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

PRELIMINARIES

1. This implementation plan is made between the Commonwealth of Australia (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 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, NSW will acknowledge the Commonwealth's contribution with the following statement: The Institute of Applied Technology Digital – National Centre of Excellence is a joint initiative between the Commonwealth and NSW Government.

REPORTING AND PAYMENTS

Reporting

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

6. NSW will provide to the Commonwealth a traffic light status and activity summary on all policy initiatives.

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

Payments

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

9. 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.

10. 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.

11. 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.

TAFE CENTRES OF EXCELLENCE (Clause A112 to A116 of the NSA)

TAFE NSW– Institute of Applied Technology Digital - National Centre of Excellence

1) Outline and priority area(s) addressed:

TAFE NSW proposes to use the Institute of Applied Technology – Digital (IATD - NCoE), as the basis to become a national leader in digital skills education and training, with a core focus on ensuring Australia's digital and technology capability.

The IATD – NCoE is intended become the national delivery arm for applied digital learning, tightly aligned with:

- Future Skills Organisation (FSO) and other Jobs and Skills Councils (JSC) workforce plans that identify digital skills as critical enablers
- frameworks including Australian Digital Capability Framework (ADCF), and international models including DigComp 2.2 and Skills Framework for the Information Age (SFIA)
- NSW Digital Skills and Workforce Compact
- the recommendations of Jobs and Skills Australia's (JSA) report on the Gen AI transition, which identified the need for coordinated response to generative AI focused on inclusive skills development and lifelong learning.

The IATD - NCoE is located at the TAFE NSW Meadowbank campus, which is fully equipped with advanced digital technology, including a Cyber Range Training Centre to deliver hands-on cyber security training, and Anytown 3D model. This technology has been designed for remote delivery enabling access to students across Australia. The facility is ready to deliver IATD-NCoE education immediately.

Proposed Model

As a National Centre of Excellence, the IATD – NCoE will become a national leader in applied digital skills education for critical digital skills in the tech sector, offering accessible, stackable microskills and microcredentials aligned with industry certifications (e.g. Microsoft, AWS, Cisco, Prodigy). Microskills currently are, and will continue to be, free for all Australians.

In addition, the evolved model will build on the innovative work of the IAT, with new initiatives including:

- developing a Vocational Degree utilising existing microcredentials developed with Microsoft and university partners, as a foundation of a curriculum that will be delivered as a higher apprenticeship.
- acting as a delivery platform for digital skills identified in JSC workforce plans, translating sector-specific digital priorities into practical training.
- delivering applied research, working with small and medium-sized businesses, to address real world challenges related to workforce digital capability.

Further information on how the proposed model will be operationalised will be detailed in the Activity Plan submitted as part of milestone 2 and subject to Commonwealth approval. Specifically, this will cover details of partnership arrangements with key stakeholders, key deliverables and associated timeframes.

Key partner organisations

The IATD – NCoE will:

- Leverage existing partnerships including Microsoft, Macquarie University (MQU) and the University of Technology Sydney (UTS) in the development and delivery of courses and applied research.

- Expand engagement with the Future Skills Organisation (FSO) and other JSCs to ensure the IATD - NCoE outputs reflect the priorities of sector specific workforce plans.
- Work with industry through the Digital Compact Alternative Pathways Pledge to ensure courses are recognised as credible alternate pathways into digital roles, supporting inclusive, skills-based recruitment practices.
- Work with Canberra Institute of Technology (CIT) Cyber Centre of Excellence and other Centres of Excellence to support their digital skills priorities as they relate to digital skills. The IATD - NCoE will work closely with CIT to support their efforts in cyber, sharing course materials, upskilling staff and sharing Cyber Range knowledge.
- The IATD - NCoE will work with relevant unions noting digital skills cross a number of industry areas. This engagement across unions may occur in partnership with other CoEs and/or JSCs with established relationships.

