

# NATIONAL SKILLS AGREEMENT

An Agreement between:

- the **Commonwealth of Australia**; and
- the **States and Territories of**
  - ◆ New South Wales
  - ◆ Victoria
  - ◆ Queensland
  - ◆ Western Australia
  - ◆ South Australia
  - ◆ Tasmania
  - ◆ the Australian Capital Territory and
  - ◆ the Northern Territory.

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# National Skills Agreement

## PRELIMINARIES

- A1. The Parties acknowledge the Traditional Owners of the lands and waters on which Australians live and work, and pay respects to their Elders past, present and emerging.
- A2. This Agreement has been guided by the vision statement and principles endorsed by National Cabinet on 31 August 2022. It gives effect to the Parties' shared commitment to high-quality, responsive and accessible vocational education and training (VET) to boost productivity and support Australians to obtain the skills they need to prosper.
- A3. VET plays a key role in providing strong economic and social outcomes for Australians. High-quality VET makes it easier for employers to recruit and develop the skilled workers they need, and gives Australians a pathway to secure, well-paid work. With over 4 million students each year, and strong industry leadership, the VET sector is critical in responding to the major disruptions and opportunities reshaping Australia's society, economy and environment.
- A4. Recognising that VET is a critical enabler of inclusion and economic equality, this Agreement includes a focus on addressing intergenerational disadvantage by supporting groups that have traditionally faced barriers to education, training and work.
- A5. This Agreement provides for a step-change in governments' approach to delivering on Closing the Gap commitments for skills, with dedicated investment and concrete action to ensure that the design and delivery of VET to First Nations Australians is in full and genuine partnership.
- A6. Consistent with governments' commitment to ensure that no Australians are left behind as the Australian economy transitions and adapts to structural change, this Agreement also provides for more seamless delivery of foundation skills training to better serve the one in five Australians – around three million adults – who have low literacy and/or numeracy skills, which can act as a barrier to participation in further education and training, employment, and the broader community.
- A7. This Agreement introduces a fundamental shift in the way that governments work together to address shared challenges and capitalise on shared opportunities. A new model for VET system stewardship will support governments to work collaboratively and purposefully towards national priorities, while preserving flexibility for States and Territories to align local skills supply with demand.
- A8. The maintenance of national and jurisdictional plans, guided by a clear outcomes framework and robust evidence, will support agile stewardship involving governments, industry and the sector. The stewardship model established in this Agreement will also facilitate improved collaboration and tripartite engagement and strengthened public transparency.
- A9. The objectives of this Agreement depend on a diverse VET system with TAFE at the heart. The Parties acknowledge the importance of TAFEs as enduring institutions with a public interest mandate, while valuing the complementary roles of other providers within the VET system.

- A10. This Agreement will enhance teaching and learning in VET, including by strengthening the VET workforce and bolstering support for TAFE to continue delivering the dual outcomes of excellence and accessibility.
- A11. This Agreement replaces the *National Agreement for Skills and Workforce Development*. As part of this Agreement, the Parties commit to implementing improved funding arrangements, with a view to these replacing the *National Specific Purpose Payments for Skills and Workforce Development* (SPP) established by the *Federal Financial Relations Act 2009* (Cth) (the FFR Act).
- A12. This Agreement is subject to the *Intergovernmental Agreement on Federal Financial Relations* (IGA FFR) and should be read in conjunction with that Agreement and subsidiary schedules.

## PART 1 – PARTIES AND OPERATION

### PARTIES

- A13. The Parties to this Agreement (the Parties) are:
- (a) the Commonwealth of Australia (the Commonwealth); and
  - (b) the States and Territories, being:
    - i. the State of New South Wales
    - ii. the State of Victoria
    - iii. the State of Queensland
    - iv. the State of Western Australia
    - v. the State of South Australia
    - vi. the State of Tasmania
    - vii. the Australian Capital Territory and
    - viii. the Northern Territory.

- A14. States and Territories are referred to in this Agreement collectively as States.

### TERM

- A15. This Agreement will commence on 1 January 2024 or once the Commonwealth and one other Party sign it, whichever is later, and will terminate on 31 December 2028. The time-limited nature of this Agreement does not lessen the Parties' ongoing commitment to funding skills and workforce development.

### VARIATIONS

- A16. This Agreement, and any schedules and appendices, may be amended by the written agreement of relevant Parties.

## REVIEW

- A17. The Commonwealth will commission an independent review of this Agreement, on behalf of the Skills and Workforce Ministerial Council (SWMC), with terms of reference and the process to be agreed by SWMC. The findings of the review will be published no later than December 2027 and presented to SWMC in advance.

## PART 2 – OBJECTIVE AND OUTCOMES

### OBJECTIVE

- A18. The objective of this Agreement is to ensure that the national VET system provides high-quality, responsive and accessible education and training to boost productivity, deliver national priorities and support Australians to obtain the skills and capabilities they need to prosper.

### OUTCOMES

- A19. This Agreement will contribute to achieving the following population-level outcomes:
- (a) productivity: productivity growth is improved by a better skilled workforce well matched to labour demand
  - (b) labour supply: industries, including in critical and emerging areas, can access and develop the skilled workforce they need
  - (c) wellbeing and inclusion: all Australians, including priority groups, are able to build the skills needed for well-paid, secure work aligned to their interests and
  - (d) resilience: all Australians, including priority groups, have the skills that allow them to adapt in their work and life now and in the future.
- A20. To support the achievement of these population outcomes, the Parties will prioritise the following system outcomes:
- (a) industry needs: VET activity is aligned to workforce demand
  - (b) student needs: VET learning supports and pathways are accessible and effective, and meet the diversity of learner needs and objectives, including for priority groups
  - (c) responsive courses: VET courses are trusted, relevant and available at the right time
  - (d) quality delivery: VET delivery is of a consistently high-quality and provides a positive learner experience, including for priority groups and
  - (e) a collaborative and sustainable system: VET system governance advances stewardship of an effective and efficient national VET system, strengthens partner participation, and ensures system sustainability.

## PART 3 – STEWARDSHIP

- A21. The Parties will work together to achieve agreed outcomes through a joint stewardship model that:
- (a) monitors outcomes through a balanced scorecard of national targets and reviewing evidence
  - (b) sets national priorities
  - (c) develops a National Skills Plan against the outcomes and national priorities and
  - (d) communicates the actions and targets each Party will take, through jurisdictional action plans.

### MONITOR OUTCOMES AND REVIEW EVIDENCE

- A22. The Parties will work together to facilitate an agile and adaptive system through regularly reviewing and reporting evidence on VET system and labour market performance, which will include:
- (a) analysis from Jobs and Skills Australia and similar State bodies
  - (b) data insights and evidence from the National Centre for Vocational Education Research (NCVER) and
  - (c) industry intelligence, including from Jobs and Skills Councils.
- A23. The Parties will finalise an outcomes framework in the first half of 2024 that describes what success looks like through a balanced scorecard of national targets.
- A24. The national targets will describe:
- (a) the minimum level of performance and
  - (b) the maximum level of performance that is realistically achievable.
- A25. The national targets will provide meaningful insights on the performance of the national VET system, including for priority cohorts. National targets will be measurable, and feasible, timely and cost efficient for collection and reporting.
- A26. Progress against population and system outcomes and targets will not be used to determine payments to States under this Agreement.

### SET NATIONAL PRIORITIES

- A27. Informed by evidence (Clauses A22-26 refer), as well as advice from individual governments on their skills needs and priorities, the Parties will jointly identify shared national priorities. National priorities may relate to workforces, skills/capabilities, priority groups or national system reforms.

