

Schedule B

Northern Territory

NATIONAL PARTNERSHIP ON THE SKILLING AUSTRALIANS FUND

PART 1 – PRELIMINARIES

1. This Schedule has been developed in accordance with clause 22 of the Agreement.
 - (a) It will commence as soon as it is agreed between the Commonwealth and the Northern Territory and expire on 30 June 2022 or on completion of agreed projects, including final performance reporting and processing of final payments against milestones.
 - (b) It may be amended in accordance with clauses 50 and 54 of the Agreement.

PART 2 – AGREED BASELINES AND BENCHMARKS

Budget benchmark

2. In accordance with clauses 23(a) and 38-40 of the Agreement, Northern Territory's agreed budget benchmark is \$65.7 million, to be adjusted each year to include an annual Skilling Australians Fund payment from the Commonwealth.
 - (a) The budget benchmark has the following constituent parts:
 - i. the 2014–15 estimated result, published in the Department of Industry, Tourism and Trade (previously Department of Trade, Business and Innovation) 2015-16 budget papers for skills
 - ii. excludes employee, corporate and operational expenses
 - iii. excludes coincidental expenditure in VET from the NT Education and Attorney-General portfolios
 - iv. excludes expenditure attributable to revenue from the National Agreement on Skills and Workforce Development and the former National Agreement on Skills Reform.

Baseline commencements

3. In accordance with clauses 23(c), Northern Territory's agreed baseline for existing training activity (baseline commencements) is based on the 2016-17 financial year and is in Table 1.

Table 1: Baseline commencements

Training activity type	Baseline - commencements
Total	1306
Apprenticeships/traineeships	1184
Pre-apprenticeships/traineeships	45
Higher apprenticeships	77

- (a) The scope of the Northern Territory's agreed baseline commencements are defined in Attachment A and, if required, subject to annual review with the Commonwealth to determine a reasonable baseline reflective of economic stabilisation.

Additional commencement targets

4. In accordance with clause 23(d), Northern Territory's agreed targets for additional training activity (additional commencements) over the term of the Agreement (2018–19 to 2021–22) are in Table 2.

Table 2: Additional commencement targets

Training activity type	Estimated targets - commencements
Total	1413
Apprenticeships/traineeships	1131
Pre-apprenticeships/traineeships	187
Higher apprenticeships	95

- (a) The scope of Northern Territory's agreed targets for additional commencements, are defined in Attachment A and, if required, subject to annual review with the Commonwealth to redefine the scope of the agreed targets.
- (b) The number of additional commencements for training with similar characteristics (like activity) to an apprenticeship or traineeship that contributes to the achievement of the targets is capped as outlined in Attachment A.

PART 3 – PROJECTS

5. The following project will be delivered by the Northern Territory from 2018-19 through to 2021-22, in accordance with clause 11 of the Agreement.

- (a) Project 1 – Territory Workforce Program and Pre-employment Training Program

- i. Part 1: Territory Workforce Program – 1 July 2018 to 30 June 2022

This industry driven multi-year program has been designed to provide flexibility in meeting industry needs, stimulate skilling opportunities for jobs in demand, and be responsive to the dynamic changes within the Northern Territory's economic conditions. Territory Workforce Program (TWP) will tailor its projects to create additional opportunities for Northern Territorians to pursue apprenticeships and traineeships, pre-apprenticeships and pre-traineeships, higher apprenticeships and other relevant

employment related training based on workforce requirements in urban, regional and remote labour markets within the Territory.

TWP will have three streams of focus that will contribute to a skilled Northern Territory workforce:

1. Workforce Development (apprenticeships and traineeships). The objective of this stream is to support innovative projects that will increase the commencement and completion of apprenticeships, pre-apprenticeships, higher apprenticeships and other employment related training relevant to the needs of Northern Territory businesses and industry sectors.
2. Workforce Development (excluding apprenticeships and traineeships). The objective of this stream is to increase participation in the Northern Territory economy through workforce development initiatives (including like apprenticeships) that lead to employment and/ or support targeted upskilling of Northern Territorians.
3. Industry Workforce Strategies. The objective of this stream is to support industry-led projects with an innovative and/or collaborative approach that focuses on workforce development strategies and implementation plans to meet sector demands, reduce skills gaps and to improve the productivity of Northern Territory businesses and industry sectors. Projects in this stream may form as a pre-requisite leading to another Stream 1 or 2 project.

