

Victorian Implementation Plan

NATIONAL PARTNERSHIP AGREEMENT ON SKILLS REFORM

Part 1: Preliminaries

1. This Implementation Plan is a schedule to the National Partnership Agreement on Skills Reform (NP) and should be read in conjunction with that Agreement. The NP will contribute to reform of the Vocational Education and Training (VET) system to deliver a productive and highly skilled workforce, which contributes to Australia's economic future, and enable all working age Australians to develop the skills and qualifications needed to participate effectively in the labour market.
2. Reform of the VET sector through the NP will enable Australia to meet the challenges of changing economic conditions, maximising our productivity and prosperity in the longer term. The Commonwealth and the States are committed to a responsive, agile and equitable national training system that meets the needs of industry and students (including those from disadvantaged groups or locations) and provides pathways into and removes barriers between schools; adult and community; vocational and higher education; and employment.
3. In addition, as provided for in the Preliminaries of the National Partnership, Victoria and the Commonwealth have reached agreement on additional areas of reform to support the objectives of the National Partnership and National Agreement on Skills and Workforce Development. These are outlined in:
 - a. Appendix A: Areas for improvement in program and policy alignment;
 - b. Appendix B: Joint reform activities.

Part 2: Terms of this Implementation Plan

4. This Implementation Plan will commence as soon as it is agreed between the Commonwealth of Australia, represented by the Minister for Skills, and the State of Victoria, represented by the Minister for Higher Education and Skills.
5. As a schedule to the NP, the purpose of this Implementation Plan is to provide the public with an indication of how projects intend to be delivered and demonstrate Victoria's capacity to achieve the outcomes of the NP.
6. This Implementation Plan will cease on completion or termination of the NP, including the acceptance of final performance reporting and processing of final payments against performance benchmarks or milestones.
7. This Implementation Plan may be varied by written agreement between the Commonwealth and State Ministers responsible for it under the overarching NP.
8. The Parties to this Implementation Plan do not intend any of the provisions to be legally enforceable. However, that does not lessen the Parties' commitment to the plan and its full implementation.

Part 3: Strategy for Victorian implementation

Project Information

9. The progress made toward achievement of the national reforms outlined in Part A – clause 26 and Schedule 2 of the NP, that all states have agreed to implement, will be reported in each jurisdiction's annual performance report.
10. The planned project descriptions for the Part B structural reforms as outlined in clauses 27-29 and Schedule 2 are shown in Table 1:

Table 1: Project Descriptions

Outputs	Short description	Planned Start date	Planned end date
Quality			
State criteria for access to public subsidy funding and/or complementary strategies	<ul style="list-style-type: none"> • In accordance with clause 27(a) of the NP, Victoria will implement a number of initiatives to further improve the training quality of contracted providers. <ul style="list-style-type: none"> - Strengthening contracting standards to require RTOs to: publish measures of quality (e.g. employer and student satisfaction), develop industry benchmarks for performance against these measures and demonstrate a capability to deliver in all course areas for which the provider is seeking to claim government subsidy; - Establishment of peer review mechanism, as part of the new independent Market Monitoring Unit (see below), to provide advice on whether provider performance or behaviour is considered acceptable to a group of peers, where required; - Establishment of a rapid response capability, as part of the new independent Market Monitor unit (see below), to investigate providers where there are concerns about quality of provision or pricing, and allow swift contractual actions to be taken when required; and - Improving contract performance information, including introducing an improved performance measurement framework. 	2013	2016-17
External validation of RTO assessment practices	<ul style="list-style-type: none"> • In accordance with clause 27(b) of the NP, Victoria will build industry and consumer confidence in the outcomes of the training system by working closely with industry and enterprises to significantly improve the quality of VET assessment by developing and piloting an external validation of assessment to inform a possible national approach. <ul style="list-style-type: none"> - Working in partnership with industry and providers Victoria will undertake pilots of external validation. - Building on the Victorian pilots, Victoria will trial alternative model(s) of external validation of assessment in additional pilots as part of an NSOC project, working with the Commonwealth, interested jurisdictions, 	2012	2015

	<p>industry and providers.</p> <ul style="list-style-type: none"> - Based on the evidence provided by the NSOC pilots and the Victorian 2012-13 pilots, Victoria will contribute to the development of a national approach. - Dependent on new national standards, Victoria will work with the sector to build capacity to support implementation or undertake further pilots with the outcomes to be promoted across the training delivery network and to industry. 		
<p>Publication of RTO quality measures through My Skills (under improved consumer information)</p>	<ul style="list-style-type: none"> • In accordance with clauses 27(c) and 26(d) of the NP, Victoria will publish information on the quality of training providers. <ul style="list-style-type: none"> - Establishing a public register of training providers, which will include information on courses, fees and subsidies, funding, quality of providers and labour market information. The register will be implemented in phases and will be informed by detailed research on how clients of the system make their training choices. - In addition to comprehensive course information and Victorian labour market data (including regional profiles), the first phase of the public register will include access to quality indicators to support student and enterprise decision-making which have not been available previously. - The public register will complement existing careers websites and proposed MySkills website. It will function as a portal linking to information largely hosted by other sites (including price and quality information that providers will be required to publish on their websites) and relevant additional Victorian specific information. - Dialogue and co-operation with the Commonwealth on the development of the MySkills website will be ongoing to ensure that Victorian projects remain complementary to Commonwealth initiatives. - Victoria will provide data to the Commonwealth to meet the requirements of My Skills as outlined in clause 26(d) of the NP and as agreed from time to time by SCOTESE. - This reform initiative will be implemented as per timeframes agreed through SCOTESE and as per milestones in Part A of Schedule 2 of the NP. 	2012	2016-17
Efficiency			
Improved government to government information sharing	<ul style="list-style-type: none"> • In accordance with clause 29(a) of the NP, Victoria will improve government-to-government information exchange: <ul style="list-style-type: none"> - Victoria produces a publicly available quarterly report, which summarises the Victorian training market's key features and emerging trends at the end of each quarter and provides a comparative overview of market changes. Key metrics include: training delivery by funding source, qualification level, region and provider type; learner 	2012	2016-17

	<p>characteristics such as age and equity group and an analysis of training delivery to specific occupational needs. Victoria agrees to provide the Commonwealth with aggregate data tables used in the development of the reports.</p> <ul style="list-style-type: none"> - Victoria will collaborate nationally and adjust its quarterly report where appropriate so it is better aligned with the government-to-government information agenda, particularly as it relates to identifying completions from different funding sources – for example NWDF (based on the provision of relevant data from the Commonwealth). It would also mean a focus on reporting on those elements outlined at clause 29(a) of the NP. - Victoria will also respond to reasonable additional requests from the Commonwealth for system level data on those elements outlined at clause 29(a) of the NP to supplement the analysis in the quarterly reports (where this data is not already publicly available). - At the same time, more timely information from other sources such as the Commonwealth on higher education activity could make that section of the quarterly report more relevant, and enable a more holistic view of the tertiary sector. Similarly, a greater sharing of labour market information would enable Victoria to provide a more robust analysis of the responsiveness of the training market to industry needs. The Commonwealth will also improve its information sharing with Victoria on VET programs such as NWDF and Apprenticeships, as they impact on the Victorian system. - Victoria will also improve transparency of training prices by requiring providers to publish their tuition fees and over time, by the new market monitor providing detailed analysis of prices. This is particularly important as the market continues to mature. - The Victorian government will work with the Commonwealth to improve information exchange through development of a shared information model, as outlined in clause 29(a). The development of the model will be through NSOC and its committees. - The information which becomes available to governments under this model will facilitate the conduct of the Review of the National Partnership as referenced in clause 29(a) of the NP. - Information sharing will be complemented by the existing nationally led projects, including those led through the DPMPC. Projects including: <ul style="list-style-type: none"> ▪ VET data quality; ▪ Quarterly reporting; ▪ Unique Student Identifier; 		
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--

