in Tasmania.</p> <p>In addition, national training entitlement eligibility also requires that learners: do not have a certificate IV or higher qualification; have not completed a certificate III qualification (including apprenticeship or traineeship) in the last five years; are not currently enrolled in another publicly subsidised certificate III qualification.</p> <p>Eligibility is specified in <i>Policy on national entitlement and Determining student eligibility for training entitlement and other subsidised training in Tasmania: guidelines for registered training organisations 2015</i></p>
Level of entitlement	<p>One first certificate III qualification is subsidised and via a pathway as required if a certificate I or II qualification relevant to the certificate III qualification. Foundation skills and higher-level qualifications identified by industry as entry level are also covered by the entitlement.</p> <p>Where a student enrolls in more than one certificate III qualification at the same time, one of the certificate III qualifications is subsidised at the entitlement level unless identified as an approved dual qualification by Skills Tasmania.</p> <p>In addition, people who are unemployed, retrenched in the past year, ex-offenders, people who completed a certificate III at school or in a current</p>

	<p>contract of training are eligible for an entitlement level of subsidy regardless of their prior qualifications.</p> <p><i>Determining student eligibility for training entitlement and other subsidised training in Tasmania: guidelines for registered training organisations 2015.</i></p>
Courses to which the minimum entitlement applies	<p>The entitlement is available for all certificate III qualifications (and certificate I and II) at TasTAFE and to targeted Certificate III and below qualifications through contestable programs.</p> <p>Refer to website for the list of subsidised courses and RTOs that are contracted to deliver them: <http://www.skills.tas.gov.au/learners/subsidisedcourses>.</p>
Minimum entitlement – price, subsidy and fee levels	<p>Prices for subsidised qualifications are not published. The level of subsidy is generally the same for TasTAFE and most competitive programs. Entitlement students are subsidised at a higher rate than non-entitlement students. The subsidy levels are variable.</p> <p>In accordance with the Skills Tasmania agreement RTOs receiving subsidies through competitive programs are not permitted to charge student fees. Course fees can be charged but concessions are to be made available to eligible students (for example, persons on Centrelink benefits etc.).</p> <p>The entitlement is available for foundation courses and all qualifications up to and including certificate III level at TasTAFE.</p> <p>RPL is funded at the same rate as competency achieved.</p>
Overall entitlement funding control	<p>Budget for training payments to TasTAFE (including for the entitlement) is capped. To date the cap has not been reached. Under contestable programs there are capped numbers.</p>
Which providers can deliver the minimum entitlement	<p>Registration as a Skills Tasmania Endorsed RTO (ERTO) is the gateway for an RTO's eligibility to apply for Skills Tasmania programs for the delivery of government-subsidised training. RTOs, including TasTAFE who wish to deliver Tasmanian Government-funded training must apply to be endorsed before applying for any of the programs managed by Skills Tasmania and before entering into a Skills Tasmania Agreement. As at June 2015, 154 RTOs were registered as endorsed RTOs, all of which are eligible to apply to deliver training for entitlement students.</p>
Provider eligibility and quality performance criteria (This includes a synopsis and items notably above or more explicit than the	<p>The Skills Tasmania ERTO system is designed to increase and assure the quality of government-subsidised training for learners and employers in Tasmania.</p> <p>The ERTO system is an element of Tasmania's obligations under the National Partnership Agreement on Skills Reform, signed in April 2012, and Skills Tasmania's ongoing commitment to quality in the Tasmanian training system.</p> <p>ERTOs can apply for user choice funding and contestable subsidies in all other programs including Career Start. All programs relate to the three goals of the <i>Training and Workforce Development Act 2013</i>:</p>