The Northern Territory will achieve the SAF targets primarily through Stream 1 and 2 of the TWP.

ii. Part 2: NT Pre-employment Training Program – 1 July 2018 to 30 June 2022

This project will seek to drive a greater number of commencements in the Northern Territory's Territory Pre-employment Training Program from 2018–19 to 2021–22. The project will also involve a review in 2018-19 in consultation with industry with the view to aligning the outcomes with the skills needs of industry and ensuring better articulation with apprenticeships and traineeships. Priority will continue to be given to programs that lead to employment in occupations with skills shortages and difficult to fill occupations.

Financial contributions

- (b) Estimated financial contributions to Project 1 over the term of the Agreement (2018-19 to 2021-22) are in Table 3.

Table 3: Estimated financial contributions

(\$ million)	2018-19	2019-20	2020-21	2021-22	Total
Estimated total budget	7.245	5.6	4.000	2.358	19.203
Less estimated National Partnership payments	2.9	2.8	2.000	1.179	8.879
Balance of non-Commonwealth contributions	4.345	2.8	2.000	1.179	10.324

Planned additional commencement targets

- (c) Estimated annual additional commencements to Project 1 over the term of the Agreement (2018-19 to 2021-22) are in Table 4.

Table 4: Estimated additional commencement targets

Training activity type	2018–19	2019–20	2020–21	2021–22	Total
Total	467	461	304	181	1413
Apprenticeships/traineeships	416	354	217	144	1131
Pre-apprenticeships/traineeships	20	77	62	28	187
Higher apprenticeships	31	30	25	9	95

Data / evidence

- (d) Data/evidence to be used to measure achievement of the performance benchmarks and/or milestones for Project 1 are in Table 5.

Table 5: Data/evidence used to measure performance requirements

Performance requirements	Data/evidence to be used for reporting
Performance benchmarks: • Apprenticeships/traineeships • Pre-apprenticeships • Higher apprenticeships • Like activity	The measurement of commencements in all categories in scope of Northern Territory's Project under the Agreement will be based on: 1) Primary data sources • AVETMISS compliant data collection • NCVER National Apprentice and Trainee Collection • NCVER National VET Collection. 2) Secondary data sources • Northern Territory's internal Direct Entry Level Training Administration (DELTA) data collection • Department of Trade, Business, and Innovation's database of registered apprentices and trainees. Data will be reported 1 July up to 30 April each financial year to support 30 April reporting. The carrying forward of commencements above the total performance benchmark will require data to be reported on 30 April for the period 1 July to 30 June in the preceding financial year. Any commencements counted are not intended to duplicate training efforts under the JobTrainer program. All data will be signed off as a true and accurate record of achievement by the Executive Director, Business and Workforce or an equivalent authorised senior officer.
Milestones	Short report outlining what has been achieved including how the activities have been undertaken and completed and who has been engaged in delivering the activities to achieve the milestones. The report is to include evidence for the completion of milestones (e.g. publicly available materials, references to published website links, and internal records or reports). All milestones will be signed off as true and accurate record of achievement by the Executive Director, Business and Workforce or an equivalent authorised senior officer.
Matched funding	A statement that the Northern Territory's annual budget for project(s) meets the amount set out in Table 3 of this schedule, and at least matches the proposed Commonwealth contribution over the term of the Agreement. This is to be signed by the Chief Financial Officer (CFO) or an equivalent authorised senior officer.
Budget benchmark	A statement that the Northern Territory's annual budget for vocational education and training at least equals the budget benchmark calculated using the same methods in clause 2 of this schedule. This is to be signed by the CFO or equivalent authorised senior officer.

PART 4 – PERFORMANCE BENCHMARKS AND/OR MILESTONES,
REPORTING AND PAYMENTS

6. The total performance benchmark is the addition of the baseline commencement plus the additional commencement target for a given training activity type.
7. Table 6 summarises the performance benchmarks and milestones for the agreed project, relevant reporting dates and expected payments to be made.