	<ul style="list-style-type: none"> ▪ VET data portal; ▪ Total VET activity; and ▪ My Skills. 		
Support public training providers	<ul style="list-style-type: none"> • In accordance with clause 29(b) of the NP, as the owner of TAFE institutes, the Government has reaffirmed the commitment to a strong, sustainable and efficient TAFE network. • Further to the Victorian Government's Refocusing Vocational Training in Victoria statement released in April 2012, the Minister for Higher Education and Skills announced in June 2012 the establishment of an independent TAFE Reform Panel to provide advice on the transition of TAFE institutes to the new funding arrangements and on structural and business reforms in the TAFE sector. • The TAFE Reform Panel provided its advice to the Government in late 2012. The Government announced its response on 12 March 2013 as part of the Next Steps for Refocusing Vocational Training in Victoria – Supporting a Modern Workforce statement. • The Government's response contains a number of initiatives that are designed to support and strengthen Victorian TAFE institutes and encourage greater innovation in delivery and content, including: <ul style="list-style-type: none"> • a \$200 million contestable TAFE Structural Adjustment Fund to support innovation, collaboration, structural reform and business transformation proposals from TAFE institutes that improve their financial sustainability and demonstrate a pathway to meeting commercial obligations • funding for advisory support and the appointment of independent facilitators to assist regional TAFE institutes develop funding proposals • modernising the TAFE institutes' constitutions and providing them with a clear commercial objective so they can compete more effectively with private providers • giving TAFE institutes greater control of their assets by working towards transferring titles, allowing them to re-invest the proceeds from the sale of assets and more flexible financing arrangements • reducing the regulatory burden on TAFE institutes by streamlining reporting requirements, and by more clearly defining the roles and responsibilities of TAFE institutes and the Department • allowing TAFE institutes more control over workplace relations matters • removing the restriction on TAFE institutes being registered as Group Training Organisations • TAFE institutes will be better placed to take advantage of 	2012	2016-17

	<p>these opportunities, following legislative amendments to the Education and Training Reform Act 2006 (Vic) made in 2012 to strengthen the board capacity and corporate basis of TAFE institutes. This will require new constitutions for TAFE Boards.</p> <ul style="list-style-type: none"> • The legislative amendments are currently being implemented. Consultation on new constitutions is well advanced and the constitutions will be remade and boards reconstituted in the first half of 2013. • Commercial guidelines and strategic planning guidelines have also been drafted and are currently the subject of final consultation with TAFE institutes. These guidelines set out a clear commercial objective for the TAFE institutes, a reporting and monitoring framework, and the principles and processes for the development and conduct of commercial activities. These guidelines will be gazetted in the first half of 2013. 		
Access and Equity			
National entitlement	<ul style="list-style-type: none"> • Since 2008, Victoria has progressively implemented an entitlement to training. These reforms introduced contestable, student-centred, demand-driven funding through the Victorian Training Guarantee (VTG). Over the life of the NP, the VTG will continue to exceed the scope of the national entitlement. • In accordance with clause 28(a) of the NP, Victoria will strengthen its entitlement to a government subsidised training place: <ul style="list-style-type: none"> - Ensuring that subsidies for individual courses better reflect the public value they generate so Government gets the best return on investment and students are incentivised to study in such areas; and - Establishing a Market Monitoring Unit which will monitor market trends, including levels of competition, price, and the quality of training outcomes. The types of issues that may be examined include uncompetitive pricing, inappropriate marketing strategies to students, and poor quality training. The unit will be established within the Department of Education and Early Childhood Development, but separate from the Higher Education and Skills Group. • Victoria will report annually on how the VTG criteria satisfies the conditions of the national entitlement. 	2012	2016-17
Increase access to Income Contingent Loans (ICLs)	<ul style="list-style-type: none"> • In accordance with clause 28(b) and Schedule 4 of the NP, Victoria support expansion of the Commonwealth's ICL scheme and work with the Commonwealth to enhance a quality framework for RTOs to access ICLs: <ul style="list-style-type: none"> - Victoria implemented VET FEE-HELP in 2009 for government-subsidised Diploma and Advanced Diploma 		

	<p>courses, making student participation in training more affordable. Under the NP, ICLs will continue to be available for government-subsidised Diploma and Advanced Diploma students in addition to a limited number of Certificate IV students as part of a national trial of VET FEE-HELP at this level.</p> <ul style="list-style-type: none"> - Victoria will pay 50 per cent of the fair value costs of the scheme, as specified in the NP (see Attachment C for the methodology used for assessing Victoria's fair value payments). - Victoria has a deregulated fee system. The mechanisms of student choice and training provider competition work together to provide downward pressure on fee levels. Victoria's subsidy, quality and transparency reforms described above will strengthen these pressures and ensure that potential price gouging by providers is monitored and quickly responded to. - In addition, the Commonwealth will provide timely data to Victoria on the uptake of VET FEE-HELP loans to enable the monitoring of the weighted average value of loans under the scheme. 	2012	2016-17
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------	---------

11. Victoria agrees to the Part A – National Reform transparency projects as outlined in clauses 26(a) to (d) of the NP, and milestones as specified in the NP.
12. Projects relating to transparency as identified in Schedule 2 of the NP will be reviewed through the annual performance report.

Risk management

13. A risk management plan is in place. Risks have been actively identified, entered into a risk log and categorised in terms of impact and likelihood. The risk management plan is subject to the usual risk management processes in place for Victorian Government programs.

Relevant State Context

14. In developing this Implementation Plan consideration has been given to relevant Victorian context. Key factors that have influenced the proposed direction are listed below.
 - a. Victorian skills reforms which have been progressively implemented since 2008 and include the implementation of contestable, student-centred, demand driven funding;
 - b. Rapid structural change in the Victorian economy, partly as a result of the strong Australian dollar challenging the international competitiveness of Victoria's traditional manufacturing base; and
 - c. Reviews undertaken by various agencies identifying the need to further refine the Victorian reforms in order to ensure the most effective return on investment for Government and consumers.

Table 2: Links with existing reforms or projects

Proposed project elements	Existing reforms or projects	Complementary nature of activities
Quality	In 2012, Victoria introduced stricter criteria for contracting providers which include strengthened financial viability entry requirements and new requirements for providers to publish indicative course fees and report performance against AQTF performance measures.	Strengthened entry requirements for providers to access public subsidises for training provides a strong base from which to develop further measures to improve the quality of training provision in Victoria.
Transparency	Victoria produces a publicly available quarterly report which summarises the Victorian training market's key features and emerging trends.	Improved transparency is a crucial underpinning element for the effective functioning of VET markets, especially as VET sectors move towards greater choice and contestability.
Efficiency	Since the introduction of the Victorian Training Guarantee, Victoria has provided significant support to public providers to assist them to respond in a market environment. Approximately \$800 million has been invested to support TAFE institutes since 2008.	Victoria will continue to build on previous work to support public providers to respond in a market environment.
Access and Equity	Since 2008, Victoria has progressively implemented an entitlement to training. These reforms introduced contestable, student-centred, demand-driven funding through the Victorian Training Guarantee (VTG). Supporting this entitlement, VET FEE-HELP has been available to government subsidised students in Victoria since 2009.	The VTG exceeds the national entitlement and provides Victorians with the opportunity to access government subsidised training.

