

Skills for All Subsidy Framework

Release 4.0 – 18 March 2016

This Subsidy Framework is applicable to matters relating to the Skills for All Contract and is not applicable to those operating under a WorkReady Head Deed.

Important Note: The *Skills for All* Subsidy Framework must be read in conjunction with, and is subordinate to, the *Skills for All* Contract between the Minister for Employment, Higher Education and Skills and the *Skills for All* Training Provider. If there is any inconsistency between this Subsidy Framework and the *Skills for All* Contract, the terms and conditions of the *Skills for All* Contract prevail



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Release	Release Date	Status	Details
1.0	19 July 2012	Replaced	-
1.1	23 July 2012	Replaced	Removal of Appendix A (Location Loading). Appendix B (Examples of Application of Concession Subsidy) renamed Appendix A.
1.2	28 February 2013	Replaced	Updates to Section 3 – Recognition of Prior Learning and equivalent Units of Competency.
2.0	29 July 2013	Replaced	Reformat to standard format, including some paragraph numbering. Definitions – inclusion of a new term “Enrolment Activity Start Date”. Changes to Section 4 on: <ul style="list-style-type: none"> - requirements on providers enrolling students in Bridging Units - subsidies for Recognition of Prior Learning for Courses at Certificate III and above Changes to several paragraphs to clarify conditions under which concession subsidy payments are made.
3.0	8 January 2014	Replaced	Definitions – inclusion of new term(s) “Price Band” and “Benchmark Subsidy” Changes to Section 4 and Section 6 to accommodate Price Banding. Changes to Section 5 to remove reference to maximum Student Course Fee. Expansion of content in Section 6. Addition of Attachment B.
4.0	18 March 2016	Current	Reordering of paragraphs; introduction of more detail regarding the subsidy formula; removal of content that is more appropriately published in guideline documents. Removal of reference to Enterprise Training Provider. Aligning some wording to the <i>Skills for All</i> Contract.

Table 1 Release history of the Skills for All Subsidy Framework

1. Purpose

The Skills for All Contract (Contract) between the Minister for Higher Education and Skills (Minister) and the Skills for All Training Provider (Training Provider) contains the terms and conditions under which payments will be made to Training Providers who deliver Skills for All training and assessment services that are consistent with the Skills for All Policy.

This Subsidy Framework is published pursuant to the Contract and must be read in conjunction with it.

This Subsidy Framework is issued pursuant to Clause 1.3.5 of the Contract and is designed to expand on the obligations of Training Providers with respect to:

- a) Subsidies and the conditions relating to payment;
- b) Student Course Fees and Concessions; and
- c) Payments.

2. Definitions

Unless stipulated otherwise, terms used in this Subsidy Framework document (**Framework**) have the same meaning as in the *Skills for All* Contract.

In addition, the terms below have the following meanings:

- 2.1. Course Enrolment Condition specifies the conditions under which a subsidy will be paid for an eligible student. A Course may have more than one Course Enrolment Condition.
- 2.2. Enrolment Activity Start Date is the date that training activity starts for a Unit of Competency enrolment in the Enrolment (NAT00120) file as defined in Edition 2.2 AVETMISS definitions of 1 January 2014 and as updated from time to time.
- 2.3. Fee Free Courses are Courses identified by the Minister for which Eligible Students will not be charged a Student Course Fee.
- 2.4. Payment Hours are the hours for a Unit of Competency determined by the Minister and published in the Subsidy Calculator for the purposes of calculating the Subsidy.
- 2.5. Public Value of a Course is an assessment of the Course against criteria determined by the Minister and is used to inform the government investment in the Course.
- 2.6. Skill Set or Skill Cluster means a combination of Units of Competency or accredited module which results in a statement of attainment.
- 2.7. Subsidy Calculator is the software tool published by the Minister on the Website to enable a Training Provider to estimate the Subsidy that will be paid for Units of Competency or a Course.

