Appendix A: Bilateral Implementation Plan – National Skills Agreement Policy Initiatives

PRELIMINARIES

1. This implementation plan is made between the Commonwealth of Australia (Commonwealth) and the Australian Capital Territory (ACT) under the 2024–2028 National Skills Agreement (the NSA) and should be read in conjunction with the NSA.

2. Once executed, this implementation plan and any updates agreed with the Commonwealth, will be appended to the NSA and will be published on the Commonwealth's Federal Financial Relations website (https://federalfinancialrelations.gov.au).

3. This implementation plan is expected to expire on 31 December 2028 (in line with the NSA), or on completion of the initiative, including final performance reporting and processing of final payments against milestones.

4. In all public materials relating to the policy initiatives, the ACT will acknowledge the Commonwealth's contribution with the following statement: Closing the Gap is a joint initiative between the Australian Government and ACT Government.

REPORTING AND PAYMENTS

Reporting

1. Performance reporting will be due by 31 March and 30 September each year until the cessation of this Agreement, or the final payment is processed.

2. The ACT will provide to the Commonwealth a traffic light status and activity summary on all policy initiatives.

3. The Commonwealth will provide templates for the purposes of reporting.

Payments

1. The Commonwealth will make payment subject to performance reporting demonstrating the relevant milestone has been met.

2. As part of the performance reporting, the ACT will provide evidence of what has been delivered in the reporting period. Payments will be processed once performance reports have been assessed and accepted.

3. Where a payment is due at a reporting period (31 March and/or 30 September), the ACT will complete the relevant section of the reporting template and provide the evidence required as agreed in the Milestones and Payments associated with this Implementation Plan.

4. Under A92 of the NSA, if a State is unable to expend any Commonwealth funding provided for policy initiative milestone payments, the Commonwealth may reduce a future payment by an amount equivalent to the unspent funds.

CLOSING THE GAP (Clause A93 to A103 of the NSA)

1) The National Skills Agreement (NSA) commits to enable investments to support Closing the Gap via the Skills and VET sector actions which are complementary to the suite of programs which seek to address systemic inequality experienced by Aboriginal and Torres Strait Islander people.

2) These structural reforms to the VET sector outlined under the NSA, aim to achieve the outcomes that Aboriginal and Torres Strait Islander students reach their full potential through further education pathways, and being engaged in employment or education. These outcomes are to be met through the below targets:

    a. By 2031, the proportion of Aboriginal and Torres Strait Islander people aged 25-34 years who have completed a tertiary qualification (Certificate III and above) will be increased to 70 per cent; and

    b. By 2031, the proportion of Aboriginal and Torres Strait Islander youth (15-24 years) who are in employment, education or training will be increased to 67 per cent.

3) The investments under the NSA will be delivered via bilateral implementation plans, which will include activities to:

    a. Expand investment in the capability, sustainability, and growth of the Aboriginal Community Controlled (ACC) and Aboriginal and Torres Strait Islander owned training sector (clause A102a refers), delivered in partnership with Aboriginal and Torres Strait Islander people. This refers to Closing the Gap Priority Reform 2: Building the Community-Controlled sector.

    b. Grow the Aboriginal and Torres Strait Islander VET workforce and boost cultural competency of mainstream RTOs (refer clause A102b). This refers to Closing the Gap Priority Reform 3: Transforming government organisations.

4) The parties recognise that formal partnerships and shared decision-making with Aboriginal and Torres Strait Islander organisations and communities will be integral to the successful delivery of the implementation plan.

CONTEXT OF THE ACT

5) As a small jurisdiction, the ACT has a comparatively small ACC and Aboriginal and Torres Strait Islander owned training sector. Any options to grow the scope of the ACCOs and Aboriginal and Torres Strait Islander owned organisations to acquire RTO accreditation or deliver training, must consider current resourcing, workforce capability and priorities of the sector.

6) The ACCO sector has expressed that there is a need to build and train the current workforce to increase capability needed to then be able to consider expanding the scope of their operations.