Table 6: Performance benchmarks, milestones, reporting and payment summary

Performance benchmarks/milestones	Report due	Payment
Performance Benchmark 1: Apprenticeships and Traineeships The total performance benchmark for each financial year (baseline commencement plus additional commencement targets) for apprenticeship and traineeship commencements are as follows: • 2018-19: 2060 commencements • 2019-20: 1998 commencements • 2020-21: 1401 commencements • 2021-22: 1328 commencements. Northern Territory will be eligible for the full performance payment each financial year when the following commencements are achieved (67.7 per cent of the total performance benchmark for apprenticeship and traineeship commencements) between 1 July and up to 30 April: • 2018-19: 1395 commencements • 2020-21: 948 commencements • 2021-22: 899 commencements. In 2019–20, the Northern Territory will be eligible for the full performance payment if the following commencements are achieved (40 per cent of the total performance benchmark for apprenticeship and traineeship commencements) between 1 July and up to 31 December 2019: • 2019-20: 798 commencements Northern Territory will be eligible for the minimum performance payment each financial year if the following apprenticeship and traineeship commencements are achieved between 1 July and up to 30 April with pro rata amounts paid for commencements up to 67.7 per cent of the total performance benchmark between 1 July and up to 30 April: • 2018-19: 1254 commencements • 2020-21: 875 commencements • 2021-22: 850 commencements.	30 April 2019 30 April 2021 30 April 2022 30 April 2020 30 April 2019 30 April 2021 30 April 2022	\$1,950,000 \$935,000 \$630,000 \$1,724,000 \$975,000 \$468,000 \$315,000

Performance benchmarks/milestones	Report due	Payment
In 2019–20, the Northern Territory will be eligible for the minimum performance payment if the following apprenticeship and traineeship commencements are achieved between 1 July and up to 31 December 2019 with pro rata amounts paid for commencements between 50 per cent and 100 per cent: 2019-20: 727 commencements	30 April 2020	\$862,000
Performance Benchmark 2: Pre-apprenticeships and Pre-traineeships The total performance benchmark for each financial year (baseline commencement plus additional commencement targets) for pre-apprenticeship and pre-traineeship commencements are as follows: 2018-19: 65 commencements 2019-20: 122 commencements 2020-21: 107 commencements 2021-22: 73 commencements. Northern Territory will be eligible for the full performance payment each financial year when the following commencements are achieved (50 per cent of the total performance benchmark for pre-apprenticeship and pre-traineeship commencements) between 1 July and up to 30 April: 2018-19: 33 commencements 2019-20: 61 commencements 2020-21: 54 commencements 2021-22: 37 commencements.	30 April 2019 30 April 2020 30 April 2021 30 April 2022	\$150,000 \$281,000 \$315,000 \$141,000
Performance Benchmark 3: Higher apprenticeships The total performance benchmark for each financial year (baseline commencement plus additional commencement targets) for higher apprenticeship commencements are as follows: 2018-19: 138 commencements 2019-20: 137 commencements 2020-21: 102 commencements 2021-22: 86 commencements. Northern Territory will be eligible for the full performance payment each financial year when the following commencements are achieved (67.7 per cent of the total performance benchmark for higher apprenticeship commencements) between 1 July and up to 30 April:		

Performance benchmarks/milestones	Report due	Payment
2018-19: 93 commencements 2019-20: 93 commencements 2020-21: 69 commencements 2021-22: 58 commencements. Northern Territory will be eligible for the minimum performance payment each financial year if the following higher apprenticeship commencements are achieved between 1 July and up to 30 April with pro rata amounts paid for commencements up to 67.7 per cent of the total performance benchmark between 1 July and up to 30 April:	30 April 2019 30 April 2020 30 April 2021 30 April 2022	\$200,000 \$195,000 \$150,000 \$54,000
2018-19: 83 commencements 2019-20: 83 commencements 2020-21: 61 commencements 2021-22: 55 commencements.	30 April 2019 30 April 2020 30 April 2021 30 April 2022	\$100,000 \$97,500 \$75,000 \$27,000