3. Subsidies

[Clause 10, 18 & Schedule 4]

- 3.1. Subsidies will be paid to Training Providers for Training Services delivered to Eligible Students in Courses listed in Schedule 3 of the Training Provider's Contract subject to any conditions or endorsements determined by the Minister set out in Schedule 3, and in accordance with the national registration standards, and if the Training Provider has fulfilled all its obligations under the Contract.
- 3.2. Subsidies will be paid for Units of Competency within a Course on the Funded Training List/ Subsidised Training List in accordance with the Contract.
- 3.3. A Subsidy Calculator, available on the skills.sa.gov.au website, enables a Training Provider to estimate the Subsidy for Units of Competency in a Course to estimate the overall Subsidy for the Course.

- 3.4. A Training Provider will be paid for each Unit of Competency completed by an Eligible Student in accordance with the AVETMISS result codes in Schedule 4 of the *Skills for All* Contract. Schedule 4 also lists those result codes for which a Subsidy will not be paid.
- 3.5. A Subsidy will be payable for each Unit of Competency completed in a Course up to the total number of Units of Competency prescribed in the Training Package Implementation Guide, Qualification Packaging Rules or in the curriculum document for an accredited Course. The total number of Units of Competency for which a Subsidy will be paid for a Course is published on the Excel version of the Funded Training List/Subsidised Training List.
- 3.6. A Subsidy may be paid for up to five (5) Bridging Units which are additional to the total number of Units of Competency required for a qualification.
- 3.7. The Minister will publish on the website a list of Units of Competency where a Subsidy will be payable if an AVETMISS result code 70 (Continuing Enrolment) is recorded for the Unit of Competency. A Subsidy for a Unit of Competency on this list will only be paid if the result code is accompanied by an Academic Pass – AP recorded against the Outcome Identifier – Training Organisation in the AVETMISS NAT00120 Enrolment File for the Eligible Student.

Subsidy Price

- 3.8. The Subsidy is paid to the Training Provider as a support for the deemed cost to deliver the output as defined by the Unit of Competency.
- 3.9. The Subsidy is paid to the Training Provider to support the deemed cost of delivering the training services as defined by the Unit of Competency, net of policy assumed student contributions. The deemed cost represents the full cost attribution of resources necessary to deliver the service.
- 3.10. The Subsidy includes:
 - a) Training Subsidy inclusive of Delivery Location loadings
 - b) Completion Payment: for completion of the Course
 - c) Concession and Exemption of student fees
- 3.11. The Subsidy is inclusive of Delivery Location Loadings and is determined in accordance with the following formula that is consistent with the requirements of the *Skills for All* Policy.

$$((\text{Base Rate} \times (1 + \text{Delivery Location Loadings})) - \text{AQF Reduction}) \times \text{Course Adjustment} \times \text{Result Code Adjustment} \times \text{Payment Hours}$$
- 3.12. The Base Rate is determined according to the Field of Education that a Unit of Competency or accredited module is assigned to.
- 3.13. Delivery Location Loadings calculations
 - 3.13.1. A Unit of Competency completed by an Eligible Student may attract an additional payment if the delivery location of the Training Services to the Eligible Student is outside the Adelaide metropolitan area and is informed by details about the Training Organisation Delivery Location and Delivery Mode [Schedule 4].
 - 3.13.2. The AVETMISS Training Organisation Delivery Location (NAT00020 file) must specify for each completed Unit of Competency for each Eligible Student the location where the training is delivered; **and**
 - 3.13.3. The Delivery Mode Identifier in the AVETMISS NAT00120 Enrolment File must identify the predominant mode of delivery for each Unit of Competency, as follows:
 - d) For classroom-based and employment-based delivery modes (AVETMISS Delivery Mode Identifier 10 and 30 respectively), the delivery location for a Unit of Competency is the predominant location where the training is conducted.

