

Smart and Skilled

SMART AND SKILLED UPDATE – NO. 272

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1. UPDATE ON THE FINANCIAL CAP MANAGEMENT APPROACH FOR THE REMAINDER OF THE 2025-26 ACTIVITY PERIOD

The department remains committed to optimising the delivery of training that supports Critical Skills Areas (CSA) in the NSW Skills Plan and National Skills Agreement (NSA) priorities and supporting student access to training.

Following program and budget monitoring, the department is pleased to be able to increase the flexibility for providers to transfer financial caps across regions and/or programs and will consider requests to allow new commencements under continuing student only caps to support these training priorities.

The *2025-26 Skills Delivery and Management Policy*, available in STS Online > Smart and Skilled Contract Management > Support Documents, states that there may be exceptional circumstances where financial cap adjustments will be considered, and the framework below sets out the criteria the department will apply.

Please read the framework below in full before considering submitting a request for a financial cap adjustment and contact your Regional Support Provider Manager (RPSM) if you have any questions.

a. Financial Cap Management Framework for the remainder of the 2025-26 Activity Period

Providers must comply with the *2025-26 Skills Delivery and Management Policy* (the Policy) and have no ongoing quality assurance issues to submit a request for an Approved Qualifications Activity Schedule (AQAS) Adjustment to their Regional Provider Support Managers (RPSMs).

The AQAS Adjustment form is available in STS Online > Smart and Skilled Contract Management > Support Documents.

Below are the exceptional circumstances for adjustments requests that will be considered.

REQUEST TYPES:

1. Requests to transfer financial cap across regions or programs

Request must meet at least **one** of the following criteria.

The financial cap will be used to:

- commence students in CSA/NSA qualifications, and/or
- commence students in thin markets, and/or
- commence students in a market gap, and/or
- the commencing students are experiencing disadvantage.

NOTE:

- Requests to transfer from non- Sydney region caps to Sydney region caps continue to be ineligible.
- Requests that do not meet one of the above criteria will not be considered.

2. Requests to convert financial cap type from continuing student only caps to new and continuing

Request must meet at least **one** of the following criteria.

The financial cap will be used to:

- commence students in CSA/NSA qualifications, and/or
- commence students in thin markets, and/or
- commence students in a market gap, and/or
- the commencing students are experiencing disadvantage.

The department will consider the reasons for conversion and may require the Financial Cap to be reduced to the 2024-25 level.

NOTE: Requests that do not meet the above criteria will not be considered.

Providers must include the criteria for the adjustment in the submitted AQAS Adjustment form. For requests that are approved and for which cap adjustments are made, training activity will be monitored to ensure it complies with the information in the adjustment request provided to your RPSM.

2. BE RECOGNISED THROUGH THE 2026 NSW TRAINING AWARDS

Celebrate your excellence and leadership in vocational education and training (VET) by entering the **2026 NSW Training Awards**—the premier platform recognising outstanding achievements across NSW. This is your chance to elevate your organisation's profile and demonstrate your commitment to building a skilled and capable workforce.

Organisation award categories open to RTOs and employers include:

- Industry Collaboration Award
- Disability Inclusion in the VET Sector Award
- Small Employer of the Year
- Large Employer of the Year

- Small Training Provider of the Year
- Large Training Provider of the Year

Organisation nominations **close on Friday, 27 February 2026**.

For eligibility, entry details, and tips, visit <https://education.nsw.gov.au/skills-nsw/nsw-training-awards>. Don't miss this opportunity to be recognised and inspire others!

Unless otherwise directed in the information above, please refer enquiries regarding specific operational matters such as Financial Caps and programs/initiatives to your Regional Provider Support Manager.

Please contact Training Services Customer Service & Operations at TSCust.Service@det.nsw.edu.au for:

- technical support with issues such as system/information access and functionality and reporting
- further information for students or employers (unless otherwise directed).

Please note that this update is for the information of approved Smart and Skilled Providers only.