A28. Initial national priorities are:

- (a) gender equality
- (b) Closing the Gap
- (c) supporting the Net Zero transformation
- (d) sustaining essential care services
- (e) developing Australia's sovereign capability and food security
- (f) ensuring Australia's digital and technology capability
- (g) delivering reforms to improve the regulation of VET qualifications and quality.

A29. Following an annual review process, SWMC may agree to amend national priorities by consensus. If consensus cannot be reached, a majority of Parties that includes the Commonwealth may amend national priorities.

#### NATIONAL SKILLS PLAN

A30. The Parties will collaboratively develop and publish, by June 2024, a long-term national plan to meet agreed national targets and deliver on national priorities. The national plan will be informed by engagement with the VET sector, tripartite leadership structures such as Jobs and Skills Australia and Jobs and Skills Councils, and with First Nations organisations and communities.

A31. The national plan will describe:

- (a) the outcomes framework (Clauses A23-26 refer)
- (b) the factors in the VET system that influence agreed outcomes and the relationship between those factors, along with any gaps that need to be addressed
- (c) existing and new reform activities that will address the gaps with the greatest impact on achievement of outcomes and delivery of the national priorities
- (d) the desired change in the quality, quantity and nature of national outputs associated with reform projects and activities agreed by the Parties through SWMC and through the national plan and
- (e) roles and responsibilities for delivery of the national plan.

A32. The national plan and any amendments to the national plan will be agreed by consensus or, if consensus cannot be reached, a majority of Parties that includes the Commonwealth. The national plan will be reviewed by SWMC annually, with an expectation that the plan is adjusted if appropriate in response to new evidence and changed national priorities, and to sustain progress against targets.

## JURISDICTIONAL ACTION PLANS

- A33. All Parties commit to advance the national plan, including national priorities, with implementation arrangements to be adapted to local contexts set out in a jurisdictional action plan.
- A34. Each Party will publish a long-term jurisdictional action plan, which will be available at a central location, by November 2024. Plans will include jurisdiction-specific actions, outcome and output targets that contribute to the national plan and priorities, and indicate where actions will be co-ordinated across Parties. Jurisdictional targets will demonstrate each Party's contribution to national targets but need not replicate national measures. Each Party will determine its own plan and targets informed by the national plan. These plans will be informed by the views and interests of First Nations people.
- A35. Jurisdictional action plans will acknowledge Commonwealth investment that supports jurisdictional actions. The Commonwealth's jurisdictional action plan will include information on Commonwealth own-purpose expenditure under this Agreement, and investment in national VET bodies including NCVER and the Australian Skills Quality Authority.
- A36. Each Party will review its own action plan annually, and as necessary to respond to new evidence or emerging priorities.

## STEWARDSHIP MODEL REVIEW

- A37. The Commonwealth will, on behalf of the Parties, commission an independent review of the stewardship model within 18 months of the commencement of this Agreement. The review will be completed by September 2025.
- A38. The Terms of Reference for the review, and the reviewer, will be agreed by SWMC. The review will assess the implementation of the stewardship model and its success in meeting its stated objectives, including in relation to co-ordinated delivery of national priorities.
- A39. Should the review identify areas for improvement of the stewardship model, including to effectively deliver the national priorities, the Parties will work together to respond.

## PART 4 – ROLES AND RESPONSIBILITIES

### SHARED RESPONSIBILITIES OF THE COMMONWEALTH AND STATES

- A40. The Parties will work together to:
- (a) develop, maintain and deliver on the national plan
  - (b) maintain a system of national regulation of VET that prioritises quality and best practice
  - (c) build connections and alignment within VET, the education sector including universities and schools, and relevant other service systems



- (d) share an agreed set of data on the training system and the labour market and to support the stewardship of national VET data collections through NCVER as the data custodian and
- (e) provide no- or low-fee access to foundation skills training in the VET and Adult and Community Education (ACE) sector or equivalent.

#### COMMONWEALTH RESPONSIBILITIES

A4.1. The Commonwealth will:

- (a) provide funding to support State training systems and the delivery of national priorities
- (b) manage the effective operation of national programs to support access and delivery of vocational and Commonwealth-owned foundation education, including Australian Apprenticeships and the VET Student Loans (VSL) Program
- (c) support employer and union engagement with VET through Jobs and Skills Councils
- (d) ensure the public provision of intelligence on Australia's current and emerging labour market and Australia's current, emerging and future skills and training needs and priorities, including through Jobs and Skills Australia and Jobs and Skills Councils and
- (e) publish and maintain a jurisdictional action plan that sets out the Commonwealth's actions and targets to deliver on the national plan and national priorities.

#### STATE RESPONSIBILITIES

A4.2. States will:

- (a) continue to manage the State-funded VET system including strengthening TAFEs and public training providers
- (b) determine resource allocation within their respective training systems, while ensuring that at least 70 per cent of Commonwealth funding is directed to TAFE and public training providers (Clause A47(d) refers)
- (c) meet VSL Program cost sharing arrangements in Clauses A77-82 and
- (d) publish and maintain jurisdictional action plans which set out actions and targets to deliver on the national plan and give effect to national priorities.

#### PART 5 – FUNDING ARRANGEMENTS

A4.3. The Parties agree to introduce new funding arrangements, with a view to these replacing the SPP. Where the SPP remains in effect, the Parties agree to use funding from the SPP in accordance with the terms of this Agreement.

A44. Commonwealth funding in respect of this Agreement will comprise:

- (a) flexible funding to support State training systems and deliver national priorities (Clauses A46-56 refer)
- (b) funding to support the implementation of the Agreement, including the new stewardship model (Part 3 refers) and
- (c) funding to deliver policy initiatives under this Agreement (Part 6 refers).

A45. The Commonwealth will provide an estimated maximum total financial contribution to the States of \$12.37 billion in respect of this Agreement, as set out in Table 1. Under this Agreement, States will have access to increased Commonwealth funding compared to the SPP.

Table 1 – Estimated maximum funding contributions across States

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
\$m (2024-2028)	3,813.64	3,152.67	2,536.96	854.66	1,337.00	284.64	154.80	236.91

Note funding is current as at date of Commonwealth signature. Funding has been rounded to the nearest ten thousand and is subject to change based on updates to economic parameters and population estimates as part of the Commonwealth Budget update process. The economic parameter applied to the indexation of flexible funding will be the sum of:

- (a) 85 per cent Wage Cost Index 1 (comprising wage price index [less a productivity adjustment based on long-run assumptions] weighted by 75 per cent, and all groups CPI weighted by 25 per cent); and
- (b) 15 per cent Wage Cost Index 6 (comprising wage price index [less a productivity adjustment based on long-run assumptions] weighted by 40 per cent, and all groups CPI weighted by 60 per cent).

## FLEXIBLE FUNDING

A46. Flexible funding will scale in proportion to Eligible State Expenditure (Clauses A57-63 refer), up to an annual cap for each State (as set out in bilateral schedules). State funding caps reflect the estimated share of population as at the most recent Commonwealth budget or mid-year economic and fiscal outlook publication over the life of this Agreement.

A47. A State will have access to flexible funding up to an initial cap (Cap 1) where it:

- (a) participates in collaborative decision making to support the objectives of shared system stewardship
- (b) fulfils reporting obligations set out in Part 8 of this Agreement
- (c) commits to providing no- or low-fee access to foundation skills training in its VET and ACE sector or equivalent for learners with an assessed need
- (d) allocates at least 70 per cent of Commonwealth funding for VET delivery and capital to TAFE and public training providers, including dual-sector universities and
- (e) meets VSL Program cost sharing arrangements for government subsidised students as set out in this Agreement.

A48. Unless varied by transition arrangements as specified in the relevant bilateral schedule appended to this Agreement, the Commonwealth will contribute a 33 per cent share of Eligible State Expenditure up to Cap 1.