2) Functions and activities of the TAFE Centre of Excellence:

A115(b)

National Skills Delivery

The IATD - NCoE will act as a national hub for critical digital skills for the tech sector developing and delivering training through:

- Microskills and microcredentials aligned to industry recognised certifications (Microsoft, AWS, Cisco, Prodigy), that can be "stacked" as pathways into degree-level study.
- Vocational degree, delivered as a higher apprenticeship, focused on applied digital skills.

The IATD - NCoE will prioritise equitable access and effective tech skills pathways for students across Australia, including:

- regional and remote students, by leveraging TAFE NSW's proven capability in reaching diverse and complex student cohorts, accessing TAFE NSW capability and infrastructure located in these areas
- key equity groups including women, CALD students, and First Nations students, through dedicated programs and culturally responsive teaching and wraparound services.
- early pathway engagement into tech careers, delivering outreach programs to Year 11–12 students.

Courses, where intellectual property requirements permit, will be made available to other Centres of Excellence and TAFEs nationally, noting the IATD - NCoE will also partner with the CIT Cyber-focused CoE to support a national approach to training.

Cross-Sector Digital Skills Uplift

The IATD - NCoE will support the development of digital skills across key industry sectors that could include manufacturing, construction, agriculture and health.

The IATD - NCoE will act as a delivery platform, executing educational solutions that are responsive to JSC workforce plans that have identified digital skills priorities for their sectors.

The scope of this includes:

- delivery of IATD - NCoE digital short courses, contextualised to other industries.
- development of digital capability education to meet specific sector need
- sharing of contextualised digital skills education with other CoEs and TAFEs, and
- supporting digital skills uplift of VET educators within identified sectors.

Applied Research

In addition, the IATD - NCoE will facilitate applied research that expands on the work completed by the JSCs, including the FSO, to evolve their findings into actionable education solutions, appropriate for small and medium sized enterprises (SMEs).

- Applied research initiative to be focused on identifying and addressing current and future digital capability needs (required now and into the next 5 years) across SMEs in priority industries that could include construction, manufacturing, and health.
- The applied research approach will utilise the Applied Research Methodology developed by Griffith University in partnership with the TAFE NSW Manufacturing Centre of Excellence
- The project will engage a team to work directly with small and medium-sized businesses to explore real-world challenges and co-design practical education solutions that build digital capability within the workforce.
- The applied research project will result in the development of a series of short courses applicable to each specific industry and SMEs that can be delivered through the IATD - NCoE, but also widely shared with other Centres of Excellence and TAFEs, supporting a national uplift in digital skills across the SME workforce of key sectors.

3) Partnerships and engagement:

A115 (c)(d)

The IATD - NCoE will continue its strong foundation through partnerships with leading universities—Macquarie University and UTS—and global tech leaders like Microsoft, AWS, Cisco, and Prodigy. These collaborations provide curriculum expertise, co-teaching opportunities, vendor certification pathways, and articulation into higher education, forming a robust ecosystem for digital skills development. The Australian Universities Accord Final Report acknowledges and supports the IAT model—particularly the IATD at Meadowbank—as a promising innovation in tertiary education that blends VET with higher education and industry expertise.

The IATD – NCoE will expand its reach and impact through:

- Direct collaboration with the FSO on Vocational Degree development and co-designing digital products
- Partnerships with other Centres of Excellence, including:
  - CIT for cyber pathways and shared Cyber Range assets.
  - Manufacturing CoE for digital integration in advanced manufacturing.
  - Emerging Health CoE to embed digital health capabilities.
  - Future of Housing and Construction CoE to support digital capability uplift of the construction sector.
- Engagement with the National TAFE Network, enabling cross-jurisdictional sharing of IATD - NCoE-developed intellectual property and courses.
- Cross-sectoral collaboration with JSCs in tech, business, health, manufacturing, construction, and agriculture to embed digital literacy and specialist skills across Australia's workforce.

The IATD - NCoE will work with relevant unions noting digital skills cross a number of industry areas. This engagement across unions may occur in partnership with other CoEs and/ or JSCs with established relationships.