Estimated Costs

15. The maximum financial contribution to be provided by the Commonwealth for structural reform projects to Victoria is \$282.7 million payable in accordance with milestones set out in Part 5, and detailed in Schedule 2 of the NP. Payments linked to training outcomes will be based on achievement of agreed improvements against performance measures in years four and five of the Agreement. All payments are exclusive of GST.
16. Victoria's financial contributions to skills training and reform are set out in the Victorian State Budget papers.

17. The Commonwealth's estimated financial contribution to Victoria's VET structural reform and training (exclusive of GST) under the NP is set out in Table 3 (a breakdown by state is at Schedule 5 of the NP). The Commonwealth contribution can only be moved between years with the agreement of the Commonwealth. The budget is indicative only and Victoria retains the flexibility to move funds between components as long as outcomes are not affected.

Table 3: Estimated Commonwealth financial contributions to Victoria under the NP

Administered item expenses (\$millions)		2012-13	2013-14	2014-15	2015-16	2016-17	Totals
National Partnership							
65%	In advance payments 20%	43.5	43.5	-	-	-	87.0
	Structural reform milestones 45%	15.8	15.8	93.9	35.1	35.1	195.7
	Total structural reform payments	59.3	59.3	93.9	35.1	35.1	282.7
35%	Training outcomes 35%	-	-	-	58.8	93.4	152.2
	Total Reform National Partnership	59.3	59.3	93.9	93.9	128.5	434.8

18. Table 4 represents the estimated Commonwealth financial contributions for VET structural reforms and the proportion of funding that would be withheld if the milestones for projects under the structural reform categories are not met as indicated in clause 51 of the NP.

Table 4: Structural Reform Payments

Outputs	2012-13	2013-14	2014-15	2015-16	2016-17	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Quality (20%)						
<ul style="list-style-type: none"> State criteria for access to public subsidy funding and/or complementary strategies External validation of RTO assessment practices Publication of RTO quality measures through My Skills (under improved consumer information below) 						
Completion of one project (40%)	1.3	1.3	7.5	2.8	2.8	39.1
Completion of two projects (100%)	3.2	3.2	18.7	7.0	7.0	
Transparency (10%)						
<ul style="list-style-type: none"> Enhanced National data collections Improved and agreed timelines Improved consumer information Unique Student Identifier 						
Completion of one project (20%)	0.3	0.3	1.9	0.7	0.7	19.6
Completion of two projects (40%)	0.6	0.6	3.8	1.4	1.4	
Completion of three projects (60%)	0.9	0.9	5.6	2.1	2.1	
Completion of four projects (100%)	1.6	1.6	9.4	3.5	3.5	
Efficiency (10%)						
<ul style="list-style-type: none"> Improved government to government information sharing Support public training providers Review 						
						19.6

Completion of one project (40%)	0.6	0.6	3.8	1.4	1.4	
Completion of two projects (60%)	1.0	1.0	5.6	2.1	2.1	
Completion of three projects (100%)	1.6	1.6	9.4	3.5	3.5	
Access and equity (60%)						
• National Entitlement						
• Increase access to ICLs						
Completion of one project (40%)	3.8	3.8	22.5	8.4	8.4	
Completion of two projects (100%)	9.5	9.5	56.3	21.0	21.0	117.4
Total Structural Reform Payment	15.8	15.8	93.9	35.1	35.1	195.7

19. In accordance with Clause 49 of the NP, and in the event a structural reform project annual milestone is not completed, 25% of the structural reform payment relevant to that project will be payable for completion of the relevant interim milestone. This payment will be subject to evidence of completion of the interim milestone being provided and assessed through the annual performance report and payable at that time.

PART 4: PERFORMANCE AND REPORTING ARRANGEMENTS

Milestones

20. The general performance and reporting arrangements are outlined in the NP. Performance and reporting arrangements that are specific to Victoria are included as Attachments to this Implementation Plan.

Structural reform

21. Attachment A includes the agreed project milestones for the jurisdictionally flexible outputs of the NP.

Training outcomes

22. Victoria is committed to improving training outcomes in the VET sector. Victoria's specific objectives under the NP are to deliver increases in:
- qualification completions**, to contribute to the national target of 375,000 additional completions nationally over the life of the agreement;
 - completions of higher qualifications at Certificate III and above** to reflect the importance of a range of higher level qualifications to the Victorian economy – including those at Certificate III and IV level (including the traditional trades) and those at Diploma and Advanced Diploma level (including paraprofessional qualifications);
 - commencements of higher qualifications by Indigenous Australians** to reflect the importance of encouraging participation in higher levels of training by Indigenous Australians;
 - commencements by students with a disability** to support the objectives of the National Disability Strategy and improve participation by these individuals who have been historically underrepresented in Victoria's training system; and

- e. commencements by individuals who are unemployed at the time of enrolment, to reflect Victoria's focus on increasing workforce participation and assisting workers in transition.

- 23. Attachment B includes the agreed training outcomes targets for Victoria and technical specifications.
- 24. In accordance with clause 47 of the NP, training outcomes payments will be distributed between the five outcomes targets as follows:

Table 4: Training Outcomes Performance Targets

Outcomes target	Proportion	2015-16 (\$ million)	2016-17 (\$ million)	Total (\$ million)
Aggregate completions	40%	23.5	37.4	60.9
Higher level qualification completions (Cert III and above)	15%	8.8	14.0	22.8
Indigenous commencements (Cert III and above)	15%	8.8	14.0	22.8
Commencements by students with a disability	15%	8.8	14.0	22.8
Commencements by individuals who are unemployed	15%	8.8	14.0	22.8
Total	100%	58.8	93.4	152.2

Reporting

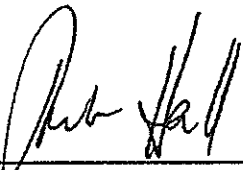
- 25. Victoria will report annually on the achievement of project milestones (including partial achievement), during the life of the Agreement. Annual performance reports will be submitted to the Commonwealth by 30 April each year.
- 26. Victoria agrees to provide an annual performance report to the Commonwealth based on an agreed template.
- 27. The final annual performance report will include achievements against milestones over the life of the Agreement.
- 28. Circumstances may give rise to additional reporting being sought from Victoria. Such requests should be kept to the minimum for the effective assessment of the project or reform. Requests should not place an undue reporting burden on jurisdictions and portfolio agencies.

Review and Evaluation

- 29. The Implementation Plan will be reviewed in conjunction with the review of the NP by 31 December 2015 about progress made by the Parties in respect of achieving the agreed outcomes.