<p>national Standards for RTOs 2015 or in some cases items notably different from requirements of other state schemes)</p>	<ul style="list-style-type: none"> ▪ a more efficient and competitive training system ▪ a system that will deliver real skills for real jobs ▪ government investment in skills that will support state growth. <p>The Deed of Purchasing Agreement between the Department of State Growth and TasTAFE is the basis for all TasTAFE funding.</p> <p>A performance framework is incorporated in the deed and forms the basis for reporting. TasTAFE is required to report on specific outcomes in relation to the following goals:</p> <ul style="list-style-type: none"> ▪ TasTAFE is efficient and competitive. ▪ TasTAFE has a focus on delivering real skills for real jobs. ▪ TasTAFE invests in skills that drive state growth. <p>Key overall indicators of TasTAFE’s success are graduate employment outcomes and employer and student satisfaction with TasTAFE training.</p> <p>The Department of State Growth (Skills Tasmania) Agreement 2015–17 is the source of information about quality training and assessment performance criteria and related monitoring/auditing of ERTOS.</p> <p>In summary, the agreement specifies certain performance criteria to be met in Schedule 2.2: Service Obligations for Training Delivery funded or subsidised through Contestable Programs. These criteria, in the main are consistent with requirements in the Standards for RTOs 2015. Note that the Service Obligations requirements describe processes and minimum requirements that the agreement urges ERTOS to exceed. Obligations 3 and 4 are not very different from the Standards for RTO 2015.</p> <p>In the interests of comparisons with other states, the performance criteria of each of the four obligations are below with comments.</p> <p>Obligation 1: <i>Fees and charges</i> (fairly standard requirements):</p> <ul style="list-style-type: none"> ▪ Fees and charges policy and procedures are consistent with the requirements of this Obligation. ▪ Payment options and exemptions policies are published on the RTO website and provided to learners and employers prior to enrolment. <p>Obligation 2: <i>Rights of clients</i> (fairly standard requirements):</p> <ul style="list-style-type: none"> ▪ Learners and employers are made aware of their rights under this Obligation. ▪ Learners and employers are made aware of the options available to them in respect of the chosen qualification. <p>Obligation 3: <i>Induction and enrolment</i> (initial assessment: RTO undertakes a language, literacy and numeracy (LLN), and foundation skills assessment. If learner skills are not appropriate for nominated qualification RTO to provide or organise additional assistance. All this must be documented and copies</p>
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	<p>held by RTO, learner and employer [if relevant] RTO completes learner induction as described in this obligation:</p> <ul style="list-style-type: none"> ▪ Intending learner’s career aspirations are ascertained. ▪ LLN and foundation skills are assessed and learner’s needs addressed through support strategies when identified. ▪ Other support needs are identified and accessed as appropriate. <p>Obligation 4: <i>Training and assessment planning</i> (prior to commencement – negotiated with learner. Minimum requirements are detailed and must be reviewed periodically with learner and changes documented):</p> <ul style="list-style-type: none"> ▪ A training plan, consistent with this obligation, is developed in accordance with the requirements of this obligation. ▪ The learner’s progress is reviewed and documented, including any planned changes to the plan. <p>Obligation 5: <i>Delivery of structured training and assessment</i> (applicable to apprentices/trainees only):</p> <ul style="list-style-type: none"> ▪ Training and assessment services are provided in accordance with the requirements of the training plan. ▪ Appropriate support in line with the identified needs of the client is provided to the learner and/or employer. ▪ Training and assessment are monitored and reviewed with the learner and/or employer. ▪ Additional literacy, numeracy or study skills support is accessed or provided when the need has been identified. <p>Obligations 7 and 8 – not relevant.</p> <p><i>Performance monitoring and audit strategy:</i></p> <ul style="list-style-type: none"> ▪ Skills Tasmania has the right to conduct any type of audit of the RTO and any organisation in a subcontracting arrangement with the RTO for the purpose of ensuring compliance with the terms and conditions of this agreement or any preceding or subsequent agreement. ▪ Where Skills Tasmania reasonably believes the RTO may have breached this agreement by failing to comply with the Standards for NVR Registered Training Organisations, Skills Tasmania reserves the right to notify the Australian Skills Quality Authority. Where Skills Tasmania has evidence that an RTO has breached the Skills Tasmania Agreement it reserves the right to notify ASQA and/or the relevant state training authority. ▪ Audit methodology: no separate resources or publications are available. Unlike some other states, it’s all in the agreement. The exercise of schedule 2.1 9 may include the auditing of employability skills as specified in the contracted training or training program in Schedule 3. Schedule 3 specifies individual subsidised program requirements.
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	<p>Employability skills are applicable in some programs; for example, Career Start, Jobseekers etc.</p> <ul style="list-style-type: none"> ▪ Recognition of prior learning: the RTO must offer all workers entering training, who are not new entrants to the labour market, a quick and simple process to recognise their existing skills. ▪ Information sharing with other agencies/organisations: the ERTO authorises Skills Tasmania to seek information from other organisations about RTO capacity to perform under the agreement. The RTO expressly authorises those organisations referred to in clause 18.1 to release information to Skills Tasmania regarding the RTO’s performance or its capacity to perform its obligations under this agreement. This includes, but is not limited to, ASQA or the relevant authority in the jurisdiction of the RTO’s primary registration and may include information regarding the results of audits undertaken against the Standards for NVR Registered Training Organisations 2012. <p><i>Ethical marketing and advertising:</i> done in a way that is aware of the RTO obligations.</p> <p><i>Promotion and publicity:</i> the RTO is responsible.</p> <p><i>Subcontracting:</i> the ERTO is fully responsible for compliance of subcontractors with Standards for NVR Registered Training Organisations 2012 and the agreement and must notify State Training of intention to subcontract delivery of training and include subcontractor and qualifications.</p> <p>‘Qualification’ includes endorsed skill sets and unit of competence.</p> <p>Work placements: resources kit provided as an example.</p>
Other provider contractual requirements specific to the jurisdiction	Working with vulnerable people: registration required under the <i>Working with vulnerable people ACT 2011</i> .
How access to high-quality information on the entitlement is provided to clients	Through Skills Tasmania website: Learners and subsidised courses. Pages are currently under review and will be updated shortly.

Sources

Department of State Growth (Skills Tasmania) 2014, *2015–2017 Department of State Growth (Skills Tasmania) Agreement for all Programs*, <<http://www.skills.tas.gov.au/funding/2015–2017-skills-tasmania-agreement>>.

—2015, *Determining student eligibility for training entitlement and other subsidised training in Tasmania: guidelines for registered training organisations*, Hobart.

Skills Tasmania website, <<http://www.skills.tas.gov.au/funding>>.

Skills Tasmania website, *Tasmanian Government-subsidised qualifications, and apprenticeships and traineeships*, viewed July 2015, <<http://www.skills.tas.gov.au/learners/subsidisedcourses>>.

Other information supplied directly by Skills Tasmania.

Victoria: training entitlement model as at 30 March 2015

Name of model	Victorian Training Guarantee
Date model implemented	Refocused from 2014: several earlier versions after 2009.
Previous training entitlement model or funding arrangement	<p>A consistent factor in the funding arrangements before 2009 was that only a limited number of places were allocated to each provider, meaning students could only access subsidised training if they found a provider with a vacant training place. Consequently, adjustments to subsidies affected the planned purchase of skills and the ability of providers to deliver quality training within the available funds.</p> <p>In the late 1990s training was purchased in two ways:</p> <ul style="list-style-type: none"> ▪ A pre-planned 'profile' course mix was purchased from TAFEs in a block through a performance agreement with the institution. TAFEs were expected to deliver the training within the agreed funding. Profile funding remained one of the mechanisms by which the government purchased training from TAFEs until the last payments under this model were discharged in 2013. ▪ The contestable portion of training funding operated through open tender and was open to TAFE and non-TAFE providers. The purchase price for training was lower under this arrangement. <p>The TAFE funding model changed significantly in 2000 and again in 2005, but funding remained capped by provider and broad course area.</p> <p>Victoria first implemented a student training entitlement in 2009 in the form of the Victorian Training Guarantee (VTG). The first version of the VTG between July 2009 and January 2011, included: broad student eligibility criteria, the number of training places uncapped for those eligible; a wide choice of available courses; full contestability between public and private RTOs; and greater flexibility for providers in setting of course fees than previously.</p> <p>This competitive system saw rapid growth in VET enrolments, including in areas classed as having a skills shortage or those that were specialised. Providers became more competitive and responsive; however, there were some unintended consequences from the first VTG including:</p> <ul style="list-style-type: none"> ▪ substantial budget overruns as student demand and places outpaced available budgets <p>Explanation: Under a fully demand-driven model, the government faces challenges in controlling the volume of students flowing into the skills training system, and therefore faces challenges in controlling the call on government funds.</p> <ul style="list-style-type: none"> ▪ strong growth in some areas of training which were misaligned with the skills needs of businesses, risking poor vocational outcomes for students and contradicting the public value or benefit principle for government

