

Smart and Skilled

SMART AND SKILLED UPDATE – NO. 280

5 May 2026

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1. SMART AND SKILLED 2026–27

The issuing of 2026–27 Smart and Skilled Contract Review Notices today is an important milestone. The department has responded to feedback that having more notice helps providers to better plan their delivery for the year ahead.

The Contract Review Notices will support the continuation of Smart and Skilled training in 2026–27 for programs covering apprenticeship and traineeships, full qualifications and/or part qualifications.

As the core NSW government skills program, the department is committed to ensuring Smart and Skilled is delivering high quality training to NSW students. There is a continued focus on 6 Critical Skills Areas (CSAs) in the NSW Skills Plan and National Skills Agreement priorities (including foundation skills, Closing the Gap and strengthening the VET trainer workforce) and apprenticeships and traineeships.

Maintaining budget discipline within a tight fiscal environment remains a core responsibility of the department and was a key consideration in the decision to implement price indexation of 2.5% which will be applied to all prices for students commencing training from 1 July 2026, with Financial Caps also adjusted for the impact of increased prices.

Stabilising funding arrangements and improving funding predictability for providers is also a priority for the upcoming activity period, with the Financial Cap allocation and management approach for the 2026-27 Activity Period outlined in Smart and Skilled Update No 274 (3 March 2026).

Having seen the proportion of new activity in priority areas delivered by independent providers grow in 2025-26, the 2026-27 allocation is designed to build on this momentum, delivering more critical skills for NSW. Full details of the allocation and ongoing Financial Cap management approach are in section 5 of this update.

NSW Fee Free waiver places for the July – December semester are available when enrolments open following the acceptance of Review Notices (but places are limited). The current agreement between the Australian and NSW governments covers commencements up until 31 December 2026. Information about arrangements that may apply from 1 January 2027 is expected to be released via a future Smart and Skilled Update.

The NSW Government's Fee Free Apprenticeships and Traineeships initiative continues to remove barriers to participation for all apprentices and trainees enrolled in Smart and Skilled apprenticeship and traineeship courses.

The policy for the Targeted Priorities Prevocational and Part Qualifications Program for 2026–27 is now available. The program is expected to open early in the new activity period – the department is reviewing the program and further information will be available in a forthcoming Smart and Skilled Update.

Limited but important changes to the Smart and Skilled Contract Terms and Conditions, Operating Guidelines and Policies and the NSW Skills List and Prices have been made and are summarised in this update and detailed in the Appendix. It is each provider's responsibility to be familiar with the new versions of these documents and understand the changes before accepting any Review Notice offer, including those related to preventing modern slavery. Every provider must ensure their compliance with the contract.

During 2026-27, the department is simultaneously progressing the design of reforms including performance-based contracting (PBC) and other funding model reforms.

The department plans to gradually implement the PBC transitional model during the 2026–27 financial year. This phased rollout will help establish a strong foundation for the PBC model and maintain the department's commitment to high-quality training delivery and improved student outcomes, as set out in the NSW Quality Framework. A key component of the transitional model is supporting students with diverse or complex needs, and ensuring equitable access and success for all students, particularly those facing disadvantage.

The department will continue to consult providers on reforms as work progresses.

2. 2026–27 SMART AND SKILLED REVIEW NOTICE OFFERS

The department has now issued Smart and Skilled Contract Review Notices for the 2026–27 Activity Period. Most providers received an email notification directing them to their Review Notice, which is available on the Contract Acceptance page of STS Online.

Alternatively, some providers will receive a Review Notice today via email from the Smart and Skilled Application email account, and some providers will receive other correspondence.

Providers must accept or decline the Review Notice as instructed **by the date shown on their Review Notice**.

To view and accept the Review Notice offer, including the contract documents in STS Online, **please ensure the filter for the 2026–27 Activity Period is selected on the Contract Acceptance page**.

