



Adult, Community and  
Further Education

# Adult, Community and Further Education Board

## SERVICE AGREEMENT REQUIREMENTS


2024–2028



Jobs, Skills,  
Industry  
and Regions

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Except where otherwise indicated, the images in this document show models and illustrative settings only, and do not necessarily depict actual services, facilities or recipients of services. This document may contain images of deceased Aboriginal and Torres Strait Islander peoples.

In this document, 'Aboriginal' refers to both Aboriginal and Torres Strait Islander people. 'Indigenous' or 'Koori/Koorie' is retained when part of the title of a report, program or quotation.

ISBN/ISSN 978-1-76130-601-3 (online/PDF/Word) or (print)

Available at the [Funded Agency Channel website](https://fac.dffh.vic.gov.au/service-agreement-requirements) <<https://fac.dffh.vic.gov.au/service-agreement-requirements>>.

## Introduction

The Adult, Community and Further Education (ACFE) Board is a statutory authority under the *Education and Training Reform Act 2006*. Its role is to plan and promote adult learning, allocate resources, develop policies, and advise the Minister for Training and Skills on matters related to adult education in Victoria.

Through the Board, the Victorian Government provides funding to Learn Local providers, AMES Australia and the Centre for Adult Education (CAE), to deliver education and training programs to a broad range of Victorians over compulsory school leaving age, with a special focus on people who have had limited prior access to education.

The role of the Department of Jobs, Skills, Industry and Regions (the Department) is to manage ACFE Board programs and projects, within the parameters set by the Board, execute and monitor contracts with contracted providers within the delegations set by the Board, and make regular reports to the Board on progress towards the targets set in contracts and in meeting broader strategic priorities.

Through this Agreement, the contracted Providers, the ACFE Board and the Department will engage with each other cooperatively and collaboratively to achieve this vision.

The ACFE Board achieves these objectives through an investment process that:

- establishes relationships with viable community based adult education providers in order to invest in delivery of vocational education and training;
- delivers outcomes for disadvantaged learners in-line with government policy;
- supports funded providers by providing access to specific activities and grants and utilises the facilitative and advisory roles of Regional Councils and regional staff.

The Service agreement establishes the standard terms and conditions that apply to all funded providers and outlines specific information regarding funding and payments.

This document, the *Service agreement requirements (SAR)*, supports the Service agreement by outlining the ACFE Board's responsibilities, policies and obligations that *all* funded providers must comply with.

To meet the terms of the Service agreement, funded providers must ensure they comply with:

- the Service agreement
- the standard policies and obligations in the *Service agreement requirements*
- the specific policies and obligations in each relevant Activity description.

## Statement of expectations

The Adult, Further Education (ACFE) Board funds over 250 Learn Local providers, AMES Australia and the Centre for Adult Education (CAE) to deliver Government subsidised programs that meet the needs of learners experiencing educational disadvantage.

Throughout this funding process, the ACFE Board has a duty of care to learners who access its training, many of whom are particularly vulnerable. The ACFE Board also has obligations to the Victorian community to properly account for the use of public money. For these reasons, it is critical that our contract management framework is robust, effective and contributes to the delivery of positive outcomes for clients.

This Service Agreement Requirements document has been developed to help funded providers understand the ACFE Board's expectations regarding key aspects of funded service delivery. It should be read in conjunction with the Service agreement which defines the comprehensive responsibilities and accountabilities of the ACFE Board and funded service providers specifying governance, financial management and service delivery requirements in addition to funding amounts.

## The ACFE Board's approach

The ACFE Board is committed to ensuring performance of agencies in achieving positive client outcomes by:

- prioritising client wellbeing/quality and safety
- delivering performance targets/service delivery
- meeting contractual requirements and obligations/service continuity

Funded providers can expect the ACFE Board will:

- be transparent in relation to our processes and expectations
- provide supporting material that assists funded organisations to understand and fulfil their obligations
- work with funded organisations to achieve the agreed outcomes in the service agreement
- act early if issues arise in relation to agreed outcomes
- act honestly, with integrity and reasonably at all times in our interactions with funded organisations.