7) The ACT proposes two preliminary courses of action to ensure a holistic approach to developing the ACC and Aboriginal and Torres Strait Islander owned training organisations VET sector that is undertaken in partnership with the Aboriginal and Torres Strait Islander community to meet the VET related outcomes under the Closing the Gap initiative.

    a. The ACT will direct immediate funding to address Aboriginal and Torres Strait Islander VET workforce capability needs as identified by the ACT Government Aboriginal Service Development team and ACC sector. This will directly link to the

achievement of VET related targets under Closing the Gap, as highlighted in paragraph two.

b. The ACT Government will undertake initial consultation, scoping and research outlined in this implementation plan through the engagement of an Aboriginal and/or Torres Strait Islander consultant. This will inform a revised Closing the Gap Policy Initiative plan which will provide further detail on activities to achieve the outcomes outlined in paragraph 3.

8) The research initiative will explore options and provide recommendations:

a. for the establishment of a partnership approach for the implementation of the Closing the Gap commitments under the National Skills Agreement;

b. to support the capability, sustainability, and growth of the Aboriginal Community Controlled (ACC) and Aboriginal and Torres Strait Islander owned training sector; and

c. to grow the Aboriginal and Torres Strait Islander VET workforce and boost cultural competency of mainstream RTOs within the ACT context.

PARTNERSHIP APPROACH

1) Approach to partnering with Aboriginal and Torres Strait Islander communities and organisations (clause A101 refers). This refers to Closing the Gap Priority Reform 1: Formal partnerships and shared decision making.

The ACT Government will engage an Aboriginal and/or Torres Strait Islander consultant to undertake consultation and develop options for partnership and/or shared decision-making framework for the implementation of the Closing the Gap commitments under the National Skills Agreement. Once established, this partnership framework will be used to reach agreement and progress implementation of an activity plan for the remaining period of the NSA. The consultant will be required to consider existing partnership and shared decision-making models between Aboriginal and Torres Strait Islander people and the ACT Government; the scope and role of existing advisory bodies to participate in a partnership approach; and Aboriginal and Torres Strait Islander community views of options for the establishment of an additional body for the implementation of the Closing the Gap commitments under the National Skills Agreement framework. The consultant will also be required to provide advice on culturally appropriate consultation methods and develop a consultation framework. This consultation will remunerate members of the Aboriginal and Torres Strait Islander community who participate in the consultation process. Programs will be developed and implemented in partnership with the ACT Elected Body and ACT Government Aboriginal Services Development and ACT Office for Aboriginal and Torres Strait Islander Affairs.

2) Activities for expanding investment in the capability, sustainability, and growth of the Aboriginal Community Controlled (ACC) and Aboriginal and Torres Strait Islander owned training sector (clause A102a refers), delivered in partnership with Aboriginal and Torres Strait Islander people. This refers to Closing the Gap Priority Reform 2: Building the Community-Controlled sector.

Action 1: The ACT will dedicate an initial $500,000 to address immediate workforce capability and capacity needs identified by the ACT ACCO sector with the potential of a further uplift or continuation of programs, in line with consultation at Action 2.

When consulting with the Aboriginal and Torres Strait Islander community, the ACT Government's Aboriginal Service Development branch (ASD) has found that due to resourcing constraints, there is limited scope for the ACCO sector to consider options that would expand the remit of ACCOs to deliver VET training without first providing some level of support for initial training related activities and workforce capacity. As an initial step for ACCOs to expand into training, there would need to be a qualified workforce to upskill to be trainers.

Following agreement to this Implementation Plan, the ACT will work in genuine partnership and consultation with the ACT ACCO sector through ASD, the Office for Aboriginal and Torres Strait Islander Affairs and the ACT Aboriginal and Torres Strait Islander Elected Body to develop guidelines for this proposed workforce uplift program. Its intention will be to enable ACCOs to apply for funding for initiatives intended to address immediate workforce capacity needs in sectors experiencing acute workforce shortages, such as human service delivery. Exact program guidelines will be informed by community consultation.

This proposal aligns with overarching Closing the Gap education and employment outcomes, particularly Priority Reform Two of the National Agreement on Closing the Gap, which seeks to build the Aboriginal and Torres Strait Islander community-controlled sector. It supports overarching Closing the Gap education and employment outcomes by building the VET qualification attainment base in the ACT ACCO workforce. This consultation will also seek to understand sentiment towards inclusion of TAE-related qualifications aimed at increasing the VET workforce.