Governance

The IATD - NCoE would look to expand the current IATD governance group, which is made up of members from TAFE NSW, Microsoft, UTS and MQU, but also include representatives from FSO, and CIT Cyber CoE and any other CoE with a digital focus that may emerge.

This group will provide advice to the TAFE NSW overarching CoE Steering Committee that has governance over all TAFE NSW led CoEs including the TAFE NSW Manufacturing Centres of Excellence.

Engagement

The proposed model builds on the IAT pilot, which, as a partnership with Microsoft, Macquarie University and University of Technology Sydney, has achieved:

- over 300,000 enrolments in digital microcredentials and microskills since November 2022.
- course completion rate of 62%, well above the NCVER equivalent average of 47% for comparable courses.
- effective engagement of diverse cohorts, including women (43% of enrolments), students from culturally and linguistically diverse backgrounds (57%), and students born outside Australia (33%).

The new model intends to use this as a baseline and build on these results year-on-year.

The new model intends the following engagement numbers:

Number of Microskills and Microcredentials delivered annually:

- 25 x microskills
- 36 x microcredentials
- 62% completion rates across all courses (exceeding NCVER benchmarks).

Number of students enrolled in digital training products per annum:

- 50,000 x microskills
- 2,000 x microcredentials

The IATD – NCoE will work with the National TAFE Network once established to drive excellence in teaching and learning and best practice in skills development by TAFEs. This will be a critical collaboration for the IATD – NCoE and New South Wales commits to the IATD – NCoE operating in such a way that it:

- plays a national leadership role with employers, unions, universities, JSCs, and other relevant stakeholders to identify, develop and deliver education and training solutions that meet industry needs across Australia, and
- partners with TAFEs and other public providers across Australia to assist them with non-financial support to build their capability and capacity to deliver responsive skills training for industries.

New South Wales recognises the mutual benefits of collaboration between the VET and higher education sectors and commits the IATD – NCoE to developing partnerships to support and deliver on its objectives, including with universities, JSCs, employers and unions. These partnerships could take different forms, and are likely to evolve over time, but could include:

- university representation in the IATD – NCoE's governance structures
- exchanging expertise and experience in the design and delivery of education and training relevant to the IATD – NCoE's governance, including higher apprenticeship pathways
- establishing credit recognition arrangements and entry pathways between VET and higher education for education and training relevant to the IATD – NCoE, and/or
- facilitating joint opportunities for applied research relevant to the IATD – NCoE.

New South Wales acknowledges that there is the potential for duplication of effort between the IATD – NCoE and relevant JSCs. New South Wales is committed to working with the Commonwealth to maximise the collective benefit for the skills and training system through the TAFE Centres of

Excellence initiative, and commits to early and regular engagement with relevant JSCs on all the IATD – NCoE's activities for the purposes of:

- minimising the potential for duplication of effort
- sharing learnings on best practice and support knowledge translation, and
- partnering on projects of mutual interest where appropriate.

The IATD – NCoE will support and partner with other TAFEs across Australia (including dual-sector universities), including through the National TAFE Network (once established), to build capability, share curriculum and best-practice, and improve teaching and learning outcomes.

Commonwealth Investment ($)	State Investment ($)	Planned Start Date	Planned End Date
$5,500,000	$5,500,000	1 January 2026	31 December 2028

TAFE Centre of Excellence – approach to matched funding arrangements (clause A114 refers) – to be reconciled over the life of the NSA.

Details of matched funding	2025-26	2026-27	2027-28	2028-29	Total
Commonwealth Contribution	$1,500,000	$2,000,000	$1,500,000	$500,000	$5,500,000
NSW Contribution	$1,500,000	$4,000,000			$5,500,000
Total	$3,000,000	$6,000,000	$1,500,000	$500,000	$11,000,000

The NSW 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 NSW Government over the life of the project does not align with the Commonwealth contribution.

Performance Indicators

The specific performance indicators will be established during the detailed evaluation planning process. A mixed methods approach will be used to ensure both breadth and depth of insight—capturing reach across the system while surfacing what works (or what does not) in specific contexts.