- a) For electronic and correspondence-based delivery modes (AVETMISS Delivery Mode Identifier 20 and 40), which may include correspondence-style, web-based, computer based, on-line, radio, television, videoconference or audio conference, the delivery location for a Unit of Competency is the predominant location where the training is coordinated.
- b) For Recognition of Prior Learning (RPL), the delivery location is determined by the mode of delivery of the RPL (i.e. classroom, electronic or correspondence) as described above.

3.13.4. The additional payment is determined by the Minister based on a modified Accessibility Remoteness Index of Australia (ARIA). Training Providers can obtain more detailed information of the location loading for postcodes and specific suburbs from the Skills for All website.

3.13.5. The location loading classifications and additional Subsidy loadings are:

Highly Accessible	0%
Accessible	10%
Moderately Accessible	20%
Remote.....	30%
Very Remote	40%
Interstate	0%

3.14. Australian Qualification Framework (AQF) Reduction

3.14.1. In accordance with the *Skills for All* Policy, the Subsidy is reduced by an amount according to the AQF level of the qualification and is applied to the Base Rate after any Location Loadings are taken into account.

3.15. Course Adjustments

3.15.1. The Minister may adjust the Subsidy for a particular Course through a Course Adjustment.

3.16. Result Code Adjustment

3.16.1. The use of RPL will be closely monitored. It is expected that the attainment of any qualification funded under *Skills for All* will comprise substantial skill and knowledge development and not consist of large amounts of RPL activity. Where most of the qualification is likely to be achieved through RPL, it is expected that the Training Provider will assess and support the student to enrol in a higher level qualification to ensure skill levels are increased.

3.16.2. A Subsidy will not be paid for RPL in a Unit of Competency completed by an Eligible Student (AVETMISS result code 51 or 52) when an Eligible Student is enrolled in a Skill Set, Skill Cluster, a Certificate I or II Course or other identified Course or Course type. This is shown as a condition attached to the Course on the Schedule of Courses in the Training Provider's Contract.

3.16.3. RPL is not payable for Bridging Units or any Foundation Skills courses at any AQF level.

3.16.4. For all claims submitted by a Training Provider after 4 September 2013, the Subsidy paid for RPL (AVETMISS result code 51 or 52) in a Unit of Competency completed by an Eligible Student enrolled in a Certificate III and above Course is 50% of the published Subsidy inclusive of the location loading.

3.17. Completion Payment

3.17.1. The Minister may pay, in addition to the Subsidy, a Completion Payment.

3.17.2. The amount of the Completion Payment will vary according to the qualification level as specified in the Contract [Schedule 4].

3.17.3. In order to qualify for the Completion Payment the Training Provider must, for each Eligible Student who completes a Course and is eligible to be issued a qualification:

- a) Change the Training Account status to Qualification Issued; and

- b) Enter into the Training Account of the Eligible Student the Parchment Number and Date Issued.
- c) A Skill Set or Skills Cluster or a course below AQF level 3 will not attract a Completion Payment