Please refer to the guide *How to accept your Smart and Skilled Contract, Review Notice and Variations*, which is available through STS Online > Smart and Skilled Contract Management > Support Documents for further details.

Providers accepting a Review Notice in STS Online may enrol students commencing training in 2026-27 in Approved Qualifications on their Approved Qualifications Activity Schedules from the day after acceptance of their Review Notice.

3. CHANGES TO SMART AND SKILLED CONTRACT TERMS AND CONDITIONS, OPERATING GUIDELINES FOR THE 2026–27 ACTIVITY PERIOD

Changes to the *Smart and Skilled Contract Terms and Conditions* and *Smart and Skilled Operating Guidelines* for the 2026–27 Activity Period are listed in the following tables. These set out the clauses and sections in the Contract and Operating Guidelines which contain changes.

a. Summary of changes to Smart and Skilled Contract Terms and Conditions 2026–27

The main changes to the 2026–27 *Smart and Skilled Contract Terms and Conditions* are summarised in the table below:

Clause	Heading	Change
5	Term	Updated reference to 30 June 2027
6(b)	Review of the contract	Updated reference to 30 June 2027
7(m)	Provider general obligations	New obligation regarding Transfer of Enrolled NSW Apprentices or Trainees

Clause	Heading	Change
17.4	Validation, invoice and payment process	Some revised wording. New wording also added regarding Finalised Commitment IDs
18.4(b)	Exceeding a Financial Cap	Revised wording including a reference to clause 22
21.2(xiv)	Termination, suspension, variation or remediation for default	Reference to insolvency added
21.5	Effect of termination	Addition of the word 'reasonably'
21.6	Effect of suspension	Addition of the word 'reasonably'
21.6(a)(iii)	Effect of suspension	New clause added that relates to clause 7(l) transfer of non-funded pre-existing students
33.3	Notification of data breaches	New clause added
34 (34.1–34.8)	Modern Slavery	New clauses added
Schedule 1	Dictionary	New definition of Core Obligations
Schedule 1	Dictionary	New definition of Engaged Entity
Schedule 1	Dictionary	New definition of Modern Slavery
Schedule 1	Dictionary	New definition of Modern Slavery Breach
Schedule 1	Dictionary	New definition of Modern Slavery Laws
Schedule 1	Dictionary	New definition of Reasonable Steps
Schedule 1	Dictionary	New definition of Related Entity
Schedule 1	Dictionary	New definition of Remediation Plan

b. Summary of changes to Smart and Skilled Operating Guidelines 2026–27

The main changes to the 2026–27 *Smart and Skilled Operating Guidelines* are summarised in the table below:

Paragraph	Heading	Change
8	Deferring students	Inclusion of references to Qualifications and Part Qualifications
9	Discontinuing students	Inclusion of additional reference to provider contact requirements
18.7	Finalised Commitment IDs	Minor wording changes to include 'paragraph'

4. PRICE CHANGES FOR THE 2026–27 SMART AND SKILLED ACTIVITY PERIOD

The department has carefully considered Smart and Skilled prices and recognises a variety of factors are impacting the costs of delivery.

Smart and Skilled prices for all qualifications on the NSW Skills List will be indexed by 2.5% for students who commence training on or after 1 July 2026.

There will be no change to student fees - the full cost of price indexation will be applied to the subsidy component of the qualification's price.

There is no change to Loadings percentages, but as loadings are calculated as a percentage of the qualification price, the amount providers receive for a loading will increase for students attracting the new indexed price.

5. 2026-27 FINANCIAL CAPS

The 2026-27 Financial Cap allocations for the Entitlement Full Qualifications and the Targeted Priorities Full Qualifications Programs are included on the Approved Qualifications Activity Schedules for the 2026-27 Activity Period in STS Online.

The allocations are based on the methodology outlined in Smart and Skilled Update No. 274, where the department informed providers of the intended Financial Cap allocation and management approach for 2026-27.