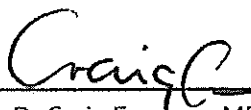
Sign off

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

Signature  Date 8/5/2013

The Hon Peter Hall MLC
Minister for Higher Education and Skills

.....

Signature  Date 23/6/13

Senator the Hon Dr Craig Emerson MP
Minister for Tertiary Education, Skills, Science and Research

ATTACHMENT A: PROJECT MILESTONES

National reforms are outlined in clause 26 on the national structural reforms of the NP, and Schedule 2 sets out the relevant milestones and processes for these reforms for this Implementation Plan.

Jurisdictionally flexible reforms are referred to in clauses 27-29 of the NP and are outlined below.

Transparency milestones have been included as per Table 4 and the *National Partnership Agreement on Skills Reform* (Schedule 2).

Evidence of completion of each milestone will be outlined within the Annual Performance Report to be presented to DIICSRTE by 30 April 2013. This would include URL links to any relevant published papers such as reports and frameworks that have been identified as evidence of completion of milestones.

2012 milestones

OUTPUT	MILESTONE	EVIDENCE OF COMPLETION	INTERIM MILESTONES
<p>Quality: Implementation of criteria specific to each state for access to public subsidy funding and complementary strategies</p>	<p>Implement rapid response capability. Establish peer review mechanism. Implement higher level standards to select contracted providers.</p>	<p>Rapid response capability contracted. Participation by providers in peer review mechanism specified in provider contracts. 2013 contracting process includes more robust financial assessment and quality of contract performance measures.</p>	<p>Rapid response capability identified Peer review mechanism identified. Strengthened criteria and process identified for assessing provider applications to access public subsidy funding.</p>
<p>Quality: Development and piloting of independent validation of RTO assessment practices</p>	<p>Engage consultant / researcher to work with industry and VET experts to undertake a pilot of external validation.</p>	<p>RFQ process completed.</p>	<p>RFQ process commences.</p>
<p>Access & Equity: Introducing and strengthening a national entitlement</p>	<p>DEECD publishes quarterly reports on VTG.</p>	<p>Quarterly report is made available on Department's website.</p>	

<p>to a government subsidised training place</p>	<p>Report on VTG criteria against minimum national entitlement conditions as outlined in Schedule 3 of the NP.</p> <p>Establish independent Market Monitoring Unit.</p>	<p>Annual NP performance review report lodged, including report on VTG criteria.</p> <p>Market Monitoring Unit is established.</p>	<p>Market Monitoring Unit role and functions identified and made public.</p>
<p>Access & Equity: Supporting the expansion of the Commonwealth's ICLs scheme</p>	<p>Maintain arrangements that support access to VET FEE-HELP for Diploma and Advanced Diploma, as outlined in Schedule 4 of the NP.</p>	<p>VET FEE-HELP is available for government subsidised Diploma and Advanced Diploma courses in Victoria.</p>	
<p>Efficiency: Improvements in government to government information exchange</p>	<p>Victoria shares aggregate data tables that underlie the publication of quarterly reports of training under the VTG.</p>	<p>Annual NP performance review report lodged, including quarterly report with aggregate data tables underlying report.</p>	
<p>Efficiency: Strategies which enable public providers to operate effectively in an environment of greater competition, recognising their important functions</p>	<p>Strengthen board capacity and corporate basis of TAFE Institutes.</p> <p>DEECD publishes annual report on VTG, which includes data on public provider.</p>	<p>Introduction of legislation.</p> <p>Quarterly report (year-end) is made available on Department's website.</p>	<p>Parameters for new constitutions developed and agreed.</p>

2013 milestones

OUTPUT	MILESTONE	EVIDENCE OF COMPLETION	INTERIM MILESTONES
<p>Quality: Implementation of criteria specific to each state for access to public subsidy funding and complementary strategies</p>	<p>Design outcomes framework for provider performance.</p> <p>Rapid Response capability investigation of providers regarding quality and pricing.</p> <p>Peer Review panels convened where required to inform quality considerations.</p> <p>Continued application of higher level quality (financial and compliance) standards to select contracted providers.</p> <p>Pilot project completed.</p> <p>Victorian pilots progressed in support of the NSOC project 'National Approach to External Validation Project'.</p>	<p>Performance policy framework project report considered by SCOTESE.</p> <p>Investigations conducted of individual providers.</p> <p>Report on Peer Review panels convened.</p> <p>2013 contracting process maintains strengthened standards for entry to market.</p> <p>Final project report published.</p> <p>Jurisdictional commitments met under the NSOC project timeline.</p>	<p>Performance policy framework report considered by NSOC.</p>
<p>Access & Equity: Introducing and strengthening a national entitlement to a government subsidised training place</p>	<p>DEECD publishes quarterly reports on VTG.</p> <p>Report on VTG criteria against minimum national entitlement conditions as outlined in Schedule 3 of the NP.</p> <p>Contribute to review of administration of VET FEE-HELP and average weighted loan system, as outlined in Schedule 4 of the NP.</p>	<p>Quarterly report is made available on Department's website.</p> <p>Annual NP performance review report lodged, including report on VTG criteria.</p> <p>Victoria participates in review of VET FEE-HELP administration.</p>	<p>Draft project report.</p> <p>Made progress towards jurisdictional commitments under NSOC project timeline.</p>
<p>Efficiency: Improvements in government to government information exchange</p>	<p>Commonwealth and Victoria collect data according to agreed model and strengthen public quarterly reporting of the VTG.</p>	<p>Annual NP report lodged, including quarterly report with aggregate data tables underlying report.</p>	

<p>Efficiency: Strategies which enable public providers to operate effectively in an environment of greater competition, recognising their important functions</p>	<p>Develop the Victorian Government's response to the TAFE Reform Panel's recommendation.</p> <p>Arising from the Victorian Government's response, implementation of measures to improve the commercial and operating autonomy and financial sustainability of TAFE institutes.</p> <p>Release of guidelines for the \$200 million TAFE Structural Adjustment Fund.</p> <p>Finalise commercial guidelines and strategic planning guidelines.</p> <p>Publish annual report on VTG which includes data on public providers.</p>	<p>Publication of the Victorian Government's response on the Department's website.</p> <p>Annual NP performance review report lodged, including details of TAFE reforms.</p> <p>Publication of the guidelines on the Department's website.</p> <p>Gazettal of commercial guidelines and strategic planning guidelines.</p> <p>Annual report is made available on Department's website.</p>	
<p>Review</p>	<p>Terms of Reference to the review of the National Partnership to be agreed by all jurisdictions by 30 April 2013, as per clause 57 of the National Partnership.</p>		

