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### FINANCIAL CAP MONITORING REVIEW - STAGE 2 (2019-20 ACTIVITY PERIOD)

#### 1. THE FINANCIAL CAP REVIEW WILL FOCUS ON ADDRESSING THE IMPACTS OF NATURAL DISASTERS IN TEN IDENTIFIED NATURAL DISASTER REGIONS

The Department is prioritising support for the communities impacted by natural disasters across NSW and will direct funding to assist potential and current students, apprentices, trainees and employers in these regions.

The second Financial Cap Monitoring Review for the 2019-20 Activity Period will be fast-tracked to reprioritise funding and will now begin on 25 February 2020 by enabling Financial Cap variations to support identified natural disaster regions (Phase 1). The assessment of Financial Cap performance against the relevant targets will still occur as scheduled on 6 March 2020 (Phase 2).

##### a. Ten Identified Natural Disaster Regions

The second review will primarily focus on the regions affected by **bushfire** and those experiencing **intense drought**. The ten (10) Smart and Skilled Regions identified include:

	Smart and Skilled Region	Significant Bushfire Impacts Reported	Intense Drought Classification
1	Capital Region	Yes	Yes
2	Central West	No	Yes
3	Coffs Harbour - Grafton	Yes	No

	Smart and Skilled Region	Significant Bushfire Impacts Reported	Intense Drought Classification
4	Far West and Orana	No	Yes
5	Mid North Coast	Yes	No
6	Murray	Yes	No
7	New England and North West	No	Yes
8	Richmond – Tweed	Yes	No
9	Riverina	Yes	No
10	Southern Highlands and Shoalhaven	Yes	No

For bushfire, the assessment of qualifying regions is based on impacts occurring over an extended part of the relevant Smart and Skilled region. Bushfire impacts occurring in locations outside of the identified regions will be addressed through the exceptional circumstances provisions (please refer below for further details).

Providers allocated Financial Caps for these regions will be invited to request variations to their Financial Caps that will support the immediate disaster recovery, as well enabling individuals and organisations to build the skills that will support the long term recovery and current/future employment opportunities in these communities.

These Providers will be asked to provide information about student and employer demand, challenges and opportunities in these regions.

#### b. Remaining Smart and Skilled Regions

The remaining five Smart and Skilled Regions are listed below.

	Smart and Skilled Region
1	Central Coast
2	Hunter Valley excl Newcastle
3	Illawarra
4	Newcastle and Lake Macquarie
5	Sydney

The Financial Caps for these regions **cannot be increased at this stage of the Financial Cap Review**, either through a Financial Cap transfer or a request to increase the Financial Cap. Providers that are only allocated Financial Caps in one of these regions will therefore not receive a *Financial Cap Variations Form – Review Stage 2* (please refer below for further details). **Note: exceptional circumstances** provisions will apply.

## 2. THE FINANCIAL CAP REVIEW PROCESS AND ELIGIBILITY TO REQUEST VARIATIONS TO FINANCIAL CAPS

### a. Phase 1: Supporting Identified Natural Disaster Regions, from 25 February 2020

#### *Providers receiving a Financial Cap Variations Form – Review Stage 2*

Providers allocated Financial Caps for the ten (10) Identified Natural Disaster Regions will be sent a *Financial Cap Variations Form – Review Stage 2* and asked to provide information about demand, issues and opportunities the Provider has identified in the region. These Providers may also request a variation to their existing Financial Caps in the identified regions. However, providers cannot seek to increase a Financial Cap in a non-affected region.

The Provider will be required to first identify opportunities to transfer **uncommitted** Financial Caps, particularly from one or more of the five regions not identified for natural disasters, before requesting an increase to a Financial Cap.

Should a Provider determine that a Financial Cap allocated to one of the identified regions cannot be utilised in the remainder of this Activity Period, the excess amount can be transferred to an existing Financial Cap in another affected region. Providers may also elect to return the excess amount to the Department.

The Department will not allow the transfer of financial caps into the Sydney Region.

**The closing date for submitting completed forms is 10 March 2020.** Please return the completed forms to: [SmartandSkilled.Application@det.nsw.edu.au](mailto:SmartandSkilled.Application@det.nsw.edu.au).

#### *Providers not receiving a Financial Caps Variations Form*

Providers that do not receive a Variations Form will receive an email to confirm that the Department is not sending the provider a *Financial Cap Variations Form – Review Stage 2* or a *Notice under the Smart and Skilled Contract to vary Financial Caps*.

If a Provider believes, however, that their organisation has experienced **exceptional circumstances** and would like the Department to consider a variation to its Financial Caps, please make contact with your Strategic Relationship Manager to explain the circumstances. A decision will then be made as to whether the Provider can make a request to vary a Financial Cap.

### b. Phase 2: Measuring Financial Cap utilisation as at 10 March 2020

The assessment of Financial Cap usage and commitments against Smart and Skilled Contract target levels will proceed as scheduled. Providers will receive a report of their progress in due course.

The Department may subsequently determine to reduce any under-utilised Financial Caps.

Financial Cap utilisation at the second review date (6 March 2020) will also inform future Financial Cap allocation decisions.

### 3. UPDATING TRAINING ACTIVITY DATA BEFORE ASSESSMENT OF FINANCIAL CAP UTILISATION ON 6 MARCH 2020

The contractual targets for 6 March 2020 are:

- commitments against each Financial Cap, which are expected to be at or above 95%, and
- the Standard Subsidy payments a Provider has received or is entitled to receive, which are expected to have reached 65% or higher, for each Financial Cap.

To allow for accurate measurement of performance at the review stage, all enrolments and Training Activity Data must be reported in STS Online and up to date **before Friday 6 March 2020**.

Providers should ensure that they have:

- created Commitment IDs for all Enrolled Students
- submitted all Training Activity Data for Enrolled Students who have commenced training
- reported all unit of competency outcomes achieved by students
- cancelled any Commitment IDs for Enrolled Students who will not commence
- finalised records for students that have exited training and will not complete training successfully.

**Please note:** Training Activity Data is considered to have been submitted once it has been successfully uploaded into the Department's portal – that is, it has not been rejected by the AVS system / external validation process.

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) or **1300 772 104**.

*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.*