The details of the allocation approach implemented are outlined below.

a. Determining Financial Cap allocations

i. Allocating one cap type

The department has shifted to allocating all caps to have the potential for commencing and continuing students. Financial Caps that were for commencing students only or continuing students only in 2025-26 have been converted to a commencing and continuing student cap.

This means that providers are mostly receiving caps for both commencing and continuing students; however, there is still a small number of caps that are continuing only or commencing only caps, where:

- a provider has advised the department that they will no longer be commencing students, or
- the provider submitted a successful Financial Cap increase request as per the invitation in Smart and Skilled Update No. 274 and this involved the allocation of a new region (i.e., where there are currently no continuing students).

Providers must continue to prioritise continuing student commitments and only enrol new students where there is capacity in the Financial Cap for this.

ii. Cap allocations based on performance benchmarks

Low-performing providers – performance benchmark:

Providers classified as low performing received a 25% reduction for each cap, except where the Financial Cap met one or more of the following criteria:

- delivering mostly to disadvantaged students (i.e. 50% or more of commencements by disadvantaged students)
- delivering niche qualifications
- the only provider approved to deliver the qualification in the region.

Note: Caps for Low Performing Providers that were also under the 30% Financial Cap utilisation benchmark only have one deduction applied to a Financial Cap (25%).

Low cap utilisation – performance benchmark:

The utilisation benchmark advised in Smart and Skilled Update No. 274 was 30%. The department addressed 2 tiers of caps below the benchmark:

- < 20% utilisation – Financial Cap reduced by 25%
- > 20% utilisation – Financial Cap reduced by 15%

The reductions have been applied except where the Financial Cap met one or more of the following criteria:

- delivering mostly to disadvantaged students (i.e. 50% or more of commencements by disadvantaged students)
- delivering niche qualifications
- the only provider approved to deliver the qualification in the region.
- a valid explanation for low utilisation was provided to the department
- each cap of less than \$25,000 where the provider's total caps across one or both programs were less than \$100,000 – the identified small cap was uplifted to \$25,000.

iii. Adjustments to address 2025-26 anomalies***Uplifts for small unviable caps:***

- Small caps of less than \$25,000 were uplifted to \$25,000, where the provider's overall caps across one or both programs were less than \$100,000. This included caps with utilisation less than 30%, i.e. these caps did not get a reduction.
 - Small caps for low-performing providers in this scenario were not uplifted, unless they were the only provider approved to deliver the qualification in the region.
- Small caps of less than \$25,000, where the provider's total caps across one or both programs were greater than \$100,000, were not uplifted. However, providers can transfer caps across regions to support cap viability as per the cap transfer approach set out in the *Smart and Skilled Skills Delivery and Management Policy for 2026–27*.

Uplifts for niche markets:

- In 2025-26 some niche qualifications were affected by reduced allocations and these have been addressed through targeted Financial Cap uplifts.

iv. Increased delivery of Critical Skills Areas/National Skills Agreement priorities

In Smart and Skilled Update No. 274, providers were invited to submit requests for additional Financial Cap that supported increased delivery in NSW Skills Plan Critical Skills Areas and/or National Skills Agreement priorities.

Only fully completed requests submitted by 13 March 2026 were able to be considered. Examples of unsuccessful requests include:

- Low-performing providers that requested an uplift were not considered, unless they were the only provider approved to deliver the priority qualification in the relevant region.
- Requests where the calculations were incorrect were not considered.

- Requests for a significant amount may have received a partial allocation.

Regional Provider Support Managers will contact affected providers to discuss the outcome over the next 2-3 weeks.

The department may invite further requests, subject to budget and overall program performance. Providers will be notified of any opportunities to request an increase via a future Smart and Skilled Update.

v. Price indexation

The forecasted commencing portion of a Financial Cap was adjusted for price indexation.

b. Providers with quality assurance matters

The department will directly advise providers with current quality assurance matters if their 2026–27 Financial Caps have been impacted.

c. Where to find Financial Caps

The Financial Caps for the Entitlement Full Qualifications (EFQ) and Targeted Priorities Full Qualifications (TPFQ) programs are displayed on the Approved Qualifications Activity Schedule (AQAS) for each program. You can view your organisation's AQAS(s) in STS Online. Refer to *How to read your Smart and Skilled Approved Qualifications Activity Schedule* (available on STS Online) for instructions on how to access and read your AQAS(s).