2014 milestones

OUTPUT	MILESTONE	EVIDENCE OF COMPLETION	INTERIM MILESTONES
<p>Quality: Implementation of criteria specific to each state for access to public subsidy funding and complementary strategies</p>	<p>Rapid Response capability investigation of providers regarding quality and pricing.</p> <p>Peer Review panels convened to inform quality considerations.</p> <p>Incorporate measures of provider quality linked to outcomes of training and assessment into standards for entry to market.</p>	<p>Investigations conducted of individual providers.</p> <p>Report on Peer Review panels convened.</p> <p>Contracts updated to reflect investigation process outcomes.</p> <p>2015 contracting arrangements include new quality measures.</p>	<p>New quality measures announced.</p>
<p>Quality: Development and piloting of independent validation of RTO assessment practices</p>	<p>Dependent on new national standards, contribute to development of national approach to external validation through the NSOC project, 'National Approach to External Validation Project'.</p>	<p>Victorian evidence-based contribution to development of national approach.</p>	<p>Delivery of NSOC pilots.</p>
<p>Access & Equity: Introducing and strengthening a national entitlement to a government subsidised training place</p>	<p>DEECD publishes quarterly reports on VTG.</p> <p>Report on VTG criteria against minimum national entitlement conditions, as outlined in Schedule 3 of the NP.</p>	<p>Quarterly report is made available on Department's website.</p> <p>Annual NP report lodged, including report on VTG criteria.</p>	
<p>Access & Equity: Supporting the expansion of the Commonwealth's ICLs scheme</p>	<p>Maintain arrangements that support access to VET FEE-HELP for Diploma and Advanced Diploma, as outlined in Schedule 4 of the NP.</p>	<p>VET FEE-HELP is available for government subsidised Diploma and Advanced Diploma courses in Victoria.</p>	
<p>Efficiency: Improvements in government to government information exchange</p>	<p>Victoria and the Commonwealth continue to refine the scope of shared data.</p> <p>Continuation of quarterly public reporting of the VTG.</p> <p>Continuous review of information exchange in conjunction with the Commonwealth.</p>	<p>Quarterly report is made available on Department's website.</p>	

<p>Efficiency: Strategies which enable public providers to operate effectively in an environment of greater competition, recognising their important functions</p>	<p>Arising from the Victorian Government's response, implementation of measures to improve the commercial and operating autonomy and financial sustainability of TAFE institutes.</p> <p>Announcement of successful applications to the TAFE Structural Adjustment Fund.</p> <p>Publish annual report on VTG, which includes data on public providers.</p> <p>Participation in consultations to contribute to the review of the National Partnership as outlined in Part 6 of the National Partnership.</p>	<p>Annual NP performance review report lodged, including details of TAFE reforms.</p> <p>Publication of successful applications on the Department's website.</p> <p>Quarterly report (year-end) is made available on Department's website.</p>	
<p>Review</p>			

2015 milestones

OUTPUT	MILESTONE	EVIDENCE OF COMPLETION	INTERIM/MILESTONES
<p>Quality: Implementation of criteria specific to each state for access to public subsidy funding and complementary strategies</p>	<p>Design and implement quality and consumer information improvements post 2014 review.</p> <p>Peer Review panels convened to inform quality considerations.</p> <p>Rapid Response capability investigation of providers regarding quality.</p> <p>Confirm benchmarks applying to quality measures utilised in standards for provider entry to market.</p>	<p>Information to support consumer decision making accessed through the Skills Navigator is refreshed and improved subject to evaluation.</p> <p>2015 Government contracts are revised to reflect the outcomes of the 2014 review.</p> <p>Report on Peer Review panels convened.</p> <p>Investigations conducted of individual providers.</p> <p>2016 contracting arrangements include confirmed benchmarks.</p>	<p>Evaluation of extent to which elements of the Skills Navigator is meeting the needs of clients is completed.</p> <p>Review of prior year benchmarks.</p>
<p>Quality: Development and piloting of independent validation of RTO assessment practices</p>	<p>Dependent on new national approach, work with the sector to build capacity or undertake further pilots.</p>	<p>Annual NP report lodged, including details of Victorian action to build capacity or undertake additional pilots.</p>	
<p>Access & Equity: Introducing and strengthening a national entitlement to a government subsidised training place</p>	<p>DEECD publishes quarterly reports on VTG.</p> <p>Report on VTG criteria against minimum national entitlement conditions, as outlined in Schedule 3 of the NP.</p>	<p>Quarterly report is made available on Department's website.</p> <p>Annual NP report lodged, including report on VTG criteria.</p>	
<p>Access & Equity: Supporting the expansion of the Commonwealth's IGLs scheme</p>	<p>Maintain arrangements that support access to VET FEE-HELP for Diploma and Advanced Diploma as outlined in Schedule 4 of the NP.</p>	<p>VET FEE-HELP is available for government subsidised Diploma and Advanced Diploma courses in Victoria.</p>	
<p>Efficiency: Improvements in government to government information exchange</p>	<p>Continuation of quarterly public reporting of the VTG.</p> <p>Continuous review of information exchange in conjunction with the Commonwealth.</p>	<p>Quarterly report is made available on Department's website.</p>	

<p>Efficiency: Strategies which enable public providers to operate effectively in an environment of greater competition, recognising their important functions</p>	<p>Arising from the Victorian Government's response, implementation of measures to improve the commercial and operating autonomy and financial sustainability of TAFE institutes. DEECD publishes annual report on VTG which includes data on public providers.</p>	<p>Annual NP performance review report lodged, including details of TAFE reforms. Quarterly report (year-end) is made available on Department's website.</p>	
<p>Review</p>	<p>Victoria will participate in the review of the NP as set out in clauses 54 – 58 of the National Partnership. Timely provision of data and other relevant information agreed under the National Partnership to contribute towards the review to be completed by 31 December 2015.</p>		

2016 milestones

OUTPUT	MILESTONE	EVIDENCE OF COMPLETION	INTERIM MILESTONES
<p>Quality: Implementation of criteria specific to each state for access to public subsidy funding and complementary strategies</p>	<p>Rapid Response capability investigation of providers regarding quality and pricing.</p> <p>Peer Review panels convened to inform quality considerations.</p> <p>Confirm benchmarks applying to quality measures utilised in standards for provider entry to market.</p>	<p>Investigations conducted of individual providers.</p> <p>Report on Peer Review panels convened.</p> <p>2017 contracting arrangements include confirmed benchmarks.</p>	<p>Review of prior year benchmarks.</p>
<p>Quality: Development and piloting of independent validation of RTO assessment practices</p>	<p>Dependent on new national approach, work with the sector to build capacity or undertake further pilots.</p>	<p>Annual NP report lodged, including details of Victorian action to build capacity or undertake additional pilots.</p>	
<p>Access & Equity: Introducing and strengthening a national entitlement to a government subsidised training place</p>	<p>DEECD publishes quarterly reports on VTG.</p> <p>Report on VTG criteria against minimum national entitlement conditions, as outlined in Schedule 4 of the NP.</p>	<p>Quarterly report is made available on Department's website.</p> <p>Annual NP report lodged, including report on VTG criteria.</p>	
<p>Access & Equity: Supporting the expansion of the Commonwealth's ICLs scheme</p>	<p>Maintain arrangements that support access to VET FEE-HELP for Diploma and Advanced Diploma, as outlined in Schedule 4 of the NP.</p>	<p>VET FEE-HELP is available for government subsidised Diploma and Advanced Diploma courses in Victoria.</p>	
<p>Efficiency: Improvements in government information exchange</p>	<p>Victoria maintains provision of aggregate data tables to the Commonwealth that underlie quarterly public reporting of the VTG.</p>	<p>Annual NP report lodged, including quarterly report with aggregate data tables underlying report.</p>	
<p>Efficiency: Strategies which enable public providers to operate effectively in an environment of greater competition, recognising their important functions</p>	<p>Arising from the Victorian Government's response, implementation of measures to improve the commercial and operating autonomy and financial sustainability of TAFE institutes.</p>	<p>Annual NP performance review report lodged, including details of TAFE reforms.</p>	

	DEECD publishes annual report on VTG which includes data on public providers.	Quarterly report (year-end) is made available on Department's website.	
Review	As per clause 58, the SCOTese-appointed expert panel will report to all governments in the second half of 2016 on options for future VET funding arrangements.		