A49. Subject to a State meeting the criteria in Clause A47, the Commonwealth's estimated maximum and minimum financial contribution (representing the relevant State's projected SPP entitlement) under Cap 1 are in Table 2.

Table 2 – Estimated Commonwealth maximum and minimum financial contribution under Cap 1

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
\$m maximum (2024-2028)	3,068.88	2,563.18	2,029.22	677.74	1,063.19	213.15	94.70	176.67
\$m minimum (2024-2028)	2,758.47	2,303.93	1,823.98	609.19	955.65	191.59	85.12	158.80

Note funding is current as at date of Commonwealth signature. Funding has been rounded to the nearest ten thousand and is subject to change based on updates to economic parameters and population estimates as part of the Commonwealth Budget update process.

The economic parameter applied to the indexation of flexible funding will be the sum of:

- (a) 85 per cent Wage Cost Index 1 (comprising wage price index [less a productivity adjustment based on long-run assumptions] weighted by 75 per cent, and all groups CPI weighted by 25 per cent); and
- (b) 15 per cent Wage Cost Index 6 (comprising wage price index [less a productivity adjustment based on long-run assumptions] weighted by 40 per cent, and all groups CPI weighted by 60 per cent).

A50. Subject to Clause A54, a State will have access to additional flexible funding up to a higher cap (Cap 2) where it:

- (a) has for the relevant financial year, exhausted Commonwealth funding up to Cap 1
- (b) has published or will publish a jurisdictional action plan no later than November 2024 in accordance with this Agreement and
- (c) meets the maintenance of effort benchmark specified in the relevant bilateral schedule.

A51. The Commonwealth will contribute a 45 per cent share of Eligible State Expenditure above Cap 1 and up to Cap 2.

A52. The Commonwealth's estimated maximum financial contribution to flexible funding above Cap 1 and up to Cap 2 is outlined in Table 3.

Table 3 – Estimated Commonwealth maximum contribution above Cap 1 and up to Cap 2

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
\$m (2024-2028)	429.21	358.38	283.77	94.80	148.67	29.81	13.24	24.70

Note funding is current as at date of Commonwealth signature. Funding has been rounded to the nearest ten thousand and is subject to change based on updates to economic parameters and population estimates as part of the Commonwealth Budget update process.

The economic parameter applied to the indexation of flexible funding will be the sum of:

- (a) 85 per cent Wage Cost Index 1 (comprising wage price index [less a productivity adjustment based on long-run assumptions] weighted by 75 per cent, and all groups CPI weighted by 25 per cent); and
- (b) 15 per cent Wage Cost Index 6 (comprising wage price index [less a productivity adjustment based on long-run assumptions] weighted by 40 per cent, and all groups CPI weighted by 60 per cent).

A53. In consultation with the relevant State, the Commonwealth may issue a notice identifying a concern that the relevant State has not adequately responded to one or more national priorities. This may relate to the relevant State’s jurisdictional action plan and the effective delivery of actions to give effect to the plan, but will not extend to factors outside the relevant State’s control or national priorities the Commonwealth has agreed are not relevant to that State.

A54. If the relevant State has not rectified the matters raised in the notice within six months of the notice being issued, the State will be ineligible for payments above Cap 1 for the period until the State has rectified the matters raised in the notice.

A55. For the purpose of determining a State’s entitlement to flexible funding, the Commonwealth may deem a State to have met the conditions outlined in Clause A47 and A50.

A56. Where a State signs this Agreement after 1 January 2024 the estimated Commonwealth maximum financial contributions under this Part and maintenance of effort benchmark under Clause A50(c) will be reduced on a pro rata basis.

#### SCOPE OF ELIGIBLE EXPENDITURE TO CALCULATE FLEXIBLE FUNDING ENTITLEMENTS

A57. Eligible State Expenditure includes expenditure for the purpose of nationally recognised VET associated with:

- (a) delivery of a training outcome, including subsidised training and other funding paid to Registered Training Organisations (RTOs) to support access and recognise additional delivery costs
- (b) VET programs that support employers to engage with VET by training their workforce and/or employing an apprentice or trainee
- (c) supports paid directly to students to assist with equipment, travel and other non-tuition costs predominantly associated with undertaking VET
- (d) capital, including major capital projects and equipment acquisition for the purpose of VET delivery, excluding depreciation costs

- (e) systems administration and governance within the State VET portfolio and
  - (f) training system infrastructure, including information and communication technologies (ICT) infrastructure.
- A58. Subject to Clauses A60-61, expenditure toward policy initiatives (Part 6 refers) in this Agreement is Eligible State Expenditure.
- A59. Subject to Clauses A60-61, expenditure toward delivery of pre-vocational or foundation skills training is Eligible State Expenditure where this training is delivered through an RTO or the ACE sector in local community settings. Expenditure on employability skills training is only eligible where it is part of an integrated VET or ACE program.
- A60. Subject to Clause A61, where expenditure is for more than one purpose including those referenced in Clauses A57-59, only the portion of expenditure dedicated to the relevant activity in Clauses A57-59 will constitute Eligible State Expenditure.
- A61. Eligible State Expenditure excludes expenditure:
- (a) of Commonwealth funding under this Agreement for the purposes of policy initiatives
  - (b) of any Commonwealth funding provided to States outside this Agreement, except for general revenue assistance
  - (c) reported or used to meet obligations to receive Commonwealth funding outside this Agreement (including, but not limited to, expenditure on VET delivered to secondary students that is counted towards a State's school education funding) and
  - (d) where VET is merely incidental to the purpose of the expenditure and/or the associated activity.
- A62. Commonwealth agreement is required to recognise expenditure reported under Clauses A64-76 as Eligible State Expenditure where it has not previously been reported, or significantly varies from the scope of expenditure previously reported, to NCVER or the Commonwealth.
- A63. The Commonwealth and a State may agree to vary the scope of Eligible State Expenditure as specified in the relevant bilateral schedule.

## PAYMENTS AND RECONCILIATION

- A64. By the end of May each year, each State will provide to the Commonwealth a statement with an estimate of Eligible State Expenditure for the following financial year. The statement is to be signed by the State's Secretary or equivalent office-holder primarily responsible for VET. The Commonwealth may make further reasonable enquiries of a State to confirm these estimates.
- A65. If a State provides a revised estimate of Eligible State Expenditure for a given financial year, the Commonwealth may adjust the remaining payments of flexible funding for the year in accordance with that estimate.
- A66. For a given financial year, the Commonwealth will pay each State an amount of estimated flexible funding determined by the provisions of Part 5 and the estimated Eligible State

Expenditure provided under Clauses A64-65. The sum will be paid in monthly instalments over the course of that year. Policy initiatives will be paid in accordance with milestones agreed in the State's implementation plan.