Action 2: Once the engaged consultant has provided their recommendations and the partnership and shared decision making models are determined, the ACT Government will work in partnership with Aboriginal and Torres Strait Islander people, under the preferred model to determine and deliver actions to expand investment in the capability, sustainability, and growth of the ACC and Aboriginal and Torres Strait Islander owned training sector, or alternative options to support the delivery of training linked to employment pathways including in ACCOs and Aboriginal and Torres Strait Islander owned training organisations for Aboriginal and Torres Strait Islander students. Actions will be articulated in an Activity Plan.

Action 3: Establishment of the Partnership Framework and Implementation of the Activity Plan. This will be informed through the delivery of 2 reports from the consultant to be engaged:

- The first report will outline options and recommendations for the partnership framework
- The second report will outline recommended actions and activities for the ACT Government to support the capability, sustainability and growth of the ACC and the Aboriginal and Torres Strait Islander owned training sector; and the Aboriginal and Torres Strait Islander VET workforce and boost cultural competency of mainstream RTOs.

	Commonwealth Investment ($)	State Investment ($)	Planned Start Date	Planned End Date
Action 1	$250,000	$250,000	September 2025	March 2027
Action 2	$75,000	$75,000	September 2025	September 2026
Action 3	$2,932,000	$2,932,000	March 2026	December 2028

3) Approach for contributing to activities to grow the Aboriginal and Torres Strait Islander VET workforce and boost cultural competency of mainstream RTOs (refer clause A102b). This refers to Closing the Gap Priority Reform 3: Transforming government organisations.

The ACT Government will work in partnership with Aboriginal and Torres Strait Islander people to support the growth and development of the ACC and Aboriginal and Torres Strait Islander owned training sector within the ACT. A shared decision-making process will be utilised to identify and develop actions based on the recommendations from the consultation with community and government stakeholders.

APPROACH TO MATCHED FUNDING

Closing the Gap - approach to matched funding arrangements (clauses A97 and A102 refers) – to be reconciled over the life of the NSA.

Details of matched funding	2025-26	2026-27	2027-28	Total
ACT	$325,000	$1,953,500	$978,500	$3,257,000
Commonwealth	$325,000	$1,953,500	$978,500	$3,257,000
Total	$650,000	$3,907,000	$1,957,000	$6,514,000

ACT matched funding will be drawn from the ACT's overall VET budget (as per clause A91).

The ACT Government will provide details of their matched funding contributions at the end of each financial year, commencing 1 July 2025 until 31 December 2028. Final payments under this implementation plan may be reduced where the total contribution by the ACT Government over the life of the project does not align with the Commonwealth contribution.

PERFORMANCE INDICATORS

The performance indicators will be:

- Establishment and implementation of a partnership framework with members of the Aboriginal and Torres Strait Islander community;
- The delivery of two reports from the consultant to be engaged:
    - The first report will outline options and recommendations for the partnership framework
    - The second report will outline recommended actions and activities for the ACT Government to support the capability, sustainability and growth of the ACC and the Aboriginal and Torres Strait Islander owned training sector; and the Aboriginal and Torres Strait Islander VET workforce and boost cultural competency of mainstream RTOs.
- The delivery of an activity plan based on the findings of the consultation and successful delivery of actions identified within this plan will include details of agreed performance indicators.

Evaluation arrangements

The Project's success will be determined by the following:

- The consultation successfully engages the ACT Aboriginal Torres Strait Islander community, ACCOs and Aboriginal and Torres Strait Islander owned training organisations, and a diverse range of voices are captured through the engagement process.
- The partnership framework facilitates productive and collaborative shared decision making between Aboriginal and Torres Strait Islander stakeholders and the ACT Government.
- The actions and activities identified to meet the needs of the ACC and Aboriginal and Torres Strait Islander owned training sector and address the priorities of the ACT and Australian Governments, demonstrated by endorsement of the Activity Plan by the partnership framework, and government.
- Where immediate needs of the of the ACC and Aboriginal and Torres Strait Islander owned training sector were identified by the community, projects to address these needs were delivered, meeting individual project goals.
- An approach for formal evaluation of actions and activities progressed will be agreed through the partnership framework.