Please note: Financial Caps do not apply to the Entitlement Apprenticeships and Traineeships and School Based Apprenticeships and Traineeships Programs. This funding is uncapped and demand driven.

d. 2026–27 Financial Cap management approach

As advised in Smart and Skilled Update No. 274 there will be no system-wide Financial Cap review for continuing students in 2026–27.

The Financial Cap(s) received as part of the 2026–27 Review Notice is the total amount that a provider should expect to receive. Therefore, providers should ensure that the portion of the Financial Cap needed to cover continuing student commitments is assigned for this purpose before enrolling new students in 2026–27.

For clarity, Financial Cap increases to address continuing student commitments should not be expected during 2026–27. Providers should manage any cap increase needed for continuing students through cap transfers and/or adjusting the number of new students enrolled.

The key changes to the cap management approach are outlined in the *Smart and Skilled Skills Delivery and Management Policy* which all providers are encouraged to read and discuss any queries with their Regional Provider Support Manager.

6. REVIEW OF SMART AND SKILLED POLICIES

The department has reviewed the policy documents that will apply for the 2026–27 Activity Period.

The following updated policy documents have been released:

1. Smart and Skilled Consumer Protection Strategy
2. Smart and Skilled NSW Recognition Framework

3. Smart and Skilled Teaching and Leadership Policy
4. Smart and Skilled Third Party (Brokering Arrangement) Policy
5. Smart and Skilled Fee Administration Policy
6. Smart and Skilled School Based Apprenticeship and Traineeship Fee Administration Policy
7. Smart and Skilled Student Eligibility Policy
8. Smart and Skilled School Based Apprenticeship and Traineeship Eligibility Policy
9. Smart and Skilled NSW Quality Framework
10. Smart and Skilled Skills Delivery and Management Policy
11. Smart and Skilled Policy on Non-Apprenticeship Pathways for Trade-Related Qualifications
12. Smart and Skilled Targeted Priorities Prevocational and Part Qualifications Policy

The updated policies are now available on the Smart and Skilled website and STS Online under Smart and Skilled Contract Management > Support Documents.

These policies take effect from the date the Provider accepts a Smart and Skilled Review Notice for 2026–27. Please ensure you read, understand and implement all Smart and Skilled policies.

Further details about the changes to the policies can be found in the Appendix at the end of this update.

7. NSW SKILLS LIST UPDATED – VERSION 17.0

The NSW Skills List has been updated. This update covers changes because of:

- updates to Training Packages
- updates to Vocational Training Orders (VTOs)
- updates to Accredited Courses
- indexation applied to prices for full qualifications.

Version 17.0 of the NSW Skills List is now available at:

<https://www.nsw.gov.au/education-and-training/resources/nsw-skills-list>

The Smart and Skilled Qualification Prices and Fees Schedule has also been updated to cover changes to the NSW Skills List and qualifications price changes because of indexation. Version 17.0 is now available at:

<https://www.nsw.gov.au/education-and-training/resources/qualification-prices-fees>

Versions 17.0 of the NSW Skills List and Smart and Skilled Qualification Prices and Fees Schedule are effective as of 1 July 2026 and apply to training that commences on or after 1 July 2026.

a. Updates to the NSW Skills List

The NSW Skills List has been updated due to revisions to the following Training Packages:

- Automotive Manufacturing
- Automotive, Retail, Service and Repair
- Community Services
- Electrotechnology
- Furnishing
- Resources and Infrastructure
- Transport

b. VTO changes affecting the NSW Skills List.

