Appendix A: Bilateral Implementation Plan – National Skills Agreement Policy Initiative: NSW Closing the Gap Stage 1

PRELIMINARIES

1. This implementation plan is made between the Commonwealth and NSW 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 Australian Government'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, NSW will acknowledge the Commonwealth's contribution with the following statement: The NSW Closing the Gap Stage 1 implementation plan is a joint initiative between the Commonwealth and NSW Government in partnership with Aboriginal community organisations.

REPORTING AND PAYMENTS

Reporting

1. Performance reporting will be due by 31 March and 30 September 2025 or as otherwise agreed between the parties.

2. NSW 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. After the initial payment, second and subsequent milestone payments will be assessed and processed in the following reporting period.

2. As part of the performance reporting, NSW 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), NSW 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.

INTRODUCTION

1. The National Skills Agreement commits to enabling investments to support Closing the Gap via skills and VET sector actions which are complementary to the suite of programs which seek to address entrenched inequality faced by First Nations people.

2. These investments 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 First Nations owned (FNO) training sector (Priority Reform 2 in the Closing the Gap Agreement) and
    b) grow the First Nations VET workforce and boost cultural competency of mainstream RTOs (Priority Reform 3 in the Closing the Gap Agreement).

3. The parties recognise that to be successful, the implementation plans should be designed and delivered in partnership with the First Nations organisations actively engaged in vocational education and training in the jurisdiction.

4. The Commonwealth and NSW Government agree that NSW Closing the Gap implementation plans under the National Skills Agreement will be delivered in a two-stage approach:

    Stage 1 establish partnership/co-design arrangements to deliver:
    - the Stage 2 implementation plan, based on foundational research to be undertaken in Stage 1 on best practice RTO sustainability and capability; and
    - direct investment in Aboriginal Community Controlled RTOs to support immediate sustainability needs and training capability.

    Stage 2 delivery of planned activities to:
    - support the capability, sustainability and growth of the Aboriginal Community Controlled and Aboriginal Owned training sector; and
    - grow the First Nations VET workforce and boost cultural competency of mainstream RTOs.

5. This Bilateral Implementation Plan sets out the terms for the Closing the Gap implementation plan - Stage 1.

PARTNERSHIP APPROACH IN STAGE 1

1) **Approach to partnering** with First Nations communities and organisations (clause A101 refers). This refers to Closing the Gap Priority Reform 1: Formal partnerships and shared decision making.

The NSW Department of Education (the department) has partnered with NSW-based Aboriginal Community Controlled Organisations (ACCOs) including ACC RTOs to develop this NSW NSA Closing the Gap Stage 1 implementation plan. The department will continue this partnership to deliver on the Stage 1 commitments and to develop the Stage 2 implementation plan. Aboriginal Owned RTOs will be invited to contribute to the development of the Stage 2 implementation plan.

Key elements of the partnership and co-design approach are:

- **Formal partnership with the NSW Aboriginal Education Consultative Group (AECG),** a peak advisory body for education and training, and the NSW partner in the NSW CTG implementation plan.
- **A community of practice with NSW's Aboriginal Community Controlled (ACC) RTOs and the AECG** involving a series of forums to:
    - agree Aboriginal community and organisations' priorities and needs,
    - collaboratively develop the Stage 2 implementation plan,
    - deliver on commitments under the Stage 1 implementation plan.
- **Ongoing engagement** with the Aboriginal Affairs NSW, and leaders in the Department of Education's Aboriginal Education and Communities, VET for Secondary Students and

Training Services teams, to ensure NSA Closing the Gap implementation is linked to wider priorities and programs which benefit Aboriginal communities and students.
- **Support for ACCOs** to engage in the partnership and to deliver on the suite of commitments in the Stage 1 implementation plan.