- (a) The Commonwealth may adjust payments to reflect that a State is no longer entitled to flexible funding payments above Cap 1 (Clause A54 refers).
- A67. For the financial year 2023-24, States will provide estimates of Eligible State Expenditure by the end of November 2023 or upon signing this Agreement, whichever is later. The Commonwealth will pay States their estimated flexible funding for the financial year 2023-24 in monthly instalments commencing in January 2024, or from signature to this Agreement, whichever is later. Estimates of Eligible State Expenditure for the financial year 2023-24 will be in respect of the period January 2024 to June 2024 only.
- A68. For the financial year 2028-29, States will provide estimates of Eligible State Expenditure by the end of May 2028, and the Commonwealth will pay States their estimated flexible funding for the financial year 2028-29 in monthly instalments commencing in July 2028. Estimates of Eligible State Expenditure for the financial year 2028-29 will be in respect of the period July 2028 to December 2028 only.
- A69. For each financial year States will provide to the Commonwealth, by the end of September each year, a certificate for the previous financial year that:
- (a) confirms compliance with the flexible funding conditions for the previous financial year
  - (b) details the amount of actual Eligible State Expenditure for the previous financial year
  - (c) details the amount of any significant lump sum expenditure (Clause A74 refers)
  - (d) details the amount of expenditure for each policy initiative for the previous financial year
  - (e) details the expenditure that meets matched funding requirements under Part 6 and agreed in the State's implementation plan and
  - (f) details the amount of expenditure on VET delivery and capital allocated to TAFE and public training providers including dual sector universities, and confirms compliance with Clause A47(d).
- A70. Certificates provided under Clause A69 are to be signed by the State's Secretary, or equivalent office-holder, with primary responsibility for VET matters prior to its submission to the Commonwealth. The Commonwealth may make further reasonable enquiries with States to confirm these estimates and may request States undertake an audit.
- A71. The Commonwealth will determine States' actual flexible funding entitlement for a given financial year in accordance with the certificate provided under Clause A69 in respect of that financial year and the provisions of Part 5.
- A72. Where a difference exists between payments to a State in a given financial year and its actual entitlement in that year as determined under Clause A71, the Commonwealth will reconcile the difference by adjusting the next available monthly payment(s) to the State. Where this results in an additional amount paid in a future financial year, that amount will

not be treated as a contribution for the state's Eligible State Expenditure for that future financial year.

- A73. Where an adjustment under Clause A72 would occur after the expiration of this Agreement, the Parties agree that the Commonwealth will adjust the amount of funding under subsequent funding agreements to ensure States have received their actual entitlements for each year of this Agreement. Should no agreements exist at the time of reconciliation, the remainder will be paid pursuant to an invoice being issued by the Party to which funds are owed.
- A74. Subject to prior Commonwealth approval, a State may distribute significant lump sum Eligible State Expenditure, such as large capital works, across multiple years for the remaining term of the Agreement.
- A75. Where, for exceptional and unforeseen reasons, a State has contracted for future Eligible State Expenditure that is then delayed to a different financial year, the Commonwealth may agree to recognise the committed expenditure as Eligible State Expenditure in the year originally estimated. If this occurs, the relevant State's eligible expenditure would be reduced by the equivalent amount in the subsequent year. Where the expenditure does not eventuate and results in an overpayment, an adjustment will be made under Clauses A72-73.
- A76. The Commonwealth Minister responsible for skills and training will advise the Commonwealth Treasurer of any payments or adjustments to payments to be made to States in accordance with this Agreement and the FFR Act.

#### VET STUDENT LOANS PROGRAM COST SHARING ARRANGEMENTS

- A77. The Parties agree to the VSL Program cost sharing arrangement in Clauses A78-82 from 1 January 2024 to 31 December 2028, unless alternative arrangements are established.
- A78. This arrangement will cover VSL from 1 January 2024 to 31 December 2028 and is limited to loans provided to State subsidised students for Australian Qualification Framework (AQF) qualifications at the Diploma level and above.
- A79. The Commonwealth will contribute 50 per cent and each State will contribute 50 per cent of the cost of the:
- (a) Debt Not Expected to be Repaid (DNER) for the value of VSLs issued in a State to its State-subsidised students, and
  - (b) Deferral Adjustment Costs for those loans, arising from the concessional treatment that applies to VSL.
- A80. The Commonwealth will waive the 20 per cent loan fee for State-subsidised students who access a VSL.
- A81. The Commonwealth will issue invoices in April each year for the calendar year prior. At the time of invoicing the Commonwealth will provide data on the Party's subsidised loans issued by each provider in its jurisdiction for the calendar year prior including enrolments and loan values.

A82. Consistent with the commitment to shared stewardship, the Commonwealth will consult States before determining the courses for which VSL may be approved for a given year and provide States with data on the courses and profile of learners participating in VSL.

## PART 6 - POLICY INITIATIVES

A83. To support the objective and outcomes of this Agreement, the Parties intend to implement the policy initiatives outlined in this section.

A84. The Commonwealth will provide a maximum total financial contribution to the States of \$1.10 billion in respect of these initiatives, as set out in Table 4.

Table 4 - Estimated maximum contribution to policy initiatives under this Agreement

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
\$m (2024-2028)	315.55	231.11	223.98	82.12	125.13	41.68	46.86	35.54

Note funding has been rounded to the nearest ten thousand.

A85. To be eligible for Commonwealth funding for each policy initiative, a State must have an agreed implementation plan in place that includes the relevant initiative. A State's implementation plan can cover any or all of the policy initiatives combined.

A86. Implementation plans must be agreed by the following dates:

- (a) For the Enhanced VET Data and Evidence initiative, a State must have an implementation plan agreed by the Commonwealth on or before 30 June 2026.
- (b) For all other policy initiatives, unless a later date is agreed by the Commonwealth, a State must have an implementation plan agreed by the Commonwealth on or before 30 June 2025.

A87. Implementation plans will outline, for relevant policy initiatives:

- (a) the approach to implementation, with supporting evidence
- (b) costs and funding arrangements
- (c) delivery timeframes and simple milestones
- (d) engagement arrangements, including relevant partnerships with First Nations peoples
- (e) reporting arrangements that support regular public communication on policy initiatives and
- (f) evaluation arrangements.

A88. The Commonwealth will consider implementation plans having regard to the requirements set out for each relevant policy initiative, and other conditions in this Agreement, as well as the extent to which the proposed approach would contribute to the delivery of national



priorities, including with reference to the national plan once that plan is agreed, and jurisdictional action plans when available. This includes consideration of proposed funding arrangements.

- A89. A State will be entitled to an initial payment for each policy initiative when the implementation approach is agreed as part of the implementation plan. The amount of the initial payment, and timing and amount of subsequent payment milestones up to the maximum Commonwealth contribution for that policy initiative will be agreed in each implementation plan.
- A90. Implementation plans may be agreed by the Parties bilaterally or multilaterally. Implementation plans may be updated at any time with the written agreement of the Commonwealth and the relevant State or States, including to incorporate additional policy initiatives, or additional activities under specific policy initiatives.
- A91. Where matched funding is required, the approach will be set out in implementation plans. State contributions may be supported by a new appropriation, reprioritisation of VET funding or, if agreed with the Commonwealth, committed expenditure that relates to the specific policy initiative.
- A92. If a State is unable to expend Commonwealth funding provided under this Part, the Commonwealth may reduce a future payment by an amount equivalent to the unspent funds.

## CLOSING THE GAP

### *Objectives*

- A93. The Parties commit to enabling investments to support Closing the Gap. These complement the broader reforms and investment in this Agreement and the National Agreement on Closing the Gap (Closing the Gap Agreement) that aim to address entrenched inequality faced by First Nations people.
- A94. The Parties recognise that this work will be delivered through, and consistent with, the partnership arrangements between First Nations peoples and governments in each jurisdiction.
- A95. Funding to directly support training places for First Nations students will be supported by flexible funding under Part 5, rather than this initiative.

### *Financial arrangements*

- A96. The Commonwealth will invest up to \$213.78 million over five years to help meet Closing the Gap skills targets. The \$213.78 million consists of:
  - (a) \$47.38 million to be retained by the Commonwealth, including \$35.94 million over five years to progress a national partnership framework (as described at Clause A99). The remaining funding is to support the delivery of Closing the Gap activities delivered by the Commonwealth.
  - (b) A maximum financial contribution to the States of \$166.40 million over five years to support Closing the Gap initiatives in VET (Table 5).

Table 5 - Estimated maximum contribution to Closing the Gap initiatives

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
\$m (2024-2028)	52.34	11.85	45.55	8.71	21.95	5.23	17.52	3.25

Note funding has been rounded to the nearest ten thousand.