Performance benchmarks/milestones	Report due	Payment
Milestone 1 The Northern Territory will be eligible for the milestone payment when the following deliverable is met: 1.1 Implementation of the TWP, including publication of TWP Policy and Guidelines, industry consultation, Annual Investment Plan, signing of TWP funding agreements, training contract and system updates for training with similar characteristics.	30 December 2018	\$300,000
Milestone 2 The Northern Territory will be eligible for the milestone payment when the following deliverable is met: 2.1 Review of existing programs in the Northern Territory to ensure alignment with the objectives of the Agreement and the needs of industry. This work will consider (through industry consultation) how the existing supports, promotion and service provision can improve the quality of training delivered to apprentices.	30 April 2019	\$200,000
Milestone 3 The Northern Territory will be eligible for the milestone payment when the following deliverable is met: 3.1 Review of the pre-employment program to ensure alignment with industry needs and the objectives of the Agreement. This work will include industry consultation, pre-apprenticeships/traineeships definition to support the establishment of activity baseline for 2019-20, program review and alignment to industry needs.	30 April 2019	\$100,000
Milestone 4 The Northern Territory will be eligible for the milestone payment when the following deliverables are met: 4.1 Deliver the TWP and the pre-employment program, including implementation of communications activities and industry engagement to ensure the target number of individuals are supported and the program continues to meet industry needs. 4.2 Establish a series of new grants through the Territory Workforce Program. 4.3 Develop strategic communications activities that promotes the value of apprenticeships and traineeships within one industry sector or remote area.	30 April 2020	\$600,000

Performance benchmarks/milestones	Report due	Payment
Milestone 5 The Northern Territory will be eligible for the milestone payment when the following deliverables are met: 5.1 Deliver the TWP and pre-employment program, including activities to ensure the target number of individuals are supported and the program continues to meet industry needs. 5.2 Establish a series of new grants through the TWP. 5.3 Commence implementation of the pilot communications initiative with a view to the uptake of apprenticeships and traineeships within the chosen industry sector or remote area.	30 April 2021	\$600,000
Milestone 6 The Northern Territory will be eligible for the milestone payment when the following deliverables are met: 6.1 Deliver the TWP and pre-employment program, including activities to ensure the target number of individuals are supported and the program continues to meet industry needs. 6.2 Assess the uptake of the TWP by employers and industry from the 2018-19 and 2019-20 cohorts.	30 April 2022	\$354,000

Performance benchmark part-payments

8. The calculation of pro rata performance payments will be on the following basis:

(a) $\text{Pro rata payment} = (1 + (A - B)/C) * D$

Where

A is the number of commencements reported on the 30 April

B is the number of commencements required to receive the minimum performance payment as at 30 April

C is the difference between the number of commencements required to receive the full performance payment as at 30 April and the number of commencements required to receive the minimum performance payment as at 30 April

D is the minimum performance payment.

Carrying forward commencements above the total performance benchmark

9. In accordance with clause 11 of the Agreement, the Northern Territory may carry forward any commencements achieved above the total performance benchmark in a financial year to contribute to a performance benchmark/s in following financial years for the duration of the National Partnership.

- (a) The number of commencements are to be confirmed through final, validated data, for the period 1 July to 30 June.
- (b) The confirmed number of commencements are to be reported in the 30 April annual report in the financial year in which the commencements are to count towards any identified performance benchmark/s.
- (c) The confirmed commencements can only be counted towards the same training activity, or an alternative training activity as determined in Attachment A of this schedule.
- (d) Any confirmed commencements can only be used once.
- (e) Any confirmed commencements in a given year that are not used, may be retained for future years of the National Partnership.
- (f) Any 'like activity' commencements are treated as for other commencements, with the exception that:
 - i. any annual caps, identified in Attachment A of this schedule, applies.
 - ii. any commencements achieved beyond the cap cannot be retained for future years.

Reporting

- 10. The Commonwealth will accept a final report with draft data up to 30 April of the reporting year.
 - (a) Validated Northern Territory data must be received by the Commonwealth within two weeks following this date.
 - (b) Where the Northern Territory is seeking to count any commencements from a previous financial year, those commencements are to be included in the 30 April report.
- 11. Full financial year data for each training category is to be provided to the Commonwealth by the end of September, to assist in reporting national performance.

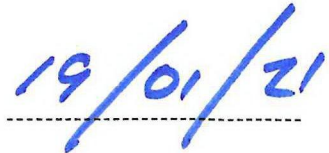
PART 5: SIGN OFF

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

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



Senator the Honourable Michaelia Cash
Minister for Employment, Skills, Small and Family Business



Dated

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



The Honourable Paul Kirby
Minister for Jobs and Training



Dated

ATTACHMENT A – SCOPE OF AGREED BASELINE AND TARGETS

This Attachment to the Schedule defines the scope of activity agreed between the Commonwealth and the Northern Territory that contributes towards the agreed baseline of existing training activity and targets for additional training activity types.