	<p>funding decisions</p> <p>Explanation: The public-value funding principle is that government invests in vocational training to overcome market failures and in industries or occupations where there is demand for skills and/or that are of strategic importance to the state.</p> <ul style="list-style-type: none"> ▪ emerging quality concerns that could undermine public confidence in vocational training <p>Explanation: This was as a result of providers (private mainly) being involved that did not aspire to deliver high-quality training (Victorian Department of Education and Early Childhood Development 2012).</p> <ul style="list-style-type: none"> ▪ Also, a change to the VTG in 2011, combined with decreasing market share for TAFEs, contributed to financial deficits in many TAFEs from 2012. <p>Explanation: Under the initial VTG, TAFEs were paid a higher rate per paid hour relative to other providers and were separately allocated special funding for their role as public providers to maintain a range of access, equity and infrastructure needs in the state, otherwise referred to as ‘community support obligations’. These payments helped to cushion TAFE from the full impact of the new competition.</p> <p>Other providers, while they may provide community support obligations, can opt in or out of them as they see fit. However, there was a strong view from economic-focused agencies that there should be a level playing field in the VET market, and TAFE should be seen as just another provider to be funded the same as other RTOs, regardless of its obligations as a public provider.</p> <p>To ensure competitive neutrality, however, TAFE institutes with revenue of more than \$100 million had their additional rate per paid training hour reduced from 1 January 2012.</p> <p>Further reductions to course subsidies for all TAFE institutes were implemented from 1 July 2012 such that course subsidy rates for all TAFE providers were in line with those of non-TAFE providers, alongside the removal of other forms of supplementary funding in 2012. This contributed to widespread TAFE job losses, course cuts and campus and facility closures (Noonan 2014).</p> <p>Victoria has since refocused its VTG in numerous ways, including adjusting subsidies, changing eligibility criteria, and tightening contractual requirements and entry to market processes.</p>
Entitlement information as at 30 March 2015	
Who is eligible	<p>Australian citizen or permanent resident (holder of a permanent visa) or New Zealand citizen. Individuals under particular arrangements may not be required to meet particular aspects of the eligibility criteria.</p> <ul style="list-style-type: none"> ▪ Persons under 20 years are eligible to enrol in any qualification at any level. ▪ Persons aged 20 years and over are eligible to enrol in any qualification

	<p>that is at a higher qualification level than the highest qualification held at the time of the scheduled commencement of training</p> <ul style="list-style-type: none"> ▪ Irrespective of age and previous highest qualification, individuals may enrol in: <ul style="list-style-type: none"> – any foundation skills course (a specified set of literacy/numeracy courses); or – any apprenticeship, or – the Victorian Certificate of Education (VCE), and/or – the Victorian Certificate of Applied Learning (Intermediate or Senior). <p>There are some exceptions; see the contract schedule 1, 2.12 and 13.</p> <p>RTOs are required to test and document the eligibility of individuals for the VTG at the time of enrolment.</p> <p>Subject to the eligibility criteria, students may enrol in any course on the Funded Course Report subject to the following limits:</p> <ul style="list-style-type: none"> ▪ A student may only commence up to two courses in a calendar year. ▪ A student may only undertake a maximum of two courses at one time. ▪ A student may only commence a maximum of two courses at the same qualification level in their lifetime (under exceptional circumstances students may seek an exemption to this requirement from the department). <p>For the purpose of applying the ‘two commencements at level in a lifetime’ restriction, commencements in the following are <i>not</i> taken into account:</p> <ul style="list-style-type: none"> ▪ the Victorian Certificate of Education; Victorian Certificate of Applied Learning (Intermediate or Senior); International Baccalaureate Diploma; and senior secondary school certificates from other Australian jurisdictions ▪ qualifications listed in the Foundation Skills List ▪ any VET certificates undertaken as part of a senior secondary qualification (including school-based apprenticeships/traineeships) ▪ where an individual is transitioning from a superseded qualification to the current version of the same qualification ▪ where an individual is recommencing training in the same qualification (at either the same or a different provider).
Level of entitlement	As the system is demand-driven, funding is uncapped.
Courses to which the minimum entitlement applies	All courses on the Funded Courses Report. As at July 2014 there were over 3000 course codes on the report from certificate I to graduate diploma and including whether the course is an apprenticeship or non-apprenticeship. Each course is assigned to one of five bands that determine the range of subsidy paid to the RTO. The subsidy banding is outlined in the next section.