ATTACHMENT B: TRAINING OUTCOMES TARGETS

This Attachment specifies the training outcomes targets for Victoria under the NP.

Training outcome 1: Aggregate qualification completions*

	Aggregate completions	Completions above baseline	Target (cumulative above baseline)
Baseline	91,267	-	-
2012	98,401	7,134	-
2013	100,958	9,691	-
2014	103,609	12,342	-
2015	106,359	15,092	44,258
2016	109,210	17,943	62,202

*NB: Aggregate completions target is calculated as the Victorian population share of the national target (adjusted for an estimated contribution from the National Workforce Development Fund).

Training outcome 2: Completions of higher qualifications (Certificate III and above)

	Aggregate completions	Completions above baseline	Target (cumulative above baseline)
Baseline	68,576	-	-
2012	76,490	7,914	-
2013	79,325	10,749	-
2014	82,266	13,690	-
2015	85,317	16,741	49,094
2016	88,480	19,904	68,998

Training outcome 3: Commencements of higher qualifications by Indigenous Australians (Certificate III and above)

	Aggregate commencements	Commencements above baseline	Target (cumulative above baseline)
Baseline	2,054	-	-
2012	2,290	236	-
2013	2,375	321	-
2014	2,463	409	-
2015	2,555	501	1,467
2016	2,650	596	2,063

Training outcome 4: Commencements by students with a disability

	Aggregate commencements	Commencements above baseline	Target (cumulative above baseline)
Baseline	22,178	-	-
2012	24,737	2,559	-
2013	25,654	3,476	-
2014	26,605	4,427	-
2015	27,591	5,413	15,875
2016	28,614	6,436	22,311

Training outcome 5: Commencements by individuals who are unemployed at the time of enrolment

	Aggregate commencements	Commencements above baseline	Target (cumulative above baseline)
Baseline	63,474	-	-
2012	70,799	7,325	-
2013	73,424	9,950	-
2014	76,146	12,672	-
2015	78,969	15,495	45,442
2016	81,897	18,423	63,865

Technical specifications

	AVETMISS specifications*	Primary data source	Secondary data source (if primary unavailable)^
Training outcome 1: Aggregate qualification completions	Year program completed	NCVER VOCSTATS Database: Students and courses Table: Qualifications completed	Victorian administrative data from the Skills Victoria Training System (SVTS)
Training outcome 2: Completions of higher qualifications (Certificate III and above)	Qualification/course level of education identifier, values: 211 - Graduate Diploma 221 - Graduate Certificate 411 - Advanced Diploma 421 - Diploma 511 - Certificate IV 514 - Certificate III	NCVER VOCSTATS Database: Students and courses Table: Qualifications completed	Victorian administrative data from SVTS
Training outcome 3: Commencements of higher qualifications by	Indigenous status identifier, values: 1 Yes, Aboriginal 2 Yes, Torres Strait Islander and	NCVER VOCSTATS Database: Students and courses Table: Course	Victorian administrative data from SVTS

Indigenous Australians (Certificate III and above)	3 Yes, Aboriginal AND Torres Strait Islander	enrolments	
Training outcome 4: Commencements by students with a disability	Disability flag, value: Y	NCVER VOCSTATS Database: Students and courses Table: Course enrolments	Victorian administrative data from SVTS
Training outcome 5: Commencements by individuals who are unemployed at the time of enrolment	Labour force status identifier, values: 06 Unemployed – seeking full-time work 07 Unemployed – seeking part-time work	NCVER VOCSTATS Database: Students and courses Table: Course enrolments	Victorian administrative data from SVTS

* From publication AVETMISS Data element definitions: edition 2.1, Jan 2012

^ The methodology for using administrative data will be agreed by officials from the Victorian Department of Education and Early Childhood Development and the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education

ATTACHMENT C: INCOME CONTINGENT LOANS FAIR VALUE METHODOLOGY

1. As provided for in the National Partnership, Victoria agrees to pay 50 per cent of the fair value of impaired assets relating to Income Contingent Loans (ICLs) taken out in Victoria for diploma or advanced diploma courses to which a state subsidy applies; plus 50 per cent of public debt interest cost for these loans, arising from the concessional treatment that applies to ICLs under the VET FEE-HELP assistance Scheme.
2. These revised arrangements will apply from 1 July 2012.
3. The fair value payment will be made annually in arrears based on the following methodology:
 - a. All jurisdictions will pay a contribution to fair value expenses associated with subsidised VET FEE-HELP. This contribution will be calculated on a calendar year basis with payment of the State and Territory contributions made for each calendar year in arrears prior to 30 June the following year. The level of State and Territory contributions will be informed by the annual actuarial assessment performed on the total HELP Debt by the Australian Government Actuary (AGA) which is expected to be provided in August of each year. Analysis will also be undertaken in relation to interest rate movements impacting on Public Debt Interest.
 - b. Following receipt of the AGA report in August 2012, the Commonwealth will develop a paper for consideration by States and Territories setting out how arrangements for the calculation and collection of State and Territory Contributions will be managed.
4. Over the life of the NP, the parties may agree to modify the methodology for calculating Victoria's fair value contribution.
5. In order to authenticate the amount of the fair value payment, the Commonwealth will share with Victoria any independent audit information used to verify the loan data. (This is in addition to the comprehensive, timely data sharing on loan take-up and value as specified in the NP).

APPENDIX A: AREAS FOR IMPROVEMENT IN PROGRAM AND POLICY ALIGNMENT

Preliminaries

1. As provided for in the National Partnership, the Commonwealth and Victoria have reached agreement on improvements in program and policy alignment in the following areas:
 - a. Language, literacy and numeracy; and
 - b. Australian Apprenticeship Support Services.
2. This appendix outlines the parties' joint commitment to improvements in service delivery and related projects in these areas. While no funding from the National Partnership is allocated to these reforms, where necessary and appropriate, COPE agreements will be entered into in relation to the transition of program funding from the Commonwealth to Victoria.
3. In addition, consistent with the principles agreed by SCOTese, the Commonwealth and Victoria have agreed a mechanism whereby the costs of providing access to subsidised accredited training for clients of Commonwealth employment services providers are shared between the two jurisdictions. This appendix outlines this agreement.

Language, literacy and numeracy

Objective

4. To undertake a review of Victorian-funded adult language, literacy and numeracy (LLN) training and the Commonwealth Language, Literacy and Numeracy Program (LLNP) delivered in Victoria (the Review) in order to:
 - a. ensure that government-funded LLN training is effective in assisting low skilled adults to acquire the LLN skills needed to support completion of vocational education and training (VET) and participation in the workplace and modern life; and
 - b. identify actions to improve the effectiveness and efficiency of government-funded LLN training, including consideration of opportunities for improved alignment of Victorian and Commonwealth policy and programs.
5. The Review may include:
 - a. Analysis of current LLN training activity in Victoria (Part 1);
 - b. Review of evidence to identify key elements of effective LLN program delivery (Part 2);
 - c. On the basis of the results of Parts 1 and 2, advice on the conduct of the evaluation to be undertaken in Part 4 (Part 3);
 - d. Framed by the results of Parts 1, 2 and 3, an evaluation of the effectiveness of Victorian and Commonwealth LLN programs and policy (Part 4);

- e. Advice on options to improve the effectiveness and efficiency of Victorian LLN programs and the Commonwealth LLNP in Victoria (Part 5).