## Funded providers responsibilities

The ACFE Board and funded providers share responsibility for ensuring learners receive the services agreed in the service agreements in a way that is effective, accountable and serves the interests of all learners.

In delivering programs, the ACFE Board expects that collectively, funded providers are delivering the following outcomes:

- Learners experiencing educational disadvantage gain the knowledge and skills they need to prepare them for a better future.
- Learners experience a positive training environment in a safe and secure environment
- Learners' capability to participate in further education, training and employment is improved.

These outcomes help measure our impact at a system-level and form the basis of the ACFE Board's service delivery and performance expectations. Each activity the ACFE Board funds is connected to one or more of these outcome objectives.

In pursuing these outcomes, funded providers are expected to:

### *Act in the public interest*

Performs and operate in a way that demonstrates the highest ethical standards and reflects transparency and honesty.

### *Be accountable and have effective governance*

Providers will be accountable against the policies and guidelines under the Service agreement and comply with relevant state and national laws that in any way affect or are applicable to the delivery of their funded services. It is important that providers have strong governance processes in place to support service delivery and ensure ongoing organisational viability.

### *Cooperate with the ACFE Board and other providers to build an effective service system*

Providers are expected to be active players in the local community. This includes sharing knowledge with each other, operating cooperatively and participating in sector capability building and reform initiatives.

### *Deliver services that contribute to effective educational and training delivery outcomes*

- Training is accessible to all eligible learners
- Training is prioritised to eligible learners according to need
- Training is applied flexibly to meet individual learner needs
- Training is targeted to improving learner outcomes
- Training is effective in improving learner outcomes.

The Service agreement supports the ACFE Board and funded provider to deliver learner-centred training which produce the best possible outcomes for learners. Understanding and supporting each other's role in this process is critical to ensuring the outcomes in the agreement are obtained, and is the key to achieving effective, sustainable training delivery.

## Requirements and policies

### Requirements

This section describes the ACFE Board's requirements that all funded organisations must comply with. Information for organisations wishing to enter into a new Service Agreement is at Appendix 1.

### User audit and management and privacy

The ACFE Board provides funded organisations with access to applications and systems to support effective service delivery. These applications often contain sensitive client and financial information, meaning it is imperative that user access is strictly controlled. The ACFE Board has processes in place for managing users, including revoking access when an employee ceases employment with a funded organisation.

Organisations must comply with the ACFE Board's user management processes and policies for each system or application they are granted access to and must have adequate internal controls to audit their employee user credentials. Failure to do so may result in whole-of-organisation system or application access being terminated.

Through the provision of services to the community, and by accessing departmental applications and systems, organisations have privileged access to sensitive information about clients. This access is provided based on trust, and it is critical that we uphold this trust by protecting the privacy of this information.

### Acceptance of Service Agreements

Organisations with an existing funding and service delivery relationship with the ACFE Board are not required to physically sign the service agreement to accept it.

Organisations are also not required to sign subsequent variations to the service agreement where there is a change to funding, deliverables or other matters contained in the service agreement. When a service agreement is varied, the ACFE Board will provide organisations with a notice of variation to enable organisations to consider the change to the service agreement.

Where an organisation prefers to hold/sign a paper copy of their service agreement or variation, authorised staff can download a Portable Document Format (PDF) version of the contract through the Service Agreement Module in My Agency <<https://fac.dffh.vic.gov.au/my-agency>>.

### Management of Service agreements

In the standard Service agreement business cycle, variations to Service agreements will be processed on a monthly basis, where required, to ensure that providers receive funding for new or revised services in a timely manner.

**Table: Key dates affecting Service agreements**

Late June	<b>Annual Service agreement transition</b> Current year funding cannot be changed after the first week of June. A new future year of funding can be viewed on <a href="https://fac.dffh.vic.gov.au/my-agency">My Agency</a> < <a href="https://fac.dffh.vic.gov.au/my-agency">https://fac.dffh.vic.gov.au/my-agency</a> > (external link, opens in a new window), where applicable. At the end of each four year business cycle, Agreements with approved future year funding are rolled over for the next four year Agreement cycle.
<b>July</b>	<b>Annual price indexation</b> Annual price indexation applied to eligible activities for the new financial year and future years. Adjustments are backdated to 1 July and paid on or before the next scheduled payment. No action is required by organisations. Advice of adjustment to funding is provided to organisations.
Payment dates	<b>Quarterly payments</b> Payments are released quarterly or as set out in the payments schedule in your service plan.