<p>Minimum entitlement – price, subsidy and fee levels</p>	<p><i>Tuition Fees paid to the RTO by the student</i></p> <p>Under the Victorian Training Guarantee Program, RTOs are permitted to charge students a tuition fee in accordance with the Department’s <i>Guidelines about Fees</i>.</p> <p>Under these guidelines, RTOs are permitted to determine the tuition fees that they charge. RTOs must:</p> <ul style="list-style-type: none"> ▪ set and publish in a prominent place on its website the standard tuition fee payable for each enrolment in a course and all other fees associated with government subsidised training ▪ prior to enrolment, supply each individual with a statement of fees, being a detailed quote for each student, which sets out fees information as required in the Standards for National VET Regulator and includes the approximate value of the contribution from government towards the qualification(s) in which the eligible individual is considering enrolment ▪ allow tuition fee concessions/waivers/exemptions in accordance with the guidelines. <p><i>Course subsidies paid to RTOs by the department</i></p> <p>The department pays subsidies to RTOs based on an hourly rate per scheduled hour of training. Hourly subsidies, set at an individual course level, are as published in <i>Funded Courses Report</i>. The department pays subsidies for each scheduled hour of training up to the ‘maximum payable hours’ for the course as identified on the <i>Funded Courses Report</i>. Maximum Payable Hours describe the maximum number of hours the Victorian Government will subsidise under the Victorian Training Guarantee (VTG) for the achievement of the minimum realistic vocational outcome of any qualification, as determined by the qualification packaging rules.</p> <p>There are also cumulative loadings to the hourly subsidies paid to improve critical access concerns and they include:</p> <ul style="list-style-type: none"> ▪ a 10% loading for delivery in regional areas ▪ a 30% loading for delivery to disadvantaged youth (person age 15–19 years who hold a concession card, and do not hold a senior secondary certificate or a qualification at AQF level II or above ▪ a 50% loading for Indigenous students. <p>The price is to reflect the demand for training, the cost of delivery, course quality and the provider’s reputation. However, price setting must be competitive and the government continuously monitors prices to protect users of the system.</p> <p>The subsidy is set by government at a rate for each hour of training. These rates are set at the qualification level, and there is an effective cap in the total amount per course which the government is willing to subsidise.</p> <p>The subsidy is informed by both the historical cost of delivery and the relative</p>
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	<p>public value and private value in undertaking certain courses.</p> <p>The public value is based on an assessment of the course’s economic value, informed by Victoria’s workforce and productivity needs and whether student participation is falling short of, satisfying or exceeding these needs.</p> <p>Courses of greatest public value tend to receive the highest levels of subsidy, and courses of lowest public value the least. Subsidies also depend upon the qualification level, with lower rates to diplomas and above, where income-contingent loans are available.</p> <table border="1" data-bbox="475 548 1145 965"> <thead> <tr> <th>Subsidy band</th> <th>Subsidy range per hour of training delivery</th> </tr> </thead> <tbody> <tr> <td>Band A</td> <td>>\$10</td> </tr> <tr> <td>Band B</td> <td>\$7.50—10</td> </tr> <tr> <td>Band C</td> <td>\$5—7</td> </tr> <tr> <td>Band D</td> <td>\$2—4.50</td> </tr> <tr> <td>Band E</td> <td><\$2</td> </tr> </tbody> </table> <p><i>Recognition of Prior Learning (RPL):</i> RPL is only funded under the VTG if delivered by RTOs that have successfully applied to be on the Department’s RPL Approved Provider List. RTOs on the list were required to participate in an evaluation process and, as a result of that process, be deemed suitable by the Department for inclusion on the list. RPL is funded at a lower rate than that for non-RPL delivery. No funding is provided for RPL undertaken as part of a government-subsidised enrolment in a Foundation Skills List course or the Certificate I in Vocational Preparation.</p> <p><i>Foundation Skills:</i> funding for the delivery of Foundation Skills courses under the VTG is only available for RTOs on the department’s Foundation Skills Approved Provider List. RTOs on the list were required to participate in an evaluation process and, as a result of that process, be deemed suitable by the department for inclusion on the list.</p>	Subsidy band	Subsidy range per hour of training delivery	Band A	>\$10	Band B	\$7.50—10	Band C	\$5—7	Band D	\$2—4.50	Band E	<\$2
Subsidy band	Subsidy range per hour of training delivery												
Band A	>\$10												
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Band D	\$2—4.50												
Band E	<\$2												
Overall entitlement funding control	It is a fully contestable uncapped entitlement model. Funding is controlled by subsidy levels and eligibility.												
Which providers can deliver the minimum entitlement	<p>All providers who meet the entry-to-market criteria may apply to become a VTG-contracted RTO. Funds follow the students to their desired VTG-contracted RTO. An annual entry to market process is conducted.</p> <p>RTOs must either:</p> <ul style="list-style-type: none"> ▪ be registered by the Victorian Registration and Qualifications Authority (VRQA), or ▪ be registered with the Australian Skills Quality Authority and have their principal place of business in Victoria, or 												

	<ul style="list-style-type: none"> ▪ qualify as a non-Victorian based RTO (which requires that they hold a verifiable legal agreement with a National Enterprise to train at least 50 Victorian employees and at least 50 other employees in another jurisdiction in the calendar year). Under these arrangements, funding is only available for employees of the relevant National Enterprise. <p>The department considers three key components in evaluating a provider’s eligibility for a contract:</p> <ul style="list-style-type: none"> ▪ RTO registration (as described above) ▪ history of contractual performance ▪ financial health and management. <p><i>Renewal of contract:</i> Victoria has a risk management approach, whereby RTOs receive one to three year contracts.</p> <p>The government has committed funding to TAFE institutes of over \$370 million to support TAFEs.</p>
<p>Provider eligibility and quality performance criteria</p> <p>(Includes synopsis and items notably above or more explicit than Standards for RTOs 2015 or in some cases notably different from requirements of other state schemes)</p>	<p>Approximately 70% of RTOs contracted under the VTG are regulated by ASQA and are required to meet the new national standards. Approximately 30% are regulated by the VRQA and are (currently) required to meet AQTF 2010 standards. But VRQA encourages RTOs to become familiar with the Standards for RTO 2015.</p> <p>The Victorian VET Funding Contract and related guidelines set out the requirements that training providers must abide by to maintain compliance as contracted providers in receipt of government subsidies. The contract and guidelines set standards of behaviour as well as prescribing minimum requirements with regard to provider practice in the delivery of training services. The Department of Education and Training manages the contracts. Currently there are different contracts for different types of RTOs. However, any differences are not material to quality in respect of this project.</p> <p><i>General obligations for RTOs</i> include: maintain registration and standards (comply with AQTF, National VET Regulator etc); comply with laws; act ethically; be accountable; maintain confidence of stakeholders; mind the reputation of the Department or state, the VET sector, and the VTG; not pay or offer, either directly or indirectly, incentives to undertake government-subsidised training.</p> <p><i>Provision of training service:</i> RTO must provide high-quality and robust administrative processes, have strong links to industry, support individuals and be ethical.</p> <p>The RTO must provide high-quality training services, including training and assessment that is suitable and appropriate for each student, where:</p> <ul style="list-style-type: none"> ▪ suitable means the training and assessment meets the individual’s needs, links to likely job and/or participation outcomes and minimises duplication of the individual’s existing competencies; and