3.18. Subsidy for provision of concessions and exemption of student fees

- 3.18.1. The Minister has published criteria that must be applied by a Training Provider in assessing applications for a Student Course fee concession and exemption [Clause 16.1.3] which are listed below.
- 3.18.2. An Eligible Student enrolled in a course for which a fee can be charged 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:
 - a) Health Care Card; or
 - b) Pensioner Concession Card; or
 - c) Veteran Affairs Concession Card.
- 3.18.3. An Eligible Student enrolled in a Course for which a fee can be charged will be eligible for a Student Course Fee Concession if the Eligible Student 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 the commission of an offence, and extends to children in South Australian detention centres who are beyond the age of compulsory schooling. Generally this group of Eligible Students may be referred to a Training Provider through a Prisoner Education Officer.
- 3.18.4. The Training Provider must offer a concession to an Eligible Student who meets the criteria specified in this Framework.
- 3.18.5. The concession offered by the Training Provider must be commensurate with the amount of the concession subsidy levels in this Framework.
- 3.18.6. The Training Provider must seek evidence of eligibility for a Student Course Fee Concession from the Eligible Student and record this in the Eligible Student's Training Account to ensure the correct Subsidy is paid.
- 3.18.7. The Training Provider must ensure the information about concession eligibility recorded in the Training Account for each Eligible Student is current and maintained throughout the period of the enrolment.
- 3.18.8. The concession subsidy will only be paid for a resulted Unit of Competency if the expiry date of the Concession Card is later than the Enrolment Activity Start Date for the Unit of Competency.
- 3.18.9. Eligible Students over the age of 16 and who are, or have been, under the Guardianship of the Minister for Education and Child Development (or interstate equivalent) on any guardianship order, will be eligible for an exemption from a Student Course Fee.
- 3.18.10. Where an Eligible Student is entitled to a Student Course Fee exemption, the Training Provider:
 - a) must not impose any Student Course Fee on the Eligible Student; **and**
 - b) will receive, for each completed Unit of Competency that attracts a Subsidy, a Subsidy determined by the Minister.
- 3.18.11. The Subsidy Calculator will enable the Training Provider to estimate the Subsidy payable for completed Units of Competency for Eligible Students who are entitled to a Student Course Fee exemption.
- 3.18.12. Where a Training Provider gives an Eligible Student a concession to the Student Course Fee and the expiry date of the Concession Card is later than the Enrolment Activity Start Date for the Unit of Competency, the Training Provider will be subsidised by the Minister for the Concession up to a maximum of \$1.35 per hour. The Subsidy will be calculated as follows:

- a) Where the Student Course Fee is 50 cents per hour or less, no Subsidy is payable;
- b) Where the Student Course Fee is between 51 cents per hour to \$1.85 per hour inclusive, the Concession Subsidy is the difference between the Student Course Fee per hour and 50 cents per hour;
- c) Where the Student Course Fee is over \$1.85 per hour, the maximum Subsidy is \$1.35 cents per hour.

Bridging Units

- 3.19. A Subsidy will be payable for up to five (5) Bridging Units completed by an Eligible Student enrolled in a full qualification [Clause 1.1.3].
- 3.20. A Subsidy will not be paid for Bridging Units for an Eligible Student undertaking a Skill Set, Skill Cluster or other identified Course.
- 3.21. A Bridging Unit must be a Unit of Competency:
- 3.21.1. that is assessed and demonstrated to assist the Eligible Student successfully complete the qualification; **and**
 - 3.21.2. from a Course on the Funded Training List/Subsidised Training List, but not from the Course in which the Eligible Student is enrolled – i.e. a Bridging Unit must not be one that is identified as an Elective Unit of Competency in the Course as published in the Training Package Implementation Guide, Qualification Packaging Rules, or the Curriculum document for an accredited Course; **and**
 - 3.21.3. which is not a Unit of Competency related to a licencing or regulatory requirement; **and**
 - 3.21.4. which does not change the intent of the Course.
- 3.22. Prior to enrolling an Eligible Student in any Bridging Units, the Training Provider must:
- 3.22.1. undertake an assessment of the Eligible Student's specific and individual learning needs
 - 3.22.2. determine the suitability of the Bridging Units in assisting the Eligible Student to successfully complete the Course
 - 3.22.3. maintain evidence to support the determination and selection of the Bridging Units for the Eligible Student.
- 3.23. Where the Bridging Unit is not on the Schedule of Courses of the Training Provider, the Training Provider may **with the prior written approval of the Minister** subcontract the Training Services for that Bridging Unit provided that:
- 3.23.1. the subcontractor has:
 - a) a current *Skills for All* Contract with the Minister, and
 - b) the Bridging Unit on its Schedule of Courses
 - 3.23.2. the Eligible Student has been informed of and agrees to receive the training from the subcontractor; and
 - 3.23.3. the subcontracting arrangement complies with clause 8.4 of the Contract.