As required	As required Changes that have been negotiated with a provider are entered into the Service agreement management system (SAMS2). Providers can view and check changes when finance approval is completed by the ACFE Board. Variations are not normally made in June or July and a shorter window is available in December due to pay equity indexation processing.
Contract variations for all other ACFE Board funded grants	Providers proposing to vary their contracts must obtain prior approval by the ACFE Board before making any changes and commencing delivery. Variations can be requested during two variation windows offered between April–May and July–August each year.
As required based on reporting cycle	Annual Service agreement compliance certification (SACC) The due date for the SACC is three months after the end of an organisation’s reporting period, or seven days after an organisation’s Annual General Meeting (AGM). Organisations can update their AGM date via the Service Agreement Module on My Agency and the due date for their SACC will be automatically updated.

## Funding

*The Victorian Government, through the ACFE Board, supports the delivery of programs through a Service Agreement with contracted providers including AMES Australian and the Centre for Adult Education (CAE).*

The ACFE Board operates under a fixed budget and funds are not subject to indexation.

In accordance with the terms and conditions of your Service Agreement Section 4.9, the ACFE Board may in its discretion give notice to contracted providers to repay unacquitted funds as part of its pre-accredited reported data analysis against the agreed Service Plan and approved Delivery Plan.

## Financial Accountability Requirements

To be eligible for ACFE Board funding, providers must have a current BGS that meets the assessment criteria. [The financial report upon which the BGS assessment is completed must also be submitted with the BGS Assessment.](#)

The following organisation categories are exempted from the BGS submission requirements:

Registered Training Organisations (RTO) with Skills First Contracts.

Providers operating under the auspices of Local Government.

For more information about the BGS assessment process, see: [Business and governance status assessment](#) on the Learn Local website.

Providers are required to report their financial position and complete the financial accountability requirements in the SACC to the ACFE Board on an annual basis. This confirms the provider’s compliance with the requirements of clause 6 and 8 of the Service agreement.

Providers need to attach relevant financial data and/or URLs via the Service Agreement Module of My Agency. This includes the information of the location of the provider’s Annual Report.

BGSA reporting assists the funding ACFE Board to ensure that there is a financially sustainable service system. Finance staff from the ACFE Board analyse the financial position of each funded organisation and monitor financial position trends over time.

## Financial reporting standards

Organisations are required to comply with the Australian Equivalents to International Financial Reporting Standards (AIFRS) which came into effect in 2005.

Information about the AIFRS can be found on the Australian Accounting Standards Board's website <<http://www.aasb.gov.au/Home.aspx>> (external link, opens in a new window).

## Insurance

All contracted providers will:

- a) on and from the Start Date have appropriate insurance coverage for its operational and business risks with one or more of the following:
  - a. the Victorian Managed Insurance Authority or, if the Organisation/Learn Local Provider is a Council, Liability Mutual Insurance;
  - b. an insurer authorised under the *Insurance Act 1973* (Cth); or
  - c. an insurer approved in writing by the Authority;
- b) provide the Authority with proof of the Organisation/Learn Local Provider's insurance cover on request;
- c) maintain appropriate insurance coverage for the Term, and, if those policies are underwritten on a 'claims made' basis, for no less than seven (7) years after the completion of the Services; and
- d) undertake periodic reviews to make sure the Organisation/Learn Local Provider's operational and business risks are adequately insured, particularly in regard to public and products liability and professional indemnity risks.

Without limiting clause 20.1 and unless otherwise provided for in Schedule 5, if the Learn Local Provider provides Services to Children, the Learn Local Provider warrants that at all times the insurance coverage obtained in accordance with clause 20.1(a) includes public and products liability insurance written on an occurrence basis covering legal liability (regardless of how this liability arises) for death or bodily injury of any person and loss and destruction of, and damage to, any property, and includes liability for Child Abuse for the Minimum Insured Amounts.