	<ul style="list-style-type: none"> ▪ appropriate means the training and assessment is delivered to regulatory and industry standards, uses delivery modes and durations optimised for the individual’s needs and includes reasonable support to facilitate the individual’s participation and attainment. <p><i>Pre-training review:</i> (relates to Standards for RTOs 2015, s.1.2) for each eligible individual, the RTO must conduct a pre-training review of current competencies, including literacy and numeracy skills, prior to commencement in training. The pre-training review must:</p> <ul style="list-style-type: none"> ▪ identify any competencies previously acquired via recognition of prior learning (RPL), recognition of current competency (RCC) or credit transfer) ▪ ascertain the most appropriate qualification for that student to enrol in, including consideration of the likely job outcomes from the development of new competencies and skills ▪ ascertain that the proposed learning strategies and materials are appropriate for that individual. <p><i>Training plans</i> (relates to Standards for RTOs 2015, s.1.2): must be agreed and endorsed by students. The level of detail and documentation requirement is more than but aligns with the 2015 standard.</p> <p>The RTO must, in each calendar year into which the term extends, submit:</p> <ul style="list-style-type: none"> ▪ the number of trainers and assessors employed by the RTO ▪ the number of trainers and assessors employed by the RTO who hold a qualification in teaching and/or training above certificate IV (or equivalent) level ▪ for each such trainer and assessor within the scope of the previous: <ul style="list-style-type: none"> – the title of the highest qualification in teaching and training – whether that trainer or assessor is involved in the delivery of courses on the Foundation Skills List. <p><i>Practical placement guidelines</i> (relates to Standards for RTOs 2015 s.5.2v): a detailed written agreement signed by employer, RTO and student is required.</p> <p><i>Evidence of participation:</i> documented, authenticated; quite extensive requirements and more explicit than many other jurisdictions.</p> <p>Unlike other states, Victoria restricts the provision of funded <i>Foundation Skills and RPL</i> to RTOs on respective preferred provider lists. These RTOs must demonstrate specified capacity and capability to provide these services. RTOs not on the RPL list can offer RPL that is not funded through the VTG.</p> <p>The Victorian quality assurance process aligns, and in a number of areas goes over and above, the ASQA/VRQA requirements. For example, the financial viability assessment and foundation/recognition of prior learning approved provider processes have a higher standard than the ASQA/VRQA equivalent.</p>
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	<p>Regardless of whether the RTO is governed by ASQA or VRQA, it is required to provide information to students and others consistent with Standards 4 and 5 of the National VET Regulator, Standards for RTOs 2015.</p> <p><i>Subcontracting and third-party arrangements:</i> the RTO must seek prior written approval to subcontract training and assessment, and other training services such as enrolment and the levying of fees, to a third party that is not a contracted RTO. The RTO may only subcontract RPL and foundation training if both the RTO and the subcontracted RTO are on the relevant approved provider lists. RTOs must not pay or offer, either directly or indirectly, ‘incentives’ to undertake government-subsidised training. ‘Incentives’ include: financial incentives, and/or non-financial incentives, such as any equivalent ‘payment’ in the form of goods, services or rewards.</p> <p>Publish on its website a range of information, including fees etc. and its most recent quality indicators – learner engagement and employer satisfaction surveys and competency completions reports (in Schedule 1, specifications).</p> <p><i>Online and physical presence in Victoria:</i> aimed at ensuring the student is undertaking training within Victoria; that is, they are largely physically present there. Other jurisdictions have similar requirements but without the detail described below. In Clause 4.2.</p> <p><i>Provide training services to each eligible individual:</i> within the state of Victoria, and to an eligible individual having a physical presence in Victoria. This includes online delivery except where online delivery takes place during an industry or practical placement and involves the eligible individual being temporarily located interstate or overseas for a defined period. During this defined period, no more than 50% of the total scheduled hours applying to the training services in which the eligible individual is enrolled may be delivered online.</p> <p><i>Performance monitoring and review VTG Compliance Framework (2012):</i> a comprehensive and transparent approach to compliance is a key mechanism for assuring the public and other stakeholders of the integrity of the training system, and meeting the objectives of the government’s policy for vocational education and training.</p> <p>RTO must conduct an internal audit annually and rectify any non-compliance.</p> <p>The VTG <i>Contract Compliance Audit Strategy</i> outlines how RTOs are audited against contract standards and obligations. It sets out the risk management approach to verifying compliance and includes a compliance framework and information about why and how audits are conducted and how providers are selected for audit as well as the audit methodology and information about sanctions and enforcement.</p> <p><i>RTO Performance Indicator Project (2014):</i> as part of a national project, Victoria has been trialling data collection and presentation of 15 measures at the RTO level to support 11 nationally agreed indicators. Student and employer satisfaction surveys were initially trialled in 2014 and again in April 2015. The</p>
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	<p>aim of the project is to collect data to develop and present RTO performance measures that underpin student and employer choice, RTO improvement, better targeted, risk-based contracting and regulation, and better policy.</p> <p><i>Information sharing:</i> the department currently has a memorandum of understanding with ASQA, where both parties have agreed to exchange relevant and appropriate information to support the effective regulation and administration of National VET Regulator RTOs contracted with the department.</p> <p>The <i>Victorian Education and Training Reform Act 2006</i> contains additional provisions to allow the department to share information with the National VET Regulator in relation to, inter alia, 'the breach of, or failure to comply with, a government training contract by an RTO' (s.4.9.4).</p> <p>The department responds to ad hoc requests for information from other states conducting assessments of potential training providers. The department complies with the relevant privacy provisions and legislation when providing information for these requests.</p> <p>The department makes its own assessment of an RTO, based on Victorian requirements, and does not currently request information from other jurisdictions.</p>
Other state-specific provider contractual requirements	Complies with at least 12 Victorian Acts.
How access to high-quality information on entitlement is provided to clients	<p>The Victorian Skills Gateway is a searchable directory of RTOs and their public course offerings in Victoria. Users can search via course, occupation or training provider. Courses are linked to occupation descriptions that include Victorian job prospect information and video case studies. Information to help prospective students to find a suitable course and choose a training provider has been tailored to five audiences: students, adult learners, parents, careers practitioners and employers.</p> <p>The department is investigating possible improvements to the Victorian Skills Gateway for implementation in 2015, with the intention of seeing the Gateway upgraded to be the entry point for all consumer information relating to VET.</p> <p>All contracted RTOs are required to provide a statement of fees to prospective students prior to enrolment.</p>
Future strategic directions	The incoming Victorian Government commissioned an external review of quality assurance in Victoria's VET system in early 2015 to help restore public confidence in the quality and value of VET in Victoria while contributing to a broader review of VET funding. The Victorian Government released the review report on 29 June 2015, alongside a government response, and has accepted all 19 of its recommendations. The review calls for an immediate, targeted blitz of the current system and identified four areas through which improved