PART 1 – APPRENTICESHIPS AND TRAINEESHIPS

Contracts of Training

A commencement contributes to this component of the activity baseline and additional activity target if:

1. it was for a nationally recognised qualification at one of the Australian Qualifications Framework (AQF) Levels 1-4, and
2. it was delivered through a training contract as defined under Division 4 of the *Training and Skills Development Act 2016 (NT)*.

Commencements above the performance benchmark

Where the Northern Territory's apprenticeship and traineeship commencements for a given financial year are above the performance benchmark at 30 April, the Northern Territory may elect for those commencements to be counted towards the performance benchmark for higher apprenticeship and/or pre-apprenticeship commencements in the same financial year.

Training with similar characteristics (like activity)

A commencement contributes to this component of the additional activity target if:

1. it was for a nationally recognised qualification at AQF levels 3 or 4
2. it was subsidised by the NT government with a specific requirement for the inclusion of a work placement or experience component as a condition of the support, and
3. it was not delivered through a training contract as defined under Division 4 of the *Training and Skills Development Act 2016 (NT)*.

The contribution of commencements for training with similar characteristics will be capped over the term of the Agreement at 20 per cent of the additional activity target each year as in Table 1. These numbers represent the total number of these types of commencements in each financial year.

Table 1: Number of commencements cap

Cap - Commencements	2018-19	2019-20	2020-21	2021-22
Apprenticeship and traineeship training with similar characteristics	83	71	43	29

PART 2 - PRE-APPRENTICESHIPS AND PRE-TRAINEESHIPS

Pre-employment

A commencement contributes to this component of the activity baseline and additional activity target if:

1. it was for a nationally recognised qualification at AQF levels 1 or 2, and
2. it was subsidised by the Northern Territory Government for the specific purpose of leading into:
 - a. further study, or
 - b. a training contract as defined under Division 4 of the *Training and Skills Development Act 2016 (NT)*
3. it was not delivered through a training contract as defined under Division 4 of the *Training and Skills Development Act 2016 (NT)*; or
4. it was for a skill set with a specific requirement for the inclusion of work placement or experience component, and
5. it was not delivered through a training contract as defined under Division 4 of the *Training and Skills Development Act 2016 (NT)*.

Note: Skill sets are made up of one or more units of competency and can be defined in training packages, or developed by an individual registered training organisation to meet employer or industry demand.

PART 3 - HIGHER APPRENTICESHIPS

Contracts of training

A commencement contributes to this component of the activity baseline and additional activity target if:

1. it is for a nationally recognised qualification at AQF level 5 or 6, and
2. it was delivered through a training contract as defined under Division 4 of the *Training and Skills Development Act 2016 (NT)*.

Commencements above the performance benchmark

Where Northern Territory's higher apprenticeship commencements for a given financial year are above the performance benchmark at 30 April, the Northern Territory may elect for those commencements to be counted towards the apprenticeship and traineeship or pre-apprenticeship performance benchmark in the same financial year. The ability to transfer higher apprenticeship commencements to apprenticeship and traineeship commencements is subject to transfers with the categories (such as with training contract or training with similar characteristics) and the caps on training with similar characteristics.

Training with similar characteristics (like activity)

A commencement contributes to this component of the activity baseline and target if:

- (a) it is for a nationally recognised qualification at:
 - i. Australian Qualifications Framework Level V, or
 - ii. Australian Qualifications Framework Level VI, and
- (b) it was subsidised by the NT government with a specific requirement for the inclusion of a work placement or experience component as a condition of the subsidy, and
- (c) it was not delivered through a training contract as defined under Division 4 of the *Training and Skills Development Act 2016 (NT)*.

The contribution of commencements for training with similar characteristics will be capped over the term of the Agreement at 20 per cent of the additional activity target each year as in Table 2. These numbers represent the total number of these types of commencements in each financial year.

Table 2: Number of commencements cap

Cap - commencements	2018-19	2019-20	2020-21	2021-22
Apprenticeship and traineeship training with similar characteristics	6	6	5	2