A97. Commonwealth financial contributions to States to help meet Closing the Gap commitments require matched funding from the relevant State.

A98. The Commonwealth will also invest in supporting shared access to data and information at a regional level (Priority Reform 4 of the Closing the Gap Agreement refers).

#### *Implementation requirements*

A99. In partnership with States and the Coalition of Peaks, the Commonwealth will:

- (a) establish and manage a nationally networked VET policy partnership to ensure active engagement with First Nations peoples, organisations and communities, with an interim First Nations Committee to fulfil this purpose while the formal policy partnership is being established
- (b) enable a First Nations VET peak organisation, or peak organisations, to represent First Nations communities and organisations, working in partnership with State First Nations peak organisations, on national policy and programs in VET and
- (c) support First Nations peak organisations, and their affiliates, to lead research, projects, pilots and initiatives on national policy and programs in VET.

A100. The Parties will partner with First Nations organisations to scope the development of a Sector Strengthening Plan for the ACC and FNO RTO sector for SWMC consideration.

A101. States will develop bilateral implementation plans in partnership with First Nations communities and organisations.

A102. Bilateral implementation plans will demonstrably contribute to the achievement of Closing the Gap targets by implementing priority reforms including:

- (a) activities to expand investment in the capability, sustainability, and growth of the Aboriginal Community Controlled (ACC) and First Nations owned (FNO) training sector (Priority Reform 2 in the Closing the Gap Agreement) and
- (b) activities to grow the First Nations VET workforce and boost cultural competency of mainstream RTOs (Priority Reform 3 in the Closing the Gap Agreement).

A103. In agreeing implementation plans, Commonwealth will favour proposals that include a strong focus on and investment in the ACC and FNO sectors, unless there is a robust rationale (including the views of First Nations communities) that alternative investments will better achieve progress against Closing the Gap targets.

## ENSURING ACCESS TO FOUNDATION SKILLS TRAINING

### Objectives

A104. This reform will support Australians with low levels of foundation skills, who have left school, to access the training they need. It will improve access to and the quality of foundation skills training, noting that secondary schools deliver foundation skills to secondary school children.

### Financial arrangements

A105. The Commonwealth will invest up to \$141.71 million over five years to improve foundation skills training quality and access. This consists of:

- (a) a maximum financial contribution of \$77.27 million over five years to States to support the ACE sector or equivalent (Table 6)
- (b) \$53.26 million over five years for agreed actions arising from a 10-year foundation skills strategy (Clause 110 refers). The allocation of this funding will be determined by a majority of SWMC including the Commonwealth to give effect to the foundation skills strategy and
- (c) \$11.19 million over five years to be retained by the Commonwealth to deliver foundation skills measures, including developing and consulting on the Foundation Skills Strategy.

Table 6 - Estimated maximum contribution to ensuring access to foundation skills training

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
\$m (2024-2028)	22.80	19.01	15.04	5.01	7.97	1.97	4.00	1.47

Note funding has been rounded to the nearest ten thousand. Note this excludes funding under Clause A105(b).

A106. Commonwealth financial contributions to States for ensuring access to foundation skills training do not require matched funding from the relevant State.

### Implementation requirements

A107. The Parties will develop an approach to foundation skills assessment and referral that delivers a 'no-wrong door' experience for foundation skills learners.

A108. The Parties will provide no- or low-fee access to foundation skills training in their VET and ACE (or equivalent) systems, for learners who have been assessed as at or below Australian Core Skills Framework and/or Digital Literacy Skills Framework Level 3.

A109. Bilateral implementation plans will:

- (a) identify activities that support the ACE sector or equivalent
- (b) describe how the Party is delivering on the commitment in Clause A108 to provide no- or low-fee access to foundation skills training and

- (c) include a commitment to working cooperatively to develop the 10-year foundation skills strategy.

A110. The Parties will develop a 10-year national foundation skills strategy by the end of 2024 to identify critical actions to strengthen the foundation skills sector, which may include support for the foundation skills workforce, investment in foundation skills training resources, cooperative work on foundation skills assessment tools, and a national suite of activities to better reach cohorts with diverse and complex needs.

A111. Parties will review bilateral implementation plans after the strategy is finalised, and update if required to effectively deliver on the strategy.

## TAFE CENTRES OF EXCELLENCE

### *Objectives*

A112. The Parties agree to establish nationally networked TAFE Centres of Excellence to partner with industry, universities and governments to grow the skills needed by high-potential and strategically important industries, and meet workforce challenges that demand a coordinated response from governments, industry and the tertiary sector.

### *Financial arrangements*

A113. The Commonwealth will provide a maximum financial contribution to the States of \$325.00 million over five years toward TAFE Centres of Excellence (Table 7).

Table 7 – Estimated maximum contribution to TAFE Centres of Excellence

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
\$m (2024-2028)	89.84	76.24	61.90	25.57	36.04	13.20	10.04	12.16

Note funding has been rounded to the nearest ten thousand.

A114. Commonwealth financial contributions to States for TAFE Centres of Excellence require matched funding from the relevant State.

### *Implementation requirements*

A115. Bilateral implementation plans will outline how TAFE Centres of Excellence:

- (a) are aligned to a national priority (Clauses A28-29 refer), unless otherwise agreed with the Commonwealth
- (b) will:
  - i) provide national leadership in the delivery of education and training
  - ii) enrich students' learning experience, support industry needs and enable applied research programs

- iii) innovate in the delivery of tertiary education, such as development and delivery of higher apprenticeships in areas of high skills need
- iv) enable organisational innovation and teaching and training excellence and/or
- v) deliver other functions as agreed between the Commonwealth and the State
- (c) will develop and leverage local industry and university expertise
- (d) will partner and network with stakeholders including:
  - i) relevant employers, unions, universities, governments, Jobs and Skills Councils, and other stakeholders
  - ii) other TAFE Centres of Excellence that are responding to the same national priority under this Agreement and
  - iii) TAFEs and other training providers, including through the National TAFE Network.

A116. In agreeing bilateral implementation plans, the Commonwealth will have regard to, in addition to the matters outlined in Clause A115:

- (a) how the proposal involves new or expanded activities to address high priority skills shortages and meet current and emerging needs of industries
- (b) how the proposed TAFE Centres of Excellence collectively contribute to national priorities and
- (c) the proposed timeframe for implementation and need for priority facilitation and establishment, recognising the need for rapid action in critical areas to support the transition to a net zero economy, sustain essential care and support services, and ensure Australia's digital and technological capability.

## NATIONAL TAFE NETWORK

### *Objectives*

A117. The Parties agree to establish a National TAFE Network that will foster collaboration between the teachers and administrators of TAFEs and public training providers to develop resources, improve the quality of teaching and learning practice, and enhance the status of TAFE.

### *Financial arrangements*

A118. The Commonwealth will provide a maximum financial contribution to the States of \$147.80 million over five years to establish and operate the National TAFE Network (Table 8).

Table 8 – Estimated maximum contribution to National TAFE Network

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
\$m (2024-2028)	41.98	35.49	28.64	11.28	16.28	5.37	3.87	4.88

Note funding has been rounded to the nearest ten thousand.

A119. Commonwealth financial contributions to States for the National TAFE Network require matched funding from the relevant State.

A120. In addition to the funding referred to in Clause A118, \$6.77 million over five years will be retained by the Commonwealth to support the coordination of the National TAFE Network. The allocation of this funding will be determined through a multilateral implementation plan.

- (a) The \$6.77 million retained by the Commonwealth will not require matched funding from States.