Outcomes

6. The outcomes of this project may include:
 - a. Advice on actions to improve the effectiveness and efficiency of Victorian LLN programs and the Commonwealth LLNP in Victoria;
 - b. Changed arrangements for delivery of Victorian LLN programs and the Commonwealth LLNP in Victoria.

Outputs

7. The outputs of this project may include:
 - a. A report on the results of: the analysis of current LLN training activity in Victoria (Part 1); and the review of evidence to identify key elements of effective LLN program delivery (Part 2);
 - b. Advice on actions to improve the effectiveness and efficiency of Victorian LLN programs and the Commonwealth LLNP in Victoria based on the results of Parts 1, 2 and 4 of the Review.

Relevant State or Territory Context

8. LLN skills are a key area of interest for both Victoria and the Commonwealth due to their importance in underpinning social inclusion, workforce participation and productivity. A significant proportion of Victorian and Australian working age adults do not have the literacy and numeracy skills needed to meet the complex demands of everyday life and work in the emerging knowledge-based economy.² Victoria and the Commonwealth therefore wish to ensure that their LLN programs are effective in assisting low skilled adults to acquire the LLN skills needed in the modern economy.
9. Currently, the Commonwealth and Victoria both fund LLN programs in the VET sector in Victoria but use different systems to deliver these programs. For example, through the LLNP, the Commonwealth operates a system of tendering and contracting with providers to deliver LLN training, whereas Victoria operates a demand-driven funding system for VET underpinned by a student entitlement to government-subsidised training places, including in LLN training. Through the Review, the Commonwealth and Victoria are seeking to understand the effectiveness and efficiency of their respective service delivery models and ways in which service delivery could be improved, including consideration of opportunities for improved policy and program alignment.
10. Additionally, Victoria's investment in LLN training has significantly increased since the introduction of demand-driven funding, reflecting the need for training in this area. Victoria is therefore interested in understanding the return on its investment.
11. The Review will support the National Foundation Skills Strategy for Adults by strengthening the evidence base on effective LLN programs and policy.

² Australian Bureau of Statistics (2006) *Adult Literacy and Life Skills Survey: Summary Results*.

Indicative Milestones

Year	Action
2012	Joint milestone: Execute Parts 1, 2 and 3 of the Review.
2013	Joint milestones: <ul style="list-style-type: none"> • On the basis of the results of Parts 1, 2 and 3 of the Review, agree the basis for conducting the evaluation in Part 4. • Subject to agreement between Victoria and the Commonwealth, execute Parts 4 and 5 of the Review.
2014-2015	Joint milestone: On the basis of the results of the Review, agree and implement changed arrangements for Victorian LLN programs and the Commonwealth LLNP in Victoria.
2016	Joint milestone: Monitor the effectiveness of changed arrangements for delivery of LLN training.

Cost-Sharing Arrangements for JSA Clients Referred to Training under an Entitlement Model

Preliminaries

1. Based on the cost sharing principles agreed by SCOTese, the Commonwealth and Victoria have agreed a mechanism whereby the costs of providing access to subsidised accredited training for clients of Commonwealth employment services providers are shared between the two jurisdictions. This attachment outlines how this agreement will be implemented.

Objective

2. To equitably apportion the costs of delivering accredited training to eligible job seekers who are referred to training by Job Services Australia providers (JSAs) or other Australian Government employment services as part of their employment pathway, without treating these job seekers differently.

Principles

3. The following high level principles underpin the model of funding for clients of employment service providers under the national entitlement provisions of the Skills Reform NP:
 - a. We share a goal to achieve the best outcomes for job seekers. This includes employment services providers' support for training where it facilitates employment outcomes in both the short and long term for job seekers and RTOs' objective to facilitate course completions by students.
 - b. There should be equity in regards to the total price (fees, subsidies and other charges) of training charged for eligible job seekers (i.e. it should be the same price if the job seeker is engaged with, and referred by, a JSA / Disability Employment Services provider (DES) or if they enrol directly in training).
 - c. Employment services providers will work with clients to determine the best pathway for them. These providers will contribute towards the cost of training by meeting any gap payment if the price of a course selected exceeds the state subsidy and student concessional tuition fee, so long as the cost complies with Principle b.

However, employment services providers will not be compelled to nominate training pathways or refer clients to courses they judge to be poor value.

- d. States determine subsidies and concession policies for RTOs they fund, sometimes directly, sometimes through parameters applying to RTOs setting fees in a market. States will advise the Commonwealth on full fee prices, subsidies and other funded support, noting that these vary between and within jurisdictions, so employment services providers and Governments can judge value for money for the Employment Pathway Fund (EPF).
 - e. Employment services providers will continue to identify job seekers' vocational and non-vocational barriers to employment and negotiate how those barriers might best be addressed. RTOs will continue to provide learner support in order to assist students to complete their training and achieve their qualification, drawing on the principle that these students should not be treated differently because they are employment service clients (COAG equity principle). Employment and training officials will work together to encourage effective collaboration and information sharing at local levels in meeting these needs, including identifying suitable training plans and non-attendance at training by the job seeker.
4. The following sections detail how the principles will be implemented.

Commonwealth implementation arrangements

5. Where an employment services provider does refer their eligible job seeker to training that is subsidised under state concession arrangements and the state subsidy only covers part of the full student price of the training course, the employment services provider and/or the job seeker will cover the gap. Where there is no gap because the state fully subsidises the qualification, the employment service provider will cover the equivalent to the gap based on agreed cost benchmarks.
 - a. The Commonwealth will, in consultation with jurisdictions, issue guidance to Australian government employment service providers about the new requirement to meet any gap fees for concessional clients referred to a government subsidised training place. This will include amendments to the Employment Pathway Fund guidelines to advise JSAs of the practical implications of this model.

State Implementation arrangements

6. Victoria will ensure that its funding rules, for RTOs contracted to deliver subsidised accredited training, do not allow the RTO to charge the individual client of an employment services provider a higher fee than a comparable job seeker because they have been referred to training from an employment services provider.
7. Victoria will ensure there are provisions in Service Agreements and related Guidelines that require RTOs to allow concessions on tuition fees to all eligible students.
8. Victoria will, in consultation with the Commonwealth, issue guidance to contracted RTOs that they should discuss the cost of the training at the time of referral. The JSA or job seeker will pay the concession fee and the JSA will pay any gap between the concession fee and the full student price. The RTO should then directly invoice the job seeker and / or the referring Australian government employment service provider for the agreed training fees.
9. Victoria will provide guidance to the Commonwealth on total prices charged for government subsidised courses (including subsidy rates and tuition fees charged by RTOs). This information will assist the Commonwealth and employment service providers to compare

prices (both subsidy and tuition fees) charged, via publication on the My Skills website, as agreed under the Skills Reform National Partnership.

