

# Contract Notification

<b>CN No.</b>	<b>2014-24</b>	<b>Date:</b>	<b>12 December 2014</b>
<b>To:</b>	Chief Executive Officer or equivalent		
<b>Purpose:</b>	Advice to RTOs		
<b>Scope:</b>	All VET Funding Contracts		
<b>Subject:</b>	<b>Changes to the funding and transition timelines for superseded qualifications</b>		

## For all RTO staff

### Purpose

- This Contract Notification advises RTOs of when the contractual power to **not** fund training delivered in superseded qualifications will come into effect.

### Background

- Clauses 7.2(b) (iii)-(v) of the 2014-16 VET Funding Contract (version 2) and the 2015 VET Funding Contract set out the Department's right to only fund training in qualifications that are current. Specifically, these clauses state that the Department is only obliged to pay funds to the RTO in respect of:
  - an Eligible Individual that commences training in a superseded qualification if the Eligible Individual commences within 12 months of the date the replacement qualification is released on the National Register;
  - an Eligible Individual undertaking training in a superseded qualification for a period of 12 months from the date the replacement qualification is released on the National Register;
  - an Eligible Individual undertaking training in a deleted qualification for a period of 24 months from the date the qualification was removed or deleted from the National Register.
- These powers were introduced to ensure that training is delivered in qualifications that are up to date and industry relevant.

### Main Points

- The Department advises that the dates from which these clauses will be applied are:

	<b>New Commencements</b>	<b>Continuing Students</b>
<b>Non-Apprenticeship qualifications</b>	1 January 2015	1 July 2015
<b>Apprenticeship qualifications</b>	1 January 2015	1 January 2016

- In summary, the Department will not pay for new commencements in qualifications that have been superseded by more than 12 months from **1 January 2015**. In addition, the Department will not pay for continuing students in qualifications that have been superseded by more than 12 months, from **1 July 2015**, except for apprentices. This exception does not apply to traineeships.
- The Department understands that, in the case of an apprenticeship, training duration is generally longer and there are additional mutual consent obligations for variation that do not apply to other forms of training. As such, the application date for continuing apprentices is **1 January 2016**.
- The Australian Skilly Quality Authority (ASQA) is expected to release a general direction in the coming months that gives more detail on how similar requirements in the new National VET Regulator Standards for Registered Training Organisations 2015 should be implemented. The general direction is expected to be in line with the new Standards.

- The Department will review these directions and their implications for RTOs. The Department will advise RTOs if this results in any further changes to the clauses outlined above, or the effective dates of these clauses.

**Lee Watts**

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Training Market Operations