

Long Term Contracts

Funding Principles

The purpose of this fact sheet is to provide advice to organisations funded under the *Skilling Queenslanders for Work* (SQW) initiative regarding long term contracts.

When an organisation is approved for funding for a SQW project, a Services Agreement for up to 12 months (based on confirmed project delivery dates) is issued.

Subject to a performance review, undertaken by the Department of Education and Training (DET), an option to extend the Services Agreement by a further 12 months may be offered to some organisations.

It will not be an automatic process or a widespread practice. DET needs to safeguard budget availability in future funding rounds to respond to state-wide and local emergent needs or government priorities.

Thin markets

Long term contracts will be available to proven providers in thin markets where there are a limited number of community-based organisations with sufficient capacity and experience to deliver projects.

Any offer by DET will be subject to budget availability and based on a number of factors as outlined below, rather than an application process.

Benefits

There are a number of benefits to DET and organisations in extending Services Agreements by a further 12 months.

For CBOs

- provide assurity of funding for an extended period
- assist to retain qualified personnel
- improve their ability to continue to assist disadvantaged groups to gain skills, qualifications and employment
- provide an opportunity to implement continuous improvement strategies
- achieve economies in project delivery through use of a “tried and tested” project model
- provide an opportunity for an ongoing presence in the local community
- address local skills shortages
- address supply issues in thin markets i.e. limited availability of organisations to deliver SQW projects in an identified location.

For DET

- improved capacity to retain the services of successful SQW providers
- longer term assistance strategies for disadvantaged

- groups in identified locations
- improved ability to achieve participation targets
- enhanced budget management and regional planning.

Factors to be considered in awarding a long term contract

Monitoring an organisation’s performance is a critical factor in the decision to extend a Services Agreement by an additional 12 months.

The extension of a Services Agreement will be at the discretion of DET and based on a number of factors, including:

- demonstrated capacity to deliver SQW projects
- key performance indicators have been consistently met and/or exceeded
- strong evidence of ongoing demand for the same services in the specific locality or region
- ongoing capacity to provide assistance to niche cohorts ensuring equity of access
- the capacity of the organisation to continue to deliver the project for a further 12 months
- compliance with Services Agreement conditions, including adherence to reporting requirements
- the project will continue to address ongoing identified regional priorities and local industry needs.

Timing

A review of an organisation’s performance will occur approximately nine months after a project’s commencement to allow sufficient time for a decision to be made regarding a contract extension.

Organisations selected for a contract extension will be notified by DET.

Approval

Approval by DET for a long term contract will be subject to a satisfactory performance review of the organisation and regional priorities for the same qualification, delivered to the same target group in a similar location.

Any changes to a project’s specification will be subject to negotiation and approval of changes for a long term contract is not guaranteed.

The availability of long term contracts under SQW is being implemented by DET from the second funding round of 2017-18 onwards. The decision is not retrospective and offers will not be made on existing contracts.

Without limitation, DET may, in its sole discretion enter into long term contracts, discontinue long term contract arrangements or not enter into long term contracts.