	<p>VET quality assurance will be achieved:</p> <ul style="list-style-type: none"> ▪ prioritising quality in determining eligibility to deliver government-funded training ▪ improving key factors in a student’s training experience, such as the duration of training and the skills and abilities of trainers ▪ actively monitoring and managing the performance of contracted training providers ▪ empowering students and employers to drive quality through informed choices and consumer protection. <p>The incoming Victorian Labor Government also announced a VET funding review in February 2015 with a final report due later in 2015. As outlined in its terms of reference, the Review of VET Funding is tasked with recommending funding models and settings that will improve the quality, stability and sustainability of the Victorian training market. The issues paper associated with the review (Mackenzie & Coulson 2015) identifies changes the review is considering. In summary, the 27 changes being considered by the VET funding review include:</p> <ul style="list-style-type: none"> ▪ Better targeting funding: <ul style="list-style-type: none"> – Establish a training provider classification system – Clearly articulate to the market the role and objectives of VET – Retain the student entitlement but ensure investment is targeted – Improve teacher training – Reduce the number of funded courses – Fund courses based on labour market and industry priorities ▪ Supporting and protecting students: <ul style="list-style-type: none"> – Reintroduce a compulsory or minimum student fee – Provide more support for students to make training choices – Tighten restrictions on the type of marketing activity a provider can use – Regulate or ban brokers and aggregators – Tightly regulate subcontracting – Introduce protocols for online learning – Introduce protocols for work-based training – Greater use of summative testing – New regulatory options for private providers ▪ Sustainable and supported TAFEs: <ul style="list-style-type: none"> – Clearly articulate the role of TAFE – Fund TAFE fairly and sustainably
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	<ul style="list-style-type: none"> – Use TAFEs to expand access to higher education ▪ Supporting jobs and industries <ul style="list-style-type: none"> – Increase industry input in setting labour market priorities – Establish a workforce training innovation fund – Encourage specialisation in industry training – Limit funding of courses at Diploma level to skill shortage areas ▪ Supporting training for vulnerable, disadvantaged and high needs groups: <ul style="list-style-type: none"> – Reform the funding of certificates I and II – Clearly articulate community service activities, and move toward outcomes-based funding – Consider reforming loadings and use other mechanisms to address areas of high need – Consider changes to rural and regional training arrangements – Consider changes to the administration of concession arrangements
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Sources

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- Victorian Department of Education and Early Childhood Development 2012a, *Next steps for refocusing vocational training in Victoria: supporting a modern workforce*, Melbourne, <<http://www.education.vic.gov.au/refocusingvet>>.
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- VET funding contacts, viewed March 2015, <<http://www.education.vic.gov.au/training/providers/rto/Pages/serviceagree.aspx>>.
- Victorian Government 2015, *Review of quality assurance in Victoria's VET system: government response*, Melbourne.
- Additional material supplied by the department.

Western Australia: training entitlement model as at 30 March 2015

Name of model	Future Skills WA: Entitlement
Date model implemented	<p>From January 2014.</p> <p>As part of Future Skills WA, there is an entitlement that applies to apprenticeships, eligible traineeships, priority industry qualifications, and the priority foundation skills courses. An entitlement does not apply to general industry training courses or other foundation skills courses.</p>
Previous training entitlement model or funding arrangements	<p>Prior to Future Skills WA all apprenticeships and eligible traineeships were funded on the basis of student-employer demand under a user choice model.</p> <p>Previous funding arrangements can be described as a partially managed yet contestable training market or mixed model.</p> <p>Prior to the introduction of Future Skills WA, approximately 40% of the total budget could be considered competitive and included all apprenticeship and traineeship delivery under user choice arrangements, as well as a number of other institutionally based training programs made available to the private training market through competitive tender arrangements.</p> <p>As at the 30 June 2013 there were 2537 training organisations registered to deliver training in WA. Of these, 346 were Western Australian RTOs registered with Training and Accreditation Council. Of these, 68% (236) were private RTOs, with the remaining 110 RTOs spread across a range of business types, including enterprise, non-government, community-based adult education and government schools. Eleven of these RTOs are the state training providers (STP), with a 12th being the Western Australian Academy of Performing Arts (WAAPA) at Edith Cowan University.</p>
Entitlement information as at 30 March 2015	
Who is eligible	Australian citizen or permanent visa holder or holder of visas (subclass 309, 310, 820, 826 or 851) or dependent or spouse of primary holder of visa subclass 457 and who have left school.
Level of entitlement	<p>What is on offer is a guaranteed government-subsidised training place in eligible, high-priority industry qualifications or specific foundation skills courses where a training place is available and the student meets any course entry requirement. That is,</p> <ul style="list-style-type: none"> ▪ there is no upper age limit ▪ there are no restrictions based on previous level of awarded qualification. <p>Training providers are responsible for assessing student eligibility at the point of enrolment, including any eligibility for fee relief (for example, concessions). Appropriate records must be retained by training providers for audit purposes. The department increased the audit/compliance function with the introduction of Future Skills WA.</p>

