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### 1. UPDATE TO THE SMART AND SKILLED POLICY FOR MARKET MANAGEMENT – 2020-21 ACTIVITY PERIOD

The Smart and Skilled Policy for Market Management describes the Department's priorities and framework for managing the supply and funding of skills. The policy for the 2020-21 Activity Period was initially released with Smart and Skilled Contract Review Notices in May 2020 with advice that the policy would be updated to address the impacts of COVID-19 on the supply of training and on the broader economy (see Smart and Skilled Update No. 99 – 15 May 2020).

The updated policy is now available for Smart and Skilled providers through STS Online > Smart and Skilled Contract Management > Support Documents and is also attached to this Smart and Skilled Update. The policy is part of the Smart and Skilled Contract and providers are obliged to act in accordance with the policy.

#### a. What has changed in the policy?

- The updated Smart and Skilled funding priorities for full qualifications address the impacts of COVID-19 on the demand for skills, considering the differing impacts on industries and regions.

- The policy acknowledges the delays to student progress/training activity data reporting and the potential impact on 2020-21 Financial Caps for some providers and sets out how the Department intends to address this.
- Student Outcomes and Indicators will be integrated into funding decisions associated with Financial Caps.
- Financial Cap utilisation and performance is focused on achieving 85-100% Financial Cap Usage by the end of the 2020-21 Activity Period. Progressive targets for Financial Cap utilisation are set in line with the revised Financial Cap Review schedule.
- There are up to three Financial Cap Reviews planned during the 2020-21 Activity Period (please see table below for dates). As it is important for the Department to maintain the capacity to respond to the needs of the market, economy and budget/government policy conditions that may evolve over the course of the year, the Department will determine the scope of each review progressively throughout the 2020-21 Activity Period and this will be communicated prior to each review date via a Smart and Skilled Update.

**b. Financial Cap Review details for 2020-21 Activity Period**

Financial Cap Review	Date	Commitment % of relevant Financial Cap	% of the relevant Financial Cap the Provider has received or is eligible to receive
1	27 July 2020	N/A	N/A
2	26 October 2020	50%	25%
3	15 February 2021	95%	60%

**c. Obligations associated with Financial Caps**

Providers continue to be responsible for tracking their Financial Caps and ensuring that a Financial Cap is not exceeded.

The impacts of COVID-19 on student progress and training activity make it more important than ever to monitor commitments and usage of Financial Caps. Providers are encouraged to refer to the *Smart and Skilled Financial Caps – Information for Providers Guide* to build capability in this area. The guide is available at through STS Online > Smart and Skilled Contract Management > Support Documents.

Providers should achieve 85-100% Financial Cap Usage by the end of the Activity Period. Where a provider identifies that they cannot utilise their full Financial Caps allocation, they should contact the Department to discuss the possible return of unused capacity.

**d. Maintaining funding for regional NSW**

Access to funding for skills development in regional NSW remains a key priority under Smart and Skilled and therefore the Department will not allow the transfer of Financial Caps into the Sydney Region from any other Smart and Skilled Region.

Consistent with this position, the Out of Region Activity provisions allow for regional Financial Caps to be used in surrounding regions (Regional Clusters defined in the contract), or for Sydney Region Financial Caps to be used in any other Region. Clause 18.3 (b) of the Smart and Skilled Contract provides more details.

To be clear, Financial Caps allocated to regional NSW (i.e. all Smart and Skilled Regions excluding the Sydney Region) **cannot** be used for additional activity in the Sydney Region.

## 2. FINANCIAL CAP REVIEW 1 (2020-21 ACTIVITY PERIOD)

The first Financial Cap Review in the 2020-21 Activity Period for the Smart and Skilled Entitlement Full Qualifications, Entitlement Foundation Skills and Targeted Priorities Full Qualifications programs has been brought forward to enable consideration of adjustments due to reasons such as delayed activity and changes in demand for training associated with COVID-19. Further information regarding the scope and specific priorities for this review will be advised in a Smart and Skilled Update around mid-July.

Financial Cap Review 1 will commence on 27 July 2020 and the Department will distribute a *Financial Cap Variation Form – Review 1 2020-21* to providers during the week beginning 27 July 2020.

## 3. FURTHER SUPERSEDING QUALIFICATION PRICE CHANGES FOR THE 2020-21 ACTIVITY PERIOD

The Department previously advised providers (Smart and Skilled Update No.99 – 15 May 2020) of the introduction of clustered Smart and Skilled qualification prices, which will apply to training that commences on or after 1 July 2020.

Fifteen of the 22 superseding qualifications that could not be priced as part of the previous review have now been priced on their own merits. This has resulted in new prices for 10 qualifications. The prices of five (5) qualifications will increase from the prices of the qualifications they superseded and the prices of five (5) qualifications will decrease.