Following updates to NSW VTOs, a number of superseding qualifications can now be delivered under apprenticeship and traineeship pathways under Smart and Skilled. These qualifications are shown in **Table 1** below.

Table 1: VTO changes affecting superseding qualifications from previous Smart and Skilled Updates

Qualification code	Qualification name	Available pathway
CHC30125	Certificate III in Early Childhood Education and Care	Traineeship and SBAT
CHC40225	Certificate IV in School Based Education Support	Traineeship
CHC50225	Diploma of School Age Education and Care	Traineeship
HLT37525	Certificate III in Pathology	Traineeship
HLT47825	Certificate IV in Optical Dispensing	Traineeship
SFL20125	Certificate II in Floristry (Assistant)	Traineeship and SBAT
SIT20125	Certificate II in Tourism	Traineeship and SBAT
SIT30125	Certificate III in Tourism	Traineeship and SBAT
SIT40125	Certificate IV in Travel and Tourism	Traineeship
UEE32225	Certificate III in Airconditioning and Refrigeration	Apprenticeship
UEE32125	Certificate III in Appliance Service	Apprenticeship
UEE30425	Certificate III in Data and Voice Communications	Apprenticeship
TLI33122	Certificate III in Rail Customer Service	Traineeship

c. Accredited Courses due to expire

There are 3 Accredited Courses outlined in **Table 2** which are due to expire on or before 30 June 2026. These courses have been removed from Version 17.0 of the NSW Skills List.

Table 2: Accredited Courses due to expire on or before 30/6/2026

Qualification code	Qualification title
10904NAT	Diploma of Social Media Marketing
10945NAT	Certificate IV in Concrete Structures Quality Construction Management
11039NAT	Certificate II in Career Preparation

d. Accredited Course replaced by a qualification

The following Accredited Course has been replaced by a qualification.

Table 3: Accredited Course replaced by a qualification

Qualification code	Qualification title	Replaced by code	Replaced by Qualification title
10904NAT	Diploma of Social Media Marketing	11426NAT	Diploma of Social Media Marketing with AI

e. Qualifications in transition removed from the Skills List

The following 6 qualifications outlined in **Table 4** have been in transition since NSW Skills List v16.2, are set to expire by 30 June 2026 and have been removed from Version 17.0 of the NSW Skills List.

Table 4: Qualifications in transition due to expire on or before 30/6/2026

Qualification code	Qualification title
AVI20118	Certificate II in Transport Security Protection
AVI30519	Certificate III in Aviation (Rescue Crew Officer)
CPC31511	Certificate III in Formwork/Falsework
TLI30321	Certificate III in Supply Chain Operations
UEE32220	Certificate III in Air Conditioning and Refrigeration
UEE51220	Diploma of Air Conditioning and Refrigeration Engineering

8. NSW FEE FREE ARRANGEMENTS – JULY TO DECEMBER 2026

NSW Fee Free places are for students who do not meet any other Smart and Skilled fee exemption, fee free scholarships or fee waiver criteria.

a. NSW Fee Free arrangements – July to December 2026

Enrolments attracting a NSW Fee Free waiver open from the day after acceptance of the 2026–27 Smart and Skilled Review Notice. Training must commence from **1 July 2026 until 31 December 2026. NSW Fee Free Waiver places are limited and subject to availability.**

Providers are reminded that they must have capacity within their Financial Caps to fund the standard subsidies for students enrolled with a NSW Fee Free waiver.

Please note:

Arrangements that may apply from 1 January 2027 will be advised in a future Smart and Skilled Update.

The 2 Tranches under NSW Fee Free to December 2026 are:

NSW Fee Free Tranche 2 – Fee free places are available in qualifications that support priority industries and cohorts.

NSW Fee Free Construction – additional fee free places in qualifications as well as pre-apprenticeship part qualification training places that support the construction industry are also available.

b. Priority Qualifications – July to December 2026

Qualifications available under the NSW Fee Free initiative for commencements from 1 July 2026 to 31 December 2026 are tagged as 'NFF Jul–Dec 2026' or 'NFF–C Jul–Dec 2026' for NSW Fee Free Construction on Skills List v17.0.