Resources to support engagement by ACC RTOs
NSW-based ACC RTOs provide training on topics of significance for their communities and for NSW, such as health, aged care, Aboriginal culture and performance, and advocacy. In total the NSW ACC RTOs have 34 qualifications and 22 units of currency on scope, plus seven accredited courses, to meet skills needs of communities and industry.

NSW ACC RTOs are streamlined organisations. For all but two of the NSW ACC RTOs, their training operations are just one branch of a larger organisation. In developing the Stage 1 implementation plan, ACC RTO CEOs have taken the lead role in partnership activities, on top of core business of running their organisations. This is unsustainable and reflects the stretched nature of the Aboriginal VET workforce and organisations.

The Stage 1 Implementation Plan includes substantial commitments that require experienced staff to deliver. The agreed approach funds ACCOs to engage staff to deliver on the work and to support CEOs and leaders to engage. In addition it provides funds for reasonable costs of participation.

Timeline
Development of a Community of Practice (CoP) is a first priority, which will occur in the first quarter of 2025. The CoP will then prioritise detailed delivery planning in particular for the design of the Stage 2 implementation plan and the priority actions required to underpin it.

Stage 1 budget for partnership

Commonwealth Investment ($)	State Investment ($)	Planned Start Date	Planned End Date
$0.56 million	$0.56 million	1 January 2025	30 June 2025

SUSTAINABILITY AND TRAINING CAPABILITY IN STAGE 1

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

The Stage 1 implementation plan agreed by the NSW ACC RTOs includes a series of actions which support immediate RTO sustainability and training capacity needs, and to build the capacity of ACC RTOs.

Immediate sustainability and training capacity needs
ACC RTOs have identified activities which can be delivered in early 2025 to support immediate sustainability and add training capacity. These include:
- Engage staff to provide students with culturally designed wrap around supports and mentoring, to enhance student experience and successful completions
- Resources to activate training on scope and to add new courses to scope and to commence delivery of training

- Rapid infrastructure / asset upgrades to enhance training spaces and digital reach
- Funding to develop qualifications to enhance the cultural competence of health sector and training providers
- Top-up funding to support course viability where Government funding is fully utilised
- Student travel support, to provide regional and remote students with the opportunity for face-to-face learning and to address poor public transport

Resources
ACC RTOs have identified funds required to deliver their requested projects and to achieve an immediate uplift in training capacity and student outcomes commencing in the first half of 2025.

Timeline
ACC RTOs will deliver on their activity commitments on a schedule dependent on the nature and complexity of the individual commitments.

Build capacity and growth
ACCOs have identified priority themes relating to capacity and potential growth, which are critical for deep collaborative analysis to inform the design of the Stage 2 implementation plan.

The following scoping and planning projects, co-designed with ACCOs in response to priority themes, are anticipated be delivered under the Stage 1 IP as part of the design of the Stage 2 IP:

- **Compliance -** Scan of priority compliance needs, provide priority training and scope a shared compliance plan.
- **Evaluation -** Analyse RTO evaluation needs to recommend effective, culturally appropriate strategies and potential shared tools & approaches.
- **Business and funding** - Scan of best practice business models, funding sources and funding structures; Report on options and recommended approaches.
- **Grants and tenders** - Deliver priority capability sessions; develop shared plan for ongoing grant/tender capability as part of business expansion.
- **NSW Aboriginal Skills Investment fund** – Investigate options for an investment fund based on best practice models from other sectors.

Resources for the capacity and growth research:
The majority of work will be delivered by staff engaged under Partnerships, supplemented by budget for expert advice if required for specific topics which have a strong technical requirement.

Timeline
The schedule for these activities will be confirmed in the first quarter of 2025. The activities are expected to deliver on an ongoing basis through to the end of June 2025.