<p>Courses to which the minimum entitlement applies</p>	<p>The entitlement applies to apprenticeships, eligible traineeships, priority industry qualifications, and the priority foundation skills courses.</p> <p>Qualifications in the Priority Industry Qualification List are primarily selected due to their alignment with high-priority occupations on the State Priority Occupations List. Eligibility for foundation skills is based on assessed need.</p> <p>The WA Priority Occupation List is developed on the basis of information and insights from the sources: industry stakeholders, including training councils, together with market intelligence, economic indicators and projections of occupational employment growth and analyses of labour supply factors, such as the ageing workforce, migration and graduates entering the jobs market. The list is updated annually.</p>
<p>Minimum entitlement – price, subsidy and fee levels</p>	<p>The funded rate is determined by a number of items including the following:</p> <ul style="list-style-type: none"> ▪ funding group (i.e. groupings of qualification ANZSCO occupation outcomes) ▪ funding type (i.e. apprenticeships, traineeships and other) ▪ entitlement indicator ▪ delivery region ▪ fee type. <p>The funded rate for state training providers is higher than private training providers in recognition of the base funding costs associated with fixed facilities and community service obligations.</p> <p>All approved RTOs that offer government-subsidised training charge the same course fee rate, as specified in the course fee schedule below. However, they may charge different resource and other discretionary fees. RTOs may charge three types of fees:</p> <ul style="list-style-type: none"> ▪ course fees ▪ resource fees (for materials used in training, including internet charges) ▪ other fees not directly related to training (for example, parking and security passes). <p>Also individual training providers set fees for recognition of prior learning.</p> <p>Course fee rates for non-concession students for 2015 are outlined below. These fee rates do not include training provider-based fees such as resource fees and other discretionary fees.</p>

Course category	Course fees* (Course fee per nominal hour)		
	2015	2016	2017
Diploma and Advanced Diploma	\$5.67	\$5.84	\$6.02
Apprenticeships, traineeships and priority industry training (Certificate II to IV)	\$3.09	\$3.68	\$4.29
General industry training (up to Certificate IV)	\$4.65	\$5.41	\$6.05
Foundation skills and equity courses CAVSS and USIQ **	\$0.00	\$0.00	\$0.00
Other foundation skills courses (including equity courses) ***	\$0.21	\$0.21	\$0.22
	<p>Some students are eligible for a 50% concession on the standard fee rates for training up to certificate IV level. Concessions do not apply for foundation skills and equity courses as these already have low fees. (For diplomas or advanced diplomas students have access to VET FEE-HELP.)</p> <p>Concession rate for eligible students in 2015 are:</p> <ul style="list-style-type: none"> ▪ holders (and their dependants) of either a pensioner concession card, repatriation health benefits card or health care card ▪ recipients (and their dependants) of AUSTUDY, ABSTUDY or Youth Allowance ▪ inmates of a custodial institution ▪ students born on or after 1 July 1997 who are at least 15 years of age. <p>RPL is funded at 50% of the price for training. Course and resource fees for RPL are deregulated.</p>		
Overall entitlement funding control	<p>For qualifications that are categorised as a state priority, the government does not limit the number of training places that will attract a government subsidy, except where there is evidence that the number of enrolments in a state priority qualification may lead to an oversupply of graduates.</p> <p>Should a situation of oversupply arise, this will be managed through contract processes and advice provided to the market. It should be noted in the first year of operation of WA's entitlement model oversupply was not an issue and the department's preference is not to restrict the market unless there is a clear case to do so.</p> <p>Enrolments in state priority qualifications are monitored on an ongoing basis and should there be a risk of oversupply, the government may, with prior notice, cease providing a subsidy for any new enrolments in that qualification.</p>		
Which providers can deliver the minimum entitlement	<p>By state training providers (formerly TAFE colleges) and by preferred other training providers who have been contracted by the state government through a criteria-based selection process and placed on the Preferred Provider List.</p>		

	<p>All RTOs that have met the pre-qualification requirements can deliver entitlement qualifications they have on scope. This includes all STPs and around 300 private providers.</p> <p>Students are entitled to use the training provider of their choice.</p>
<p>Provider eligibility and quality performance criteria</p> <p>(This includes a synopsis and items notably above or more explicit than the national Standards for RTOs 2015 or in some cases items notably different from requirements of other state schemes).</p>	<p>From July 2011 two VET regulators have operated in Western Australia: the Western Australian Training and Accreditation Council (TAC) and the Australian Skills Quality Authority (ASQA). The Western Australian Government has retained the powers of quality assurance for WA-based RTOs through TAC. This council will commence using the national Standards for RTOs 2015 from April 2015.</p> <p>Under Future Skills WA, contracting arrangement processes have been streamlined and strengthened to support greater quality training provision. The focus is on efficient and effective selection and management of contracted private registered training organisations.</p> <p>State training providers receive public funding under Future Skills WA on the basis of actual course delivery.</p> <p>State training providers and publicly funded private training providers are required to charge the same course fee rates.</p> <p>From General Provisions (Conditions of Contract):</p> <p><i>Quality standards/legislation/policies</i></p> <p>The service provider agrees to provide the training services in accordance with the requirements of the quality standards, current legislation, policies and guidelines. The list that follows includes TAC and ASQA requirements.</p> <p><i>Service providers' obligations</i> (relevant items selected)</p> <ul style="list-style-type: none"> ▪ Act in accordance with VET policy directions. ▪ Commit to excellence in service delivery and maximising outcomes for students: act in the best interests of students. ▪ Ensure its framework is comprehensive, accountable and transparent. ▪ Provide the training services in a proper, timely and efficient manner using the standard of care, skill, diligence and prudence that would reasonably be expected from an expert and experienced provider of training services. ▪ Attend training and education sessions targeted at achieving improved training outcomes and/or contract performance as prescribed by the corporation. ▪ Exercise due care, skill and judgment and at all times, act ethically with transparency in accordance with applicable professional ethics, principles, standards and good governance practices. ▪ Not advertise or provide incentives or inducements to students to participate in training courses unless it can be demonstrated that the