NSW Fee Free Tranche 2 qualifications are tagged as 'NFF Jul–Dec 2026' and NSW Fee Free Construction qualifications are tagged 'NFF–C Jul–Dec 2026'.

Please note:

If there are any changes to priority qualifications for either tranche, providers will be notified via a Smart and Skilled Update.

Qualifications no longer on the NSW Skills List have been removed from NSW Fee Free.

c. Core Qualifications – Tranche 2

A list of Core Qualifications was identified to help providers plan more effectively and with greater predictability around fee-free courses available under the NSW Fee Free initiative. This set of core qualifications remains in place.

Note: This does not mean that there are unlimited places for these courses.

d. Limited places available

There are limited fee free places available for the July to December 2026 period for both NSW Fee Free Tranche 2 and NSW Fee Free Construction.

To assist providers manage enrolments, the department will be providing regular Smart and Skilled Updates indicating the percentage of places filled. Once places have been filled, the waivers (see waivers section) will be turned off at very short notice.

It is very important that providers do not recruit or enrol students on the offer of a NSW Fee Free place. Providers can advise students that they may be eligible for a fee free place subject to availability. This means providers should not offer a fee free place to the student until they have completed a Notification of Enrolment through STS Online and a Commitment ID is generated confirming that the student has a fee free place.

It is recommended that given the limited number of fee free places available, providers should strive for equity of access and consider a cap on the number of NSW Fee Free places an individual student can access with the provider.

Please note:

The waivers for NSW Fee Free Tranche 2 and NSW Fee Free Construction may be turned off at different times because fee free places availability and budgets for the 2 Tranches are separate.

TAFE NSW receives a separate allocation of fee free places to independent providers under the NSW Fee Free initiative. The timing of when waivers end will be determined by the pace of take up of waivers from TAFE NSW and independent providers.

Once NSW Fee Free waivers are turned off, the department will not reopen them, and no further NSW Fee Free enrolments will be possible for that semester.

e. NSW Fee Free Waivers

July to December 2026 Waivers	Enrolment / CID creation	Commencement of training	Select relevant waiver
NSW Fee Free Tranche 2	The day after acceptance of the 26/27 Smart and Skilled Review Notice to 31/12/2026*	01/07/2026–31/12/2026	W787 – NFF Jul–Dec 2026 – General W788 – NFF Jul–Dec 2026 – NSW Veterans W789 – NFF Jul–Dec 2026 – NSW Veterans – Recognised Partners
NSW Fee Free Construction ONLY	The day after acceptance of the 26/27 Smart and Skilled Review Notice to 31/12/2026*	01/07/2026–31/12/2026	W790 – NFF CONSTRUCTION Jul–Dec 2026 – General W791 – NFF CONSTRUCTION Jul–Dec 2026 – NSW Veterans W792 – NFF CONSTRUCTION

			Jul–Dec 2026 – NSW Veterans – Recognised Partners
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f. NSW Fee Free waiver checklist

Complete the following steps when applying for a NSW Fee Free waiver:

1. Check that the qualification is tagged as NSW Fee Free Tranche 2 or NSW Fee Free – Construction on the Skills List.
2. Check the waiver tables above for the relevant waiver code.
3. Select the appropriate waiver code when undertaking the Notification of Enrolment.

Please note:

The Notification of Enrolment confirmation, which shows the CID, will indicate whether the student is fee free. Once you have this confirmation, you can advise the student that they are eligible for a NSW Fee Free place.

Training cannot start prior to 1 July 2026.

g. Further information on NSW Fee Free

If you have any questions regarding NSW Fee Free, please contact your Regional Provider Support Manager.

h. NSW Fee Free Construction Pre-apprenticeship training July – December 2026

NSW Fee Free Construction (NFF-C) Pre-Apprenticeship Part Qualifications training gives students access to pre apprenticeship/traineeship programs, providing a taster in a construction-related trade. The program aims to boost apprenticeships and/or traineeships in the construction sector (i.e. including housing and infrastructure).