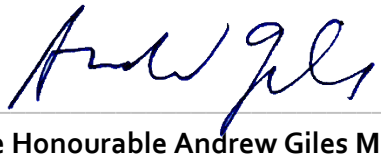
MILESTONES AND PAYMENTS – CLOSING THE GAP

Milestone	Evidence	Payment Value Up To (Commonwealth funded)	Commonwealth reporting period
Milestone 1: Initial payment on agreement of bilateral implementation plan	Bilateral implementation plan agreed with Commonwealth	$325,000	N/A
Milestone 2: Commonwealth acceptance that the ACT has consulted with Aboriginal and Torres Strait Islander organisations to identify recommendations toward developing a Partnership Framework and commenced design and consultation to address immediate workforce capacity issues.	Report signed by the ACT Senior Official responsible for Skills and Training that provides details of the recommended approach including details of: • evidence of design and consultation to progress Action 1, and • evidence and progress against Action 2 that consultation took place and any available recommendations toward the first report on establishment and implementation of a partnership approach.	$0	31 March 2026
Milestone 3: Commonwealth acceptance that the ACT has established partnership arrangements with Aboriginal and Torres Strait Islander organisations and an approach to developing an activity plan for NSA Closing the Gap measures.	Report signed by the ACT Senior Official responsible for Skills and Training that provides details of partnership arrangements, including details of or attaches: • Action 1 program developed in consultation with community to address immediate workforce capacity needs and anticipated timeline for investment • The first report by consultant outlining options and recommendations for the partnership framework • how the partnership approach was developed • governance arrangements supporting the operation of the partnership, and • steps toward developing an Activity Plan for NSA Closing the Gap measures through the established partnership approach.	$976,750	30 September 2026
Milestone 4: Commonwealth acceptance that the ACT has developed an Activity Plan for NSA Closing the Gap measures in	Report signed by the ACT Senior Official responsible for Skills and Training that provides details of partnership arrangements, including details of or attaches:	$976,750	31 March 2027

partnership with Aboriginal and Torres Strait Islander communities and organisations that specifies the deliverables to be achieved and associated timeframes.	• the list of organisations and projects that received funding to address immediate workforce capacity issues, • ongoing partnership arrangements • The second report by the consultant outlining recommended - actions and activities for the ACT Government to support the capability, sustainability and growth of the ACC and the Aboriginal and Torres Strait Islander owned training sector; and the Aboriginal and Torres Strait Islander VET workforce and boost cultural competency of mainstream RTOs • proposed NSA Closing the Gap Activity Plan, for Commonwealth approval • evidence of Aboriginal and Torres Strait Islander communities and organisations engagement in developing and support for the activity plan • agreed performance indicators • commitment to publication of the activity plan, once finalised, and • an evaluation plan		
Milestone 5 Commonwealth acceptance that the ACT is implementing NSA Closing the Gap measures to 31 March 2028 in accordance with its activity plan.	Report signed by the ACT Senior Official responsible for Skills and Training that provides an update on progress implementing NSA Closing the Gap measures to 31 March 2028 and includes details of or attaches: • any new initiatives and progress against activity plan performance indicators.	$978,500	31 March 2028
Milestone 6: Commonwealth acceptance that the ACT has implemented NSA Closing the Gap measures to 31 December 2028 in accordance with its activity plan.	Report signed by relevant the ACT Senior Official responsible for Skills and Training that provides a finalised summary of implemented NSA Closing the Gap measures to 31 December 2028 and includes details of or attaches: • a Final Evaluation Report.	N/A	31 December 2028
	Total	**$3,257,000**	

The Parties have confirmed their commitment to this implementation plan as follows:

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



The Honourable Andrew Giles MP
Minister for Skills and Training

23 / 10 / 2025

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



Michael Pettersson MLA
Minister for Skills, Training and Industrial Relations

29 / 9 / 2025