Attempts

- 3.23.4. A Subsidy will be paid for up to three (3) separate attempts by an Eligible Student to complete a Unit of Competency or its equivalent.
- 3.23.5. An attempt by an Eligible Student must include enrolment, training activity and the assessment of the Unit of Competency.
- 3.23.6. A Subsidy will be payable for an attempt in the same or equivalent Unit of Competency if an AVETMISS result code has been recorded in the Eligible Student's Funded Training History as Competency not achieved/fail (30) or Recognition of Prior Learning not achieved (52) **and**

- a) the student has been subsequently re-enrolled and re-assessed in the same Unit of Competency; **and**
- b) the Training Provider maintains evidence to this effect; **and**
- c) a Subsidy has been paid for the same Unit of Competency no more than twice.

On-Job Training and Employer-based delivery

- 3.24. In accordance with the Contract, no Subsidy will be payable to a Training Provider for a Course or Unit of Competency, where the Training Services for that Course is delivered or provided by the employer of the Eligible Student, and where the Training Provider's role is to validate the achievement of competency and issue the qualification or statement of attainment.
- 3.25. No Subsidy will be payable for a Unit of Competency completed by an Eligible Student who is under a Training Contract where the Eligible Student and their Employer select the "on-job" option in the approved Training Plan as required under the Training and Skills Development Act, 2008.

4. Student Course Fees and Fee Concessions

[Clauses 16 & 17]

- 4.1. The Minister will determine whether Student Course Fees may be charged for Courses on the Funded Training List/Subsidised Training List.
- 4.2. The Minister will publish, from time to time, a list of Courses for which Skills for All Training Providers are not to impose a Student Course Fee.
- 4.3. A Student Course Fee cannot be charged by the Training Provider for any Bridging Units undertaken by the Eligible Student in conjunction with any of the categories of Courses outlined in 4.2.
- 4.4. A Student Course Fee cannot be charged by the Training Provider for any Units of Competency from the Foundation Skills Training Package where those Units of Competency are used as Bridging Units.
- 4.5. The Subsidy that is payable to a Training Provider for the categories of Courses outlined in 4.2 and 4.3 above takes into consideration the fact that Student Course Fees cannot be charged.
- 4.6. A Training Provider may charge a Student Course Fee for Courses other than those Courses that are Fee Free as described in 4.2 and 4.3 above.
- 4.7. The Minister may publish a maximum Student Course Fee for Courses.
- 4.8. The Student Course Fee for each Eligible Student must include the fees for Bridging Units that are undertaken in conjunction with the qualification and where Student Course Fees can be charged, noting that a Subsidy will only be payable for up to five (5) Bridging Units.

5. Payments

[Clause 18 and Schedule 4]

- 5.1. The result codes for which a payment is made are detailed in Schedule 4 of The Contract.
- 5.2. The Subsidy payable for a Unit of Competency is the amount which applies on the day that a claim is generated following submission by the Training Provider of complete, compliant and accurate data.
- 5.3. The Subsidy payable for a Bridging Unit will be subject to the same adjustments and loadings that apply to other Units of Competency for the Course being undertaken by the Eligible Student.

Refer to Attachment A for examples of the application of the concession subsidy.

6. Attachment A - Examples of the application of the concession subsidy

- **Training Provider A** charges a Student Course Fee of 50 cents per hour for a Certificate III qualification.

If a concession is given there will be no subsidy as the concession subsidy applies to Student Course Fee above 50 cents per hour.

- **Training Provider B** charges a Student Course Fee of 80 cents per hour for a Certificate III qualification.

The concession subsidy applies to the Student Course Fee above 50 cents per hour. The concession subsidy is therefore 30 cents per hour.

The Concession Student Course Fee is 50 cents per hour.

- **Training Provider C** charges a Student Course Fee of \$2.50 per hour for a Certificate III qualification.

The Concession Subsidy applies to the Student Course Fee above 50 cents per hour up to the maximum subsidy of \$1.35 per hour (i.e. $\$2.00 - \$1.35 = 65$ cents hour)

The Concession Student Course Fee is \$1.15 per hour (i.e. 50 cents per hour + 65 cents per hour).