NFF-C Pre-Apprenticeship Part Qualifications enrolments remain open to 31 December 2026. For courses commencing on or after 1 July 2026, the NFF-C Pre-Apprenticeship Part Qualifications Training Needs Identification (TNI) applications can be submitted to the relevant Training Services Regional Office, from the day after acceptance of the 2026–27 Smart and Skilled Review Notice.

i. Course Design/Units of Competency (UoCs) for the NFF-C Pre-Apprenticeship Part Qualifications program

Courses and UoC selection should be co-designed with industry and tailored to reflect regional needs. To ensure the intent of the program is achieved, TNIs should meet the following requirements:

- a. UoCs must come from a construction apprenticeship/traineeship qualification relevant to the construction sector (i.e. including housing and infrastructure).
- b. TNIs must contain a minimum of 3 and a maximum of 6 units of competency.
- c. At least 50% of the UoCs listed on the TNI must be core units from the nominated construction apprenticeship/traineeship full qualification.

d. UoCs with prerequisites must be incorporated into the TNI.

ii. Submitting a TNI

When submitting a TNI, please select the relevant Target Group:

- for general students – ‘NFF-C Pre App’ or
- for the GTO Recruitment Program – ‘NFF-C GTO Pre App’ Target Group and enter the GTO Employer in the TNI rationale.

Please ensure the TNI reflects the *NSW Fee Free Construction Pre-Apprenticeship Part Qualifications Program Operating Guidelines 2026–2027* requirements. The Guidelines will be released in the coming months.

iii. Further information

For further information, contact your Training Services Regional Office or Regional Provider Support Manager.

9. AGSKILLED PROGRAM

We are pleased to confirm that the AgSkilled program has been extended until 30 June 2029, with funding of \$15 million over 3 years. The program will continue to work with agricultural industry representatives to support people in agriculture across the state through the Targeted Priorities Prevocational and Part Qualifications (TPPPQ) program.

a. Further information

Website: [AgSkilled | NSW Government](#)

Email: TSAgSkilled@det.nsw.edu.au

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.

APPENDIX: SUMMARY OF CHANGES TO SMART AND SKILLED POLICIES

List of Smart and Skilled Policies without Material Changes

Smart and Skilled Consumer Protection Strategy

Smart and Skilled NSW Recognition Framework

Smart and Skilled Teaching and Leadership Policy

Smart and Skilled Third Party (Brokering Arrangement) Policy

Smart and Skilled Policies with Material Changes

Smart and Skilled Fee Administration Policy

The main changes to the *Smart and Skilled Fee Administration Policy* are:

- clarification of the evidence required for a student who has experienced domestic and/or family violence and removed the 5-year limitation on fee free training for domestic and family violence eligibility.
- removal of the expiry date for Fee Free Apprenticeships and Traineeships.

Smart and Skilled Fee Administration Policy	
Section	Description of changes
Title	Updated version number
Apprenticeship and Traineeship Fees	Updated to remove fees for apprentices and trainees
Additional fees	Updated to clarify costs a provider cannot pass on to students as additional fees
Appendix 1: Acceptable evidence for fee categories and loadings	Removed 5-year limit on fee free training for domestic and family violence eligibility
All sections	Update to remove the expiry date of Fee Free Apprenticeships and Traineeships

Smart and Skilled School Based Apprenticeship and Traineeship Fee Administration Policy

The main changes to the *Smart and Skilled School Based Apprenticeship and Traineeship Fee Administration Policy* are:

- removal of the expiry date for Fee Free Apprenticeships and Traineeships.