Stage 1 budget for immediate sustainability and training capacity needs

Commonwealth Investment ($)	State Investment ($)	Planned Start Date	Planned End Date
$1.824 million	$1.824 million	1 January 2025	30 June 2025

FIRST NATIONS VET WORKFORCE AND CULTURAL COMPETENCY OF MAINSTREAM RTOS

3) **Activities to grow the First Nations VET workforce and boost cultural competency of mainstream RTOs** (refer clause A102b) will be addressed in the Stage 2 implementation plan. See Appendix A for context on the proposed future approach.
4) The Stage 1 implementation plan provides an immediate uplift in ACCO workforce through staff engaged to deliver partnerships and immediate sustainability and training capacity actions above.

There are no additional projects or funding in the Stage 1 implementation plan, other than these outcomes which will be achieved through other parts of the plan.

5) The Stage 2 implementation plan will include actions to grow the VET workforce and boost the cultural competence of mainstream RTOs and government organisations, as informed by foundational research into these topic areas as noted above.

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	2024-25	2025-26	2026-27	2027-28	2028-29	Total
NSW	$2.384m	TBC	TBC	TBC	TBC	Up to $52.3

The New South Wales Government will provide details of their matched funding contributions at the end of each financial year, commencing 1 July 2024 until 31 December 2028. Final payments under this implementation plan may be reduced where the total contribution by the New South Wales Government over the life of the project does not align with the Commonwealth contribution.

Performance Indicators

The Stage 1 implementation plan key performance measures are delivery-based, and include:

1. Establishment and implementation of the partnership with ACCOs,
2. Development of the Stage 2 implementation plan,
3. Delivery of projects identified for immediate sustainability and training capability.

Evaluation arrangements

Evaluation of the Stage 1 implementation plan will focus on the extent to which:

1. The partnership approach has successfully engaged those ACCOs that have opted to engage in the process, as evidenced by participation rates.
2. The Stage 2 implementation plan meets the needs of NSW Aboriginal RTOs and addresses Australian Government and NSW Government priorities, as evidenced by its endorsement by the Community of Practice and by NSW and Australian governments.
3. Immediate sustainability and training capacity projects were delivered, individual project goals were met and students were engaged.

The Stage 2 implementation plan will be informed by a more comprehensive evaluation approach taking into account deliverables and Aboriginal community and RTO-based outcomes.

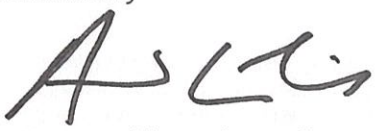
MILESTONES AND PAYMENTS – CLOSING THE GAP

Milestone[1]	Evidence[2]	Payment Value Up To (Commonwealth funded)[3]	Commonwealth reporting period[4]
Milestone 1: Initial payment on agreement of bilateral implementation plan (January 2025)	Bilateral implementation plan agreed with the Commonwealth.	$2.384 million	N/A
Milestone 2. Performance report for Stage 1 implementation plan	Commonwealth acceptance of a report signed by NSW senior official with responsibility for skills, including information on: 1. Establishment and implementation of the partnership with ACCOs. 2. Progress in planning for the Stage 2 implementation plan and delivery of projects.	Nil	31 Mar 2025
Milestone 3. Performance report for Stage 1 implementation plan	Commonwealth acceptance of a report signed by NSW senior official with responsibility for skills, outlining the activities delivered in the Stage 1 implementation plan and demonstrates: 1. Delivery of the partnership with ACCOs, 2. Development of the Stage 2 implementation plan, 3. Delivery of projects identified for immediate sustainability and training capability.	Nil	30 Sept 2025
	Total	**($) 2.384 million**	

[1] Initial payment on agreement of bilateral implementation plan (indicative date)
[2] Suggested first milestone - Bilateral implementation plan agreed with the Commonwealth
[3] First payment to be no more than 10% of maximum federal contribution
[4] Commonwealth reporting date, either March or September each year

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

Signed *for and on behalf of the Australian Government by*



The Honourable Andrew Giles MP
Minister for Skills and Training

19 / 12 2024

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



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

20 / 12 2024