#### *Implementation requirements*

A121. The National TAFE Network will undertake at least the following:

- (a) the development and support of the TAFE workforce and education practice, including through communities of practice organised around specific topics
- (b) the development of curriculum and course materials and sharing these among TAFEs and public training providers
- (c) piloting new or innovative approaches in teaching and learning practice and
- (d) providing a mechanism for employers, unions, Jobs and Skills Councils, universities, TAFE Centres of Excellence and others to engage with TAFEs and public training providers.

A122. States will jointly develop a multilateral implementation plan for agreement with the Commonwealth which includes:

- (a) the operational approach
- (b) inclusive governance which involves all Parties and
- (c) a coordination mechanism.

A123. Should a multilateral implementation plan not be agreed, the Commonwealth may enter into bilateral implementation plans.

## MEASURES TO STRENGTHEN THE VET WORKFORCE

### *Objectives*

A124. This initiative will support, grow and retain a quality VET workforce.

### *Financial arrangements*

A125. The Commonwealth will provide a maximum financial contribution of \$70.00 million over five years to States for initiatives to strengthen the VET workforce, including local action to respond to the VET Workforce Blueprint (Table 9).

Table 9 – Estimated maximum contribution to measures to strengthen the VET workforce

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
\$m (2024-2028)	20.84	17.51	13.98	5.06	7.61	2.00	1.23	1.77

Note funding has been rounded to the nearest ten thousand.

A126. Commonwealth financial contributions to States for measures to strengthen the VET workforce require matched funding from the relevant State.

A127. In addition to the funding referred to in Clause A125, a further \$30.00 million over five years will be retained by the Commonwealth to support national action to give effect to the VET Workforce Blueprint or other agreed VET workforce priorities. The allocation of this funding will be determined by a majority of SWMC including the Commonwealth. Should the full amount not be required, the remainder will be distributed to the States for VET workforce initiatives by population share, to be matched by States.

### *Implementation requirements*

A128. Bilateral implementation plans will identify activities that support the VET workforce.

A129. The Parties will finalise the development of the VET Workforce Blueprint in 2024. Once this is finalised, the Parties will:

- (a) agree to any national action to be undertaken in respect of the VET Workforce Blueprint, including the allocation of the funds retained for national action and
- (b) review bilateral implementation plans and update those plans if required to effectively deliver on the blueprint.

## ENHANCED VET DATA AND EVIDENCE

### *Objectives*

A130. Accurate and timely access to high quality VET data and information is needed to deliver on the broader objectives of this Agreement, including to measure the achievement of outcomes and support reform within the VET system.

### *Financial arrangements*

A131. The Commonwealth will provide a maximum financial contribution of \$65.50 million over five years to States to implement the VET Data Streamlining Program, including transition to the new VET Information Standard (Table 10).

Table 10 – Estimated maximum contribution to enhanced VET data and evidence

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
\$m (2024-2028)	14.50	9.50	9.50	8.00	8.00	6.00	5.00	5.00

Note funding has been rounded to the nearest ten thousand.

A132. In addition to the funding at Clause A131, the Commonwealth will provide up to \$50.79 million over five years to support the development of a new National VET Data System, VET Information Standard, Cyber Security, and VET Data Reform Blueprint and Investment Roadmap.

A133. Commonwealth financial contributions to States for enhanced VET Data and Evidence initiatives do not require matched funding from the relevant State.

#### *Implementation requirements*

A134. The Parties commit to:

- (a) inclusive and robust governance that recognises the role and responsibilities of all Parties
- (b) working with NCVER on the development of the VET Information Standard and transitioning to the VET Information Standard once approved by Skills Ministers and
- (c) continuing to work towards alignment with the National Information Security Manual or State specific cyber frameworks, recognising the critical importance of cyber security and privacy protections for VET data and systems.

A135. The Parties agree that the phased delivery approach for the National VET Data System, overseen by SWMC, will include:

- (a) government-funded RTOs reporting through State specified systems
- (b) fee-for-service-only RTOs transitioning to the National VET Data System using the new API technology, and submitting data quarterly and
- (c) States opting in to use the National VET Data System at a time that aligns with their own ICT transformations.

A136. The Parties agree to the following milestones:

- (a) finalisation of program governance and detailed planning of the phased delivery approach by 31 March 2024
- (b) finalisation and approval of the new VET Information Standard by 30 June 2024
- (c) finalisation and approval of bilateral implementation plans to opt-in by 30 June 2026 to access Commonwealth VET Data Streamlining funding
- (d) completing transition to the National VET Data System by 31 December 2028 for states that opt-in and



- (e) transitioning to the VET Information Standard by 31 December 2028, once approved by Skills Ministers.

A137. The Commonwealth will invest in:

- (a) the National VET Data System that will be delivered as part of the VET Data Streamlining Program. This includes funding for the core ICT platform, program, change and communication management to assist States and the VET sector to transition
- (b) funding for NCVET as the national VET data custodian to develop the VET Information Standard, and to transform their business processes to support the new VET Information Standard and National VET Data System
- (c) development of a cyber security policy and strategy for uplifting the security posture of the VET sector and
- (d) the cooperative development of a national VET Data Reform Blueprint and Investment Roadmap for consideration by SWMC by December 2024.

A138. Implementation plans will:

- (a) include agreed gateways at key milestones for Parties to review and assess the overall value and risk of the program. States will have the option to opt-out as part of the gateway review process
- (b) specify the State's reporting pathway for the purpose of collecting VET activity data, which can be either:
  - i) the direct pathway – funded RTOs submit Total VET Activity Data directly to the National VET Data System, or
  - ii) the indirect pathway – funded RTOs submit Total VET Activity Data via their State Training Authority who will collect and submit to the National VET Data System on their behalf using APIs and
- (c) specify how funding under this policy initiative will specifically deliver the VET Data Streamlining Program.

A139. A State that opts-out will be ineligible for future payments under this initiative, but will retain previous payments. States will be responsible for any costs incurred by their jurisdiction in transitioning out of the program.

A140. VET in schools data will continue to be reported to NCVET annually. States may choose to collect VET in schools data more frequently for State specific reporting if required. Further work on VET in schools data will be undertaken as part of the VET Data Reform Blueprint and Investment Roadmap.

## IMPROVED COMPLETIONS – ESPECIALLY FOR PRIORITY GROUPS

### *Objectives*

- A141. The Parties recognise the importance of improving student outcomes, including completions, by trialling new initiatives, building a robust evidence base, and implementing best practice approaches.
- A142. Consistent with the broader objectives under this Agreement, the Parties agree this initiative would have a focus on priority groups – including First Nations students, women and any other groups associated with agreed national priorities.

### *Financial arrangements*

- A143. The Commonwealth will provide a maximum financial contribution to the States of \$250.00 million over five years under this policy initiative (Table 11).

Table 11 – Estimated maximum contribution to improved completions – especially for priority groups

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
\$m (2024-2028)	73.26	61.50	49.36	18.50	27.28	7.90	5.20	7.00

Note funding has been rounded to the nearest ten thousand.

- A144. Commonwealth financial contributions to States for improved completions require matched funding from the relevant State.

### *Implementation requirements*

- A145. Bilateral implementation plans will outline proposals for:
- implementation and evaluation of new, scalable initiatives designed to directly support students or otherwise enhance the voice of students in VET policy
  - evaluation of existing initiatives that are designed to improve student outcomes and
  - taking to scale effective completions initiatives, noting that funding is not intended to support the provision of services typically included in the normal course of delivering training.
- A146. In agreeing bilateral implementation plans, the Commonwealth will have regard to, in addition to the matters in Clause A145 the:
- needs and interests of priority groups, including the voice of students
  - collective contribution of measures to the national evidence base (including the diversity of initiatives delivered across States)
  - potential scalability of initiatives and
  - recommendations of the National VET Completions Taskforce.