Smart and Skilled School Based Apprenticeship and Traineeship Fee Administration Policy	
Section	Description of changes
Title	Update version number and date
Apprenticeship and traineeship fees	Updated to remove fees for apprentices and trainees
All appendixes	Removed appendixes that are no longer relevant without apprentices and trainees being charged fees
All sections	Update to remove the expiry date of Fee Free A&T

Smart and Skilled Student Eligibility Policy

The main change to the *Smart and Skilled Student Eligibility Policy* is:

- clarification of where to find eligibility and approval requirements for apprenticeships and traineeships, including visa criteria.

Smart and Skilled Student Eligibility Policy	
Section	Description of changes
Frontmatter	Updated effective date
2.2 Eligibility criteria for Smart and Skilled Entitlement Apprenticeships and Traineeships Program	Added a clarification containing 2 links to the eligibility and approval requirements for apprenticeships and traineeships and to the visa criteria

Smart and Skilled School Based Apprenticeship and Traineeship Eligibility Policy

No significant changes to the *School Based Apprenticeship and Traineeship Eligibility Policy*.

Smart and Skilled School Based Apprenticeship and Traineeship Eligibility Policy	
Section	Description of changes
Frontmatter	Updated effective date

NSW Quality Framework

No significant changes to the *NSW Quality Framework*.

NSW Quality Framework	
Section	Description of changes
Frontmatter	Updated release date

Smart and Skilled Skills Delivery and Management Policy

The *Smart and Skilled Skills Delivery and Management Policy for the 2026–27 Activity Period* outlines the provider's responsibilities and the department's approach to managing the supply of subsidised training and Financial Caps for the 2026–27 Activity Period. The policy has been updated to reflect the continued focus on qualifications that align with the NSW Skills Plan Critical Skills Areas (CSA), National Skills Agreement (NSA) priorities and thin markets and the new Financial Cap management approach, specifically:

- changes to Financial Cap review(s) – there will be no system-wide Financial Cap reviews including for continuing students in 2026–27
- transfers across regions and programs – greater flexibility to transfer Financial Caps to be able to meet demand in the department's priorities
- providers should consider Out of Region provisions under Clause 18.3(b) before submitting a request to transfer Financial Cap(s).

Providers are reminded to:

- operate within each Financial Cap and not to exceed their Financial Caps during an Activity Period
- manage the mix of continuing and new commencing students within the Financial Caps allocated
- use a minimum of 95% of each Financial Cap, not underspend their cap and not hold onto any cap amount they are unable to use.

Note: An Approved Qualification Activity Schedule (AQAS) Adjustment Form will be published in STS Online in mid-June for the 2026–27 Activity Period.

Smart and Skilled Policy on Non-Apprenticeship Pathways for Trade Related Qualifications

The *Smart and Skilled Policy on Non-Apprenticeship Pathways for Trade-Related Qualifications* (Trade-Related Policy) has been updated for clarity and links.

This Policy applies to qualifications marked with (T) on the NSW Skills List in the Additional Arrangements column (column C).

Providers must ensure that all students undertaking qualifications covered by this policy meet the eligibility criteria outlined in the policy. Students must:

- be at least **21 years of age and over**, and
- **qualify for Recognition of Prior Learning (RPL)** and have at least 20% of RPL for the units of competencies, and
- be **currently working in the relevant industry** – or have worked within the industry in the past 5 years – in an area that relates to the trade qualification they will be undertaking, and
- provide **evidence that they meet the work experience requirements** in the occupation/trade that relates to the qualification (a minimum of 2 years is required) .

Please note that the eligibility criteria applies to all students, including those eligible for NSW Fee Free or who meet Smart and Skilled fee-free eligibility criteria.

Providers delivering training to any student under this policy who does not meet all the eligibility criteria will be considered an event of default, which may lead to a reduction/withdrawal/suspension of funding in accordance with Section 21.2 (c) of the Smart and Skilled Contract Terms and Conditions.

Smart and Skilled Targeted Priorities Prevocational and Part Qualifications Policy

The key change is updated guidance on exemptions to policy requirements associated with NSW Government Declared Emergency responses.