## Reporting

The contracted provider will provide the ACFE Board with information and reports on the services delivered.

This section provides information on reporting and accountability submitted through SAMS2, including financial reporting to the Board..



## Data collection

Accurately reporting the delivery of pre-accredited training programs is essential to assist the ACFE Board in understanding and responding to community need for pre-accredited training delivery.

Providers contracted to deliver pre-accredited training and other programs with the ACFE Board must meet the requirements in the [Victorian VET Student Statistical Data Collection Guidelines](#) and maintain an AVETMISS compliant, up-to-date student management system and must upload data through SVTS to meet the requirements as evidence of meeting agreed 2020 pre-accredited SCHs.

Contracted providers must ensure that staff are trained in the use of their Student Management System and the SVTS to ensure integrity, accuracy and currency of reported data.

## Program Guidelines

The ACFE Board has developed program guidelines to assist providers in the development and delivery of all ACFE Board funded programs.

Program guidelines can be found on the Learn Local website: see [Learn Local grants and funding](#)

## Service Agreement Compliance Certification (SACC)

Most organisations funded through a Service agreement will be required to submit an annual Service agreement compliance certification (SACC).

The SACC contains questions relating to:

- Financial Management, that the organisation has used funding as outlined in their Service agreement, is financially viable, has prepared its financial reports and any audit reports and maintains an asset register.
- Risk Management, that risks are managed in accordance with the Australian/New Zealand Risk Management Standard.
- Staff safety screening, referee checks, police checks, and if relevant Working with Children Checks have been completed.
- Privacy and Data Protection, that the organisation's practices and systems that do not contravene the Privacy and Data Protection Act 2014 and the Health Records Act 2001, to protect personal and health information.
- Occupational Health and Safety, that the health and welfare of the staff employed are protected by organisation's policies and practices in accordance with OHS requirements.
- ACFE Board Business and Governance Status (BGS) - the organisation has submitted an up-to-date BGS assessment or is eligible for an exemption to the BGS requirement under the current ACFE Board Guidelines.

The SACC must be submitted to the ACFE Board three months after the organisation's financial operating period, or seven days after the organisation's Annual General Meeting.

## Further information

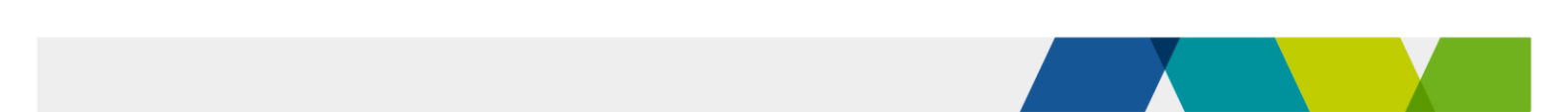
Guidelines for the Service agreement compliance certification (SACC) <<https://fac.dffh.vic.gov.au/guidelines-service-agreement-compliance-certification-form>> (external link opens in a new window)

For assistance completing the SACC email [MonitoringFramework.helpdesk@dffh.vic.gov.au](mailto:MonitoringFramework.helpdesk@dffh.vic.gov.au)

## Timelines for Service agreement compliance certification

The Service agreement compliance certification is based on the organisation's operating period.

Organisations can record the planned date of their AGM against the SACC online via the Service Agreement Module in My Agency <<https://fac.dffh.vic.gov.au/my-agency>> (external link, opens in a new window). This will automatically update the due date for SACC completion.



The annual SACC must be submitted to the ACFE Board:

Within three months of the end the organisation's financial operating period. For example, an organisation operating on:

Financial year (1 Jul to 30 Jun) - Due by 1 Oct

Calendar year (1 Jan to 31 Dec) - Due by 1 Apr

**OR** within seven days of the organisation's Annual General Meeting, if this is later than three months after the end of the organisation's financial operation period.

**OR** another time if agreed by the ACFE Board and the organisation.

Where the ACFE Board has reasonable concerns about an organisation's financial position, the ACFE Board can require more frequent FAR reporting under clause 8.2. The ACFE Board will discuss any concerns it has with the organisation and advise in writing of any additional reporting requirements.