Tables 1 and 2 below provide details of the new prices:

**Table 1 – Superseding Qualifications with price increases**

Superseded Qualification Code	Qualification Code	Qualification Name	Current Price	Clustered Price to apply from 1 July 2020
CPP30711	CPP30719	Certificate III in Waste Management	\$5,730	\$6,500
FWP30716	FWP31019	Certificate III in Saw Technology	\$10,800	\$12,000
FWP30816	FWP31119	Certificate III in Wood Machining	\$10,520	\$11,250
MST30116	MST30119	Certificate III in Clothing and Textile Production	\$9,050	\$9,750
NWP30215	NWP30219	Certificate III in Water Industry Operations	\$5,750	\$6,250

**Table 2 – Superseding Qualifications with deferred price decreases**

Superseded Qualification Code	Qualification Code	Qualification Name	Current Price	Clustered Price to apply from 1 July 2020	Clustered Price to apply post-pandemic
CPP40911	CPP40919	Certificate IV in Waste Management	\$7,310	\$7,250	\$6,250
MST30516	MST30519	Certificate III in Leather Production	\$14,330	\$14,250	\$12,500
MST30616	MST30619	Certificate III in Laundry Operations	\$10,270	\$10,250	\$9,500
MST30816	MST30819	Certificate III in Applied Fashion Design and Technology	\$10,830	\$10,750	\$10,250
MST50116	MST50119	Diploma of Applied Fashion Design and Merchandising	\$20,670	\$20,750	\$18,500

**a. Superseding qualifications with price increases**

For providers who have already created Commitment IDs (CIDs) for the 2020-21 Activity Period for a qualification with a price increase, the Department will automatically adjust the subsidy for these CIDs prior to the commencement of the Activity Period.

**b. Superseding qualifications with deferred price decreases**

In line with the approach the Department announced in Smart and Skilled Update No. 99, the price decreases announced in this Update will not take effect until an appropriate time, to help maintain training market stability while providers make adjustments in response to COVID-19.

The prices shown in the highlighted column in Table 2, and which will immediately apply to training which commences on or after 1 July 2020, are interim prices that reflect the new price points introduced through price clustering.

The prices that will apply post-pandemic shown in Table 2 will be updated in the *Smart and Skilled Prices and Fees Schedule* at a later date in the 2020-21 Activity Period. The Department will provide a minimum of one month's notice via a subsequent Smart and Skilled Update before these changes take effect.

**c. Impact on student fees**

There are no changes to any student fees for the affected qualifications.

**d. Pricing for remaining superseding qualifications**

The seven remaining qualifications, plus a further 12 qualifications that have recently been superseded, are unable to be priced at this time. The Department expects to have the necessary data to review the price of these 19 superseding qualifications early in the 2020-21 Activity Period. Once data is available, they will be reviewed and the price changed if necessary. Should new prices be warranted for these qualifications, the Department will advise of any changes in a subsequent Smart and Skilled Update.

#### 4. SMART AND SKILLED PRICES AND FEES SCHEDULE – VERSION 11 RELEASED

The *Smart and Skilled Prices and Fees Schedule* has been updated to reflect price changes for the above qualifications.

Version 11 of the *Smart and Skilled Prices and Fee Schedule* will take effect from 1 July 2020 and is available at [https://www.training.nsw.gov.au/smartandskilled/prices\\_fees.html](https://www.training.nsw.gov.au/smartandskilled/prices_fees.html).

#### 5. 2020 NSW STUDENT OUTCOMES SURVEY

##### a. What is the NSW Student Outcomes Survey?

The NSW Student Outcomes Survey (NSW SOS) is a critical part of the NSW Government's VET market management and a valuable measure of provider performance. It is an exhaustive survey of all students completing or withdrawing from a government-funded VET course in NSW (both full and part qualifications).

The NSW SOS explores VET students':

- reasons for training
- employment outcomes
- satisfaction with training
- satisfaction with course information, resources and administration, and
- further study outcomes or reasons for not continuing.

This year's survey will also include questions on the impact of COVID-19.

The NSW SOS comprises two survey activities which are undertaken as follows by the Social Research Centre (SRC):

- a survey of certain types of NSW students on behalf of the National Centre for Vocational Education Research (NCVER) as part of NCVER's National Student Outcomes Survey (NCVER SOS); and
- a survey of additional government-funded students not included in the NCVER SOS on behalf of the NSW Government (NSW Government SOS).

These survey activities combined will form a census of all NSW government-funded VET students who completed or withdrew in 2019.

The SRC will provide summary data and analysis to the NSW Government. 2018 and 2019 NSW SOS data has been used to develop a number of performance indicators of a provider's ability to deliver student outcomes. Provider dashboards based on the 2019 NSW SOS were released to providers in early June 2020. The Department also uses this data to understand outcomes in the government-funded VET sector.

##### b. What should providers do?

If you have students who completed or withdrew from a government-funded VET course in NSW in 2019, they will be contacted as part of the 2020 NSW SOS. It would be appreciated if you could encourage any students who contact you regarding the survey to complete it.

##### c. Timelines, support and further information

Fieldwork for the NCVER SOS began on 23 June 2020 and will conclude on 4 September 2020. Fieldwork for the NSW SOS conducted by SRC is set to begin on 30 July 2020 and conclude on 28 September 2020.

The NCVER SOS Helpline (1800 413 992) and NSW Government SOS Helpline (1800 130 007) are activated at the commencement of fieldwork and details included in survey invitation letters and emails to students. Helpline operators will be able to update survey participant details and answer questions on the survey itself and on privacy matters.

Further information can be found on [NCVER's website](#) (for the NCVER SOS) and on [SRC's website](#) (for the NSW SOS).

For technical support in relation to this update, contact Training Market Customer Support at [Training.Market@det.nsw.edu.au](mailto:Training.Market@det.nsw.edu.au).

*Please note that this update is for the information of approved Smart and Skilled providers only. If providers require further information for students or employers, please contact Training Market Customer Support, as above, unless otherwise instructed.*