	<p>incentive or inducement directly improves:</p> <ul style="list-style-type: none"> – student attendance, participation and completion; or – the quality of training delivery. <p>RTOs must charge students fees where applicable. (Minimising the collection of statutory fees or offering inducements that could be viewed as seeking a competitive advantage is prohibited.)</p> <p><i>Service requirements</i></p> <p>The provider must publish on its website the most recent AQTF/NVR Quality Indicator.</p> <p><i>Evaluations, audits</i></p> <p>The corporation (department) may carry out evaluations in respect of service provider’s obligations (see above). If the regulator has conducted an audit on the service provider, the service provider must send the corporation a copy of the audit report, along with any subsequent rectification reports within 10 days of receipt of the said reports from the regulator.</p> <p>Where the report indicates a serious, material or significant non-compliance of the standards set by the regulator, this will constitute a breach.</p> <p>The department has in place an memorandum of understanding with ASQA and a similar information-sharing arrangement with TAC is currently being finalised.</p> <p><i>Recognition of prior learning (RPL):</i> The service provider must:</p> <ul style="list-style-type: none"> ▪ offer RPL to all students upon enrolment and prior to commencement of formal training delivery ▪ be able to demonstrate that it has undertaken processes to encourage the uptake of RPL. <p><i>Evidence of participation:</i> on request, the RTO must provide evidence as per WA VET enrolment data standards.</p> <p><i>Measuring performance</i></p> <p>Student surveys may be carried out by department and results published.</p> <p>Assess performance against KPIs: these KPIs shall include and not be limited to the following:</p> <ul style="list-style-type: none"> ▪ Quality of training: this may include: <ul style="list-style-type: none"> – Outcomes achieved measured against relevant training delivery outcome benchmarks established by the corporation and the regulator – results of monitoring visits – results of audits undertaken by the corporation, TAC or ASQA – feedback from student surveys – compliance with the AQTF or NVR requirements
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	<ul style="list-style-type: none"> – compliance with the relevant policies issued by the corporation including and not limited to the current fees and charges policy – compliance with requirements to participate in independent validation of assessment practices – complaints received from other parties including the ApprentiCentre, state and federal organisations. <ul style="list-style-type: none"> ▪ Achievement of training outcomes against benchmarks, including: standards set by the corporation and the regulator. This may include the proportion of students: <ul style="list-style-type: none"> – that successfully completes each qualification as specified in the service agreement – that successfully complete each unit of competence of qualifications as specified in the service agreement – progressing to further studies or employment. <p>The corporation will from time to time review the performance benchmarks, including the introduction of new benchmarks <i>in line with national reform directions</i>.</p> <p>In addition, timeliness of data reporting: participation in mandatory workshops/meetings; any professional development requirements for RTO staff; responsiveness to structural and quality reform changes, including participation in independent validation of assessment.</p> <p>The department adopts a risk-based approach to its contract audit and compliance program for private training providers. The approach is contextualised within a Quality Assurance Framework with three components: pre-qualification; contract management; and audit and compliance. The <i>2015 Audit Program</i> sets out the audit parameters, methods, targets and timelines.</p> <p>Information on performance decisions is not made publicly available but all contracted RTOs are made aware of and provided with a copy of the criteria taken into consideration in making these decisions. A contract quality manual is under development, which will contain performance criteria information and this will be made available on the department’s website once complete.</p> <p><i>Subcontracting training services</i>: must have prior permission from department. Service provider remains responsible, with a long list of requirements.</p>
Other provider contractual requirements specific to the jurisdiction	None

<p>How access to high-quality information on the entitlement is provided to clients</p>	<p>Information is available on the Department's website at: http://www.futureskillswa.wa.gov.au/Pages/default.aspx.</p> <p>In addition the department has run a number of forums and workshops for training providers to explain and explore Future Skills and has sent out specific advice and correspondence both prior to and during the implementation of the model. There are also dedicated electronic mail boxes for general and fee-specific inquiries related to the model.</p>
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Sources

- Seares, M 2013, *Independent Review of the Vocational Education and Training Sector in Western Australia 2014–14: final report*, Perth.
- Western Australian Department of Training and Workforce Development 2013, *VET (WA) Ministerial Corporation purchase of training services general provisions (Conditions of contract)*, version 2, Perth.
- 2015, *VET fees and charges policy 2015*, effective 1 January 2015, version 1, Perth.
- 2015, *Entitlement program business rules*, effective 1 January 2015, Perth.
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- viewed March 2015, <<https://www.futureskillswa.wa.gov.au/about/Pages/subsidies.aspx>>.
- viewed March 2015, <<https://www.futureskillswa.wa.gov.au/sitecollectiondocuments/faq.pdf>>.

NVETR Program funding

The National Vocational Education and Training Research (NVETR) Program is coordinated and managed by NCVET on behalf of the Australian Government and state and territory governments. Funding is provided through the Department of Education and Training.

The NVETR Program is based on national research priorities and aims to improve policy and practice in the VET sector. The research effort itself is collaborative and requires strong relationships with the research community in Australia's universities and beyond. NCVET may also involve various stakeholders, including state and territory governments, industry and practitioners, to inform the commissioned research, and use a variety of mechanisms such as project roundtables and forums.

Research grants are awarded to organisations through a competitive process, in which NCVET does not participate. To ensure the quality and relevance of the research, projects are selected using an independent and transparent process and research reports are peer-reviewed.

From 2012 some of the NVETR Program funding was made available for research and policy advice to National Senior Officials of the then Standing Council for Tertiary Education, Skills and Employment (SCOTESE) Principal Committees. They were responsible for determining suitable and relevant research projects aligned to the immediate priority needs in support of the national VET reform agenda.

For further information about the program go to the NCVET Portal
<<http://www.ncver.edu.au>>.



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