Joint arrangements

10. It is expected that RTOs and Job Services Australia providers will use the agreed referral form for eligible job seekers who are enrolled in a course through these arrangements.
11. Where either Victorian or Commonwealth officials are concerned about predatory pricing practices or other potential manipulation of the arrangement by either RTOs or employment service providers or at a system level, there will be immediate escalation to head of agency level for resolution.
12. Victoria and the Commonwealth will encourage employment services providers and RTOs to share relevant information on the job seeker, which will assist both service providers to better address the learning needs of job seekers and ensure job seekers meet their participation requirements through the provision of attendance and non-attendance information.
13. The arrangements outlined above will take effect from 1 January 2013, and will continue until the end of the National Partnership or as otherwise agreed in writing between the Commonwealth and Victoria.

Agreed Milestones

Year	Action
2012	<p>Joint milestones:</p> <p>1. Release complementary guidance material to JSAs and RTOs explaining the new cost-sharing arrangements.</p> <p>Victorian milestone:</p> <p>1. Amend the state training policy as necessary to allow the new arrangement to take effect from 1 January 2013.</p> <p>Commonwealth milestone:</p> <p>1. Amend the Employment Pathway Fund Guidelines as necessary to allow the new arrangement to take effect from 1 January 2013.</p>
2013	<p>Joint milestones:</p> <p>1. Monitor compliance with these arrangements and notify the other party should concerns emerge.</p>

Australian Apprenticeship Support Services

Objective

14. Improved Australian Apprenticeship completion rates and better efficiency and responsiveness of apprenticeship support services through devolution of Australian Support Services from the Commonwealth to the states.

Outcomes

15. A simpler apprenticeship system, with a 'one stop shop' providing comprehensive and targeted support to employers and apprentices.

Outputs

16. Devolved support services would include marketing and promotion, apprenticeship sign ups and completions and monitoring and mentoring of apprentices and employers. The changes would combine existing services delivered by the Commonwealth and services delivered by Victoria into a single support service.

Relevant State or Territory Context

17. In developing this Schedule to the Implementation Plan consideration has been given to relevant state or territory context. Key factors that have influenced the proposed direction are listed below.
18. Victoria has regulatory responsibility for apprenticeships and traineeships in Victoria, including maintaining a register of training contracts, approving employers and determining disputes. Victoria also currently provides advisory services and mentoring through Apprenticeship Support Officers (as part of the National Partnership Agreement on Youth Attainment and Transitions). These services align with the existing Australian Apprenticeship Support Services. Devolution of these services to Victoria will allow for greater efficiencies through:
- a. Removing duplication and crossover of apprenticeship services
 - b. Providing a 'one stop shop' for apprentices and employers, giving jurisdictional specific advice, including course costs and funding
 - c. Opportunities for combining monitoring and mentoring services
 - d. Opportunities for providing broader VET advice, to better target specific Victorian skills needs and improve completion rates
 - e. Providing centralised advice on incentives and clearer promotion of services and responsibilities

Indicative Milestones

Year	Action
2013	<p>Joint milestone: Commonwealth and Victoria determine arrangements for transfer of AASS, including agreeing on timing and financial arrangements.</p> <p>Victorian milestone: Develop implementation and strategic plans for harmonisation and transfer of AASS from Commonwealth to Victoria, including opportunities for streamlining, preferred model and resources. Commonwealth and Victoria progress arrangements for transfer of AASS.</p>
2014	By 1 July 2014, all States and Territories assume responsibility for the AASS.
2015, 2016	Monitor the effectiveness of revised arrangements for delivery of Australian Apprenticeship Support Services.

APPENDIX B: JOINT REFORM ACTIVITIES

Preliminaries

1. As provided for in the National Partnership, the Commonwealth and Victoria have reached agreement on the following joint reform activities:
 - a. Improved linkages between Registered Training Organisations (RTOs), employment services providers, employers and Centrelink to improve labour market outcomes.
2. This appendix outlines the parties' joint commitment to improvements in this area. While no funding from the National Partnership is allocated to this reform, the Parties agree to report on progress against project milestones in annual reporting arrangements.

IMPROVED LINKAGES BETWEEN RTOS, EMPLOYMENT SERVICES PROVIDERS, EMPLOYERS AND CENTRELINK

Objective

3. To develop advice and resources to improve service delivery to Victorian job seekers through more effective and aligned service delivery by Job Services Australia providers (JSAs) and RTOs.

Outcomes

4. Improved service delivery to Victorian job seekers through more effective and aligned service delivery by JSAs and RTOs, leading to improved labour market outcomes.

Outputs

5. Advice and resources to improve service delivery to Victorian job seekers including:
 - a. In relation to current policy parameters field tested advice and resources for use by service providers, and in their administration, based on innovative practice. The focus of the advice and resources will be to improve communication, understanding and relationships between JSAs and RTOs/ACE providers; and
 - b. Development of Australian and Victorian Government implementation plan to improve service delivery.

Relevant State or Territory Context

6. Improved linkages between employment service providers, training providers and employers, and other government services (where necessary) is a deliverable under the Standing Council on Tertiary Education, Skills and Employment (SCOTESE) priority issue of *developing a coordinated approach to meet the needs of disadvantaged and equity groups including through the alignment of employment, skills and support services*.
7. In advancing this SCOTESE priority issue, the Access and Participation Principle Committee (APPC) co-ordinated cross-jurisdictional activities in 2011 that sought to identify the main issues that are impediments to more effective working relationships between JSAs and

RTOs, and to identify the principles present when working relationships are operating effectively.

8. Education and training are critical inputs to sustainable employment pathways and it is important that employment services and education providers work together as effectively as possible in order to deliver optimal results for job seekers/learners and to maximise the benefit to government investment.
9. The Victorian Training Guarantee entitles eligible individuals to government subsidised training places in accredited VET qualifications delivered by contracted RTOs.
10. In addition to the VTG, the Adult and Community Further Education Board provides around \$10 million in grants to the Adult and Community Sector for the provision of pre-accredited training. This training must be delivered with vocational intent.
11. Job seekers, through their engagement with JSAs, are able to negotiate with their JSA to incorporate training into their Employment Pathway Plans where it would improve the likelihood of obtaining sustainable employment.
12. Preliminary consultations conducted in 2011 that sought to identify the main issues that are impediments to more effective working relationships between JSAs and RTOs, and to identify the principles present when working relationships are operating effectively from the Victorian RTO perspective highlighted clear opportunities for improved linkages.
13. There was the recognised need for improved information exchange across the spectrum of the JSA-RTO interface; and a strengthened alignment between, and a shared understanding of, respective priorities, performance measures and incentive structures.
14. The Victorian and Australian Government have agreed to:
jointly conduct a project to produce advice and resources for service providers and their administration to improve the effectiveness and alignment of service delivery by JSAs and RTOs within current policy parameters.

Indicative Milestones

Year	Action
2012	<p>Joint milestones:</p> <ol style="list-style-type: none"> 1. Development and initiation of study on short and longer-term approaches to improving linkages between service providers.
2013	<p>Joint milestone:</p> <ol style="list-style-type: none"> 1. Place-based actions taken to improve student outcomes and enhance information flows within current operating parameters. <p>Victorian milestone:</p> <ol style="list-style-type: none"> 1. Outputs from research inform specifications under current operational parameters. 2. Develop Victorian implementation plan for longer term improved linkages between JSAs and RTOs.