### *Specific action to support apprenticeship completions*

- A147. The Parties recognise that a successful working relationship between employers and apprentices and trainees is critical to diversity and women's participation, better retention and stronger completion outcomes.
- A148. The Parties will work together to improve apprenticeship and traineeship completions and outcomes through better support for employer and apprentice and trainee relations, including an appropriate mechanism to ensure best practice from employers.
- A149. The Parties agree that this will include, over the course of 2024:
- (a) jointly refreshing and updating the National Code of Good Practice for Australian Apprenticeships (National Code), in consultation with employers, unions, apprentices and trainees, and other apprenticeship and traineeship stakeholders, to better clarify the roles and responsibilities of employers and promote quality, best practice learning and employment arrangements for apprentices and trainees and
  - (b) collaborating on the development of best practice guidance and resources for employers of apprentices and trainees, to support employers to understand their roles and responsibilities to ensure safe and inclusive workplaces and high quality apprenticeships.
- A150. The refreshed National Code will be agreed by SWMC in 2025, accompanied by best practice guidance.

## **PART 7 – REPORTING**

- A151. All Parties will continue to contribute to national VET data collections and work towards increased data sharing.
- A152. States will support annual reporting by SWMC against targets, actions and priorities in the national plan through data provision to the Commonwealth where supplementary data to national data collections is required.
- A153. The Parties will publicly report annually against targets set through jurisdictional action plans, which will be published in a central location (Clause A34 refers).
- A154. The Parties will provide data to support regular reporting on policy initiatives, with specific elements and timing to be agreed in each implementation plan under this Agreement.

## **PART 8 - ADMINISTRATION**

### *Delegations*

- A155. The responsible Minister may delegate actions and decisions under this Agreement where appropriate.

### *Publication*

- A156. This Agreement and any Schedules or Appendices made under this Agreement will be published on the Federal Financial Relations website.

A157. The Parties will collaboratively develop and publish a national plan by June 2024 (Clause A30 refers).

A158. Each Party will develop and publish, in a central location, a jurisdictional action plan by November 2024 (Clause A34 refers).

*Dispute resolution*

A159. Any Party may give notice to other relevant Party/ies of a dispute under this Agreement or any schedule or appendix under this Agreement.

A160. Officials of relevant Parties will attempt to resolve any dispute under this Agreement in the first instance. If a dispute cannot be resolved by officials it may be escalated to the relevant Ministers, and if necessary, to the Skills and Workforce Ministerial Council (SWMC). If a dispute cannot be resolved by relevant Ministers, it may be referred to the relevant First Ministers and, if necessary, to the National Cabinet for consideration.

**PART 9 – SIGNATORIES**

The Parties have confirmed their commitment to this Agreement as follows:

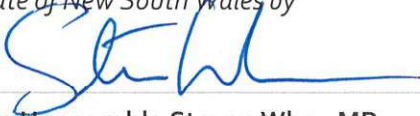
**Signed for and on behalf of the Commonwealth of Australia by**



**The Honourable Brendan O'Connor MP**  
Minister for Skills and Training

Date 13 October 2023

**Signed for and on behalf of the State of New South Wales by**



**The Honourable Steven Whan MP**  
Minister for Skills, TAFE and Tertiary Education

Date

**Signed for and on behalf of the State of Victoria by**

**The Honourable Gayle Tierney MLC**  
Minister for Skills and TAFE

Date

**Signed for and on behalf of the State of Queensland by**

**The Honourable Dianne Farmer MP**  
Minister for Training and Skills Development

Date

**Signed for and on behalf of the State of Western Australia by**

**The Honourable Simone McGurk MLA**  
Minister for Training

Date

**Signed for and on behalf of the State of South Australia by**

**The Honourable Blair Boyer MP**  
Minister for Education, Training and Skills

Date

**Signed for and on behalf of the State of Tasmania by**

**The Honourable Felix Ellis MP**  
Minister for Skills, Training and Workforce Growth

Date

**Signed for and on behalf of the Australian Capital Territory by**

**Mr Chris Steel MLA**  
Minister for Skills

Date

**Signed for and on behalf of the Northern Territory by**

**The Honourable Paul Kirby MLA**  
Minister for Business, Jobs and Training

Date

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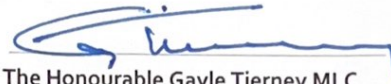
Date

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Territory by

\_\_\_\_\_  
**Mr Chris Steel MLA**  
Minister for Skills

Date

Signed for and on behalf of the  
State of Victoria by



**The Honourable Gayle Tierney MLC**  
Minister for Skills and TAFE

Date 16/10/23

Signed for and on behalf of the  
State of Western Australia by

\_\_\_\_\_  
**The Honourable Simone McGurk MLA**  
Minister for Training

Date

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\_\_\_\_\_  
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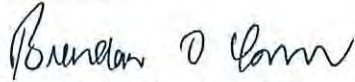
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Date 17.10.23.

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Minister for Training

Date

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Date

*Signed for and on behalf of the State of Tasmania by*

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**The Honourable Felix Ellis MP**  
Minister for Skills, Training and Workforce Growth

Date

*Signed for and on behalf of the Australian Capital Territory by*



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**Mr Andrew Barr MLA**  
Chief Minister

Date **16.10.2023**

*Signed for and on behalf of the Northern Territory by*

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**The Honourable Paul Kirby MLA**  
Minister for Business, Jobs and Training

Date

## PART 9 – SIGNATORIES

The Parties have confirmed their commitment to this Agreement as follows:

**Signed for and on behalf of the Commonwealth of Australia by**



**The Honourable Brendan O'Connor MP**  
Minister for Skills and Training

Date 13 October 2023

**Signed for and on behalf of the State of New South Wales by**

**The Honourable Steven Whan MP**  
Minister for Skills, TAFE and Tertiary Education

Date

**Signed for and on behalf of the State of Queensland by**

**The Honourable Dianne Farmer MP**  
Minister for Training and Skills Development

Date

**Signed for and on behalf of the State of South Australia by**

**The Honourable Blair Boyer MP**  
Minister for Education, Training and Skills

Date

**Signed for and on behalf of the Australian Capital Territory by**

**Mr Chris Steel MLA**  
Minister for Skills

Date

**Signed for and on behalf of the State of Victoria by**

**The Honourable Gayle Tierney MLC**  
Minister for Skills and TAFE

Date

**Signed for and on behalf of the State of Western Australia by**

**The Honourable Simone McGurk MLA**  
Minister for Training

Date

**Signed for and on behalf of the State of Tasmania by**

**The Honourable Felix Ellis MP**  
Minister for Skills, Training and Workforce Growth

Date

**Signed for and on behalf of the Northern Territory by**



**The Honourable Paul Kirby MLA**  
Minister for Business, Jobs and Training

Date 16<sup>TH</sup> OCTOBER 2023

## PART 10 – SCHEDULES

### SCHEDULE A – BILATERAL SCHEDULES

Once approved, all bilateral schedules will be appended to this Agreement.

### APPENDIX A – IMPLEMENTATION PLANS

Once approved, all implementation plans will be appended to this Agreement.

## APPENDIX B – DEFINITIONS

1. A reference in this Agreement to any Act or legislative instrument is a reference to that Act or legislative instrument as at 1 January 2024 or as amended thereafter.
2. In this Agreement, unless otherwise specified, words and phrases are to be interpreted as follows:

<b>Term</b>	<b>Definition</b>
Aboriginal Community-Controlled Organisation	As defined under Clause 44 in the National Agreement on Closing the Gap.
Adult and Community Education	Adult learning programs that are delivered by not-for-profit organisations in community settings.
Application Programming Interface (API)	A set of functions and procedures that enable software applications and systems to communicate with each other.
Australian Apprenticeships	Program covering both VET apprenticeships and VET traineeships and combine a formal, nationally recognised training qualification with paid employment.
Australian Core Skills Framework	A tool that assists both specialist and non-specialist English language, literacy and numeracy practitioners describe an individual's performance in the five core skills of learning, reading, writing, oral communication and numeracy.
Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS)	The existing standard which defines the VET information which must be submitted by training organisations as part of national VET data collections.
Coalition of Peaks (Coalition of Aboriginal and Torres Strait Islander Peak Organisations)	A representative body consisting of Aboriginal and Torres Strait Islander national and state and territory community-controlled peak organisations who work to improve life outcomes for Aboriginal and Torres Strait Islander peoples.
Closing the Gap	Refers to the objectives of the National Agreement on Closing the Gap.
Debt Not Expected to Be Repaid (DNER)	Loans that are not expected to be repaid due to the income contingent nature of the VSL Program. The Australian Government Actuary models the rate of DNER for State-subsidised students in the VSL Program and advises an appropriate DNER rate for the purposes of cost sharing.
Deferral Adjustment Costs	The represented cost of deferring the repayment of the debt and recognises that debts are charged interest broadly in line with the change in the CPI each year, which is different to the underlying cost of government borrowing. The Australian Government Actuary will determine the deferral adjustment rate annually.
Digital Literacy Skills Framework	The skills and competencies needed to use digital technologies to achieve personal goals, enhance employability skills and support education and training. Digital literacy sits alongside the core skills of Learning, Reading, Writing, Oral Communication and Numeracy.
Employability skills	A set of non-technical skills, knowledge and understandings that underpin successful participation in work.

<b>Term</b>	<b>Definition</b>
Federal Financial Relations Act 2009 (FFR Act)	Governs financial relations between the Commonwealth and the States and provides a standing appropriation for the Commonwealth to provide financial support for the delivery of services by the States.
First Ministers	The Prime Minister, Premier or Chief Minister of the relevant jurisdiction.
First Nations Owned	Has the same meaning as Aboriginal and Torres Strait Islander organisation as defined in the National Agreement on Closing the Gap.
Foundation Skills	English language, literacy, numeracy and digital literacy skills and employability skills.
Intergovernmental Agreement on Federal Financial Relations (IGA FFR)	Contains National Agreements that clarify the roles and responsibilities of the Commonwealth and States in delivery of services in key sectors.
Jobs and Skills Australia (JSA)	As established under the <i>Jobs and Skills Australia Act 2022</i> to engage, advise and assist the Australian Government and other stakeholders in decision-making on the current, emerging and future skills and workforce needs of the Australian economy.
Jobs and Skills Councils	A national network of industry-owned and industry-led organisations that identify skills and workforce needs for their sectors, map career pathways across education sectors, develop contemporary VET training products, support collaboration between industry and training providers to improve training and assessment practice and act as a source of intelligence on issues affecting their industries.
Jurisdictional Action Plan	A plan published by each Party to advance the national plan, including national priorities, with implementation arrangements to be adapted to local contexts.
National Agreement on Closing the Gap (Closing the Gap Agreement)	A formal agreement between the Coalition of Aboriginal and Torres Strait Islander Peak Organisations, and all Australian Governments. Its objective is to enable Aboriginal and Torres Strait Islander peoples and governments to work together to overcome the inequality experienced by Aboriginal and Torres Strait Islander peoples and achieve life outcomes equal to all Australians.
National Cabinet	A forum for the Prime Minister, Premiers and Chief Ministers to meet and work collaboratively.
National Centre for Vocational Education Research (NCVER)	The national professional body responsible for collecting, managing, analysing and communicating research and statistics on the Australian vocational education and training sector.
National Code of Good Practice for Australian Apprenticeships	A code that assists employers and apprentices entering into a Training Contract to have a clear understanding of each other's obligations and expectations.

<b>Term</b>	<b>Definition</b>
National Information Security Manual (ISM)	The Australian Signals Directorate produces the National Information Security Manual (ISM). The purpose of the ISM is to outline a cyber security framework that an organisation can apply, using their risk management framework, to protect their systems and data from cyber threats.
National priorities	Shared national priorities, identified and agreed to between the Parties by consensus or majority that includes the Commonwealth. National priorities may relate to workforces, skills/capabilities, priority groups or national system reforms.
Nationally Recognised Training	Training listed on the National Training Register (training.gov.au) including the following components: training package qualifications, accredited qualifications, accredited courses, training package skill sets, units of competency and accredited modules.
National Agreement for Skills and Workforce Development (NASWD)	An Agreement for skills and workforce development between the Commonwealth and States updated in 2012.
National Specific Purpose Payments for Skills and Workforce Development (SPP)	Financial assistance payable to States in accordance with section 12 of the FFR Act for the purpose of expenditure on skills and workforce development.
National Plan	<p>Developed by the Parties to meet agreed national targets and deliver on national priorities. The national plan will include an outcomes framework, outline factors in the VET system that influence outcomes, reform activities and their desired outcomes, and roles and responsibilities associated with delivery of the national plan.</p> <p>The national plan will be reviewed by SWMC annually, and adjusted as required in response to new evidence, changes to national priorities and to sustain national progress against targets.</p>
National VET Completions Taskforce	A time-limited national taskforce, led by South Australia, with representation from unions, employers, providers and governments, established in August 2023 to provide advice to SWMC.
National VET data collections	Maintained by NCVER, the national VET data collections include the National VET Provider Collection and associated data on students, full year training equivalents, program and subject enrolments, program completions and training providers, and the National VET Funding Collection that provides information on the flow and distribution of government contributions that stimulate or support publicly subsidised VET.
National VET Data System	The national system under-development to collect, validate, store and, manage and consume VET activity data.

<b>Term</b>	<b>Definition</b>
Outcomes framework	<p>Describes what success looks like under the Agreement through a balanced scorecard of national targets.</p> <p>The outcomes framework will be expressed in the national plan.</p>
Policy Initiatives	<p>Initiatives under this Agreement to support the objective and outcomes of this Agreement:</p> <p>Ensuring access to foundation skills training</p> <p>Support for the TAFE and training sector</p> <p>Closing the Gap</p> <p>Enhanced VET data and evidence</p> <p>Improved completions – especially for priority groups</p>
Population outcomes	Outcomes for individuals, society and the economy that Parties are pursuing through the VET system
Pre-vocational training	Programs that prepare participants for entry into VET.
Registered Training Organisations (RTOs)	<p>Organisations approved by one of the following VET Regulators to deliver nationally recognised training in the VET sector:</p> <p>(a) the Australian Skills Quality Authority</p> <p>(b) the Victorian Registration and Qualifications Authority</p> <p>(c) the Training Accreditation Council Western Australia</p>
Skills Minister	Minister responsible for skills and training in the relevant jurisdiction.
Skills and Workforce Ministerial Council (SWMC)	The Ministerial Council established on an ongoing and regular basis for Commonwealth and state and territory ministers to work collaboratively on issues specific to skills and workforce, with a reporting line to the National Cabinet. If one or more State is not party to this Agreement, references to SWMC in this Agreement will only extend to the Parties to this Agreement.
State Training Authority	A State government entity that regulates the apprenticeship system and implementation of VET in that State.
VET Data Reform Blueprint and Investment Roadmap	The long-term roadmap for enhancing the management and security of VET data.
VET Data Streamlining Program	The program to deliver the new VET Information Standard and the National VET Data System.
VET Information Standard	A new national standard under development to define the VET information which must be submitted by training organisations as part of national VET data collections. Once approved it will replace the existing AVETMISS.
VET Student Loans Program (VSL Program)	A Commonwealth program that assists eligible students pay tuition fees for approved higher-level (diploma and above) VET courses, when studying at VET Student Loans approved course providers.