The following likely performance indicators will be included:

Quantitative Indicators

- Change in participation levels, disaggregated by priority cohorts:
  - Women
  - Aboriginal and Torres Strait Islander peoples
  - Culturally and Linguistically Diverse (CALD) communities
  - People with disability
  - Regional and rural students
- Number of participants engaged in programs
- Utilisation rates of flexible learning models and stackable qualifications, broken down by cohort
- Industry sentiment metrics on alignment of learning outcomes with workforce needs
- Adoption rates (or expressed likelihood of adoption) of applied research insights by target businesses

Qualitative Indicators

- Case studies and vignettes showcasing:
  - Learner journeys and outcomes
  - Innovative teaching and learning practices
  - Industry partnerships and co-designed solutions
- Evidence of dissemination of insights and practices to other TAFEs, including:
  - Peer learning forums
  - Knowledge-sharing platforms
  - Collaborative projects
- Narratives of change in learning and career aspirations, particularly among priority cohorts
- Feedback from industry and community stakeholders on relevance and impact

Evaluation arrangements

Evaluation of the IATD - NCoE will replicate the robust, best-practice arrangements established for the existing TAFE NSW Manufacturing Centres of Excellence (MCoEs), grounded in a utilisation-focused evaluation approach. These arrangements are designed to assess effectiveness, efficiency, and appropriateness, in line with the scale and complexity of the intervention.

The TAFE NSW CoE Evaluation Framework—already in place—will be extended to apply to additional TAFE NSW led Centres of Excellence, including the IATD - NCoE. Two defining features underpin this approach:

- **Dual-cycle evaluation design:**
  - **Short-cycle evaluations** will focus on specific program components, delivering timely insights to support real-time learning and agile adaptation. These evaluations aim to surface operational intelligence that may be overlooked in broader assessments.
  - **Long-cycle evaluations** will synthesise findings from multiple short-cycle activities, providing comprehensive, program-wide conclusions. These will address core questions of merit and value, aligned with NSA funding requirements, TAFE NSW's strategic vision for CoEs, and NSW Treasury evaluation standards.
- **Embedded evaluation capability:** A dedicated full-time evaluation specialist (FTE) will be embedded in the CoE team from inception. This ensures continuous feedback loops and rapid

implementation of recommendations, a model that has already demonstrated value in existing MCoEs through performance-enhancing adjustments.

Evaluation Methodology and Timing

The evaluation will incorporate process, outcome, and economic evaluation types. Within these, the domains of efficiency, effectiveness, and appropriateness will be explored.

- Short-cycle evaluations will be conducted frequently, with quarterly learning reports produced to inform ongoing delivery.
- A single long-cycle evaluation is proposed for completion in December 2028, providing a summative assessment of the IATD - NCoE's impact and alignment with strategic objectives.

Dissemination and Actioning of Findings

Findings will be disseminated through:

- Internal learning reports and performance dashboards
- Cross-TAFE knowledge-sharing forums
- Strategic briefings to government and industry partners

Insights will be actioned through:

- Iterative program design adjustments
- Policy and practice recommendations
- Scaled adoption of successful models across other TAFEs.

MILESTONES AND PAYMENTS – TAFE CENTRES OF EXCELLENCE

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	$500,000	N/A
Milestone 2: Commonwealth acceptance that New South Wales has established the Institute of Applied Technology Digital – National Centre of Excellence to be demonstrated by: • development of an Institute of Applied Technology Digital – National Centre of Excellence Activity Plan that specifies deliverables to be achieved over the NSA until December 2028, including associated timeframes • partnership development activities with key stakeholder groups (including other TAFEs, employers, unions, universities, and JSCs).	Report signed by the relevant New South Wales senior skills official that provides an update on progress and includes or attaches: • the Activity Plan, for approval by the Commonwealth • stakeholder engagement strategy (including other TAFEs, employers, unions, universities, and JSCs), and • partnership development activities (including other TAFEs, employers, unions, universities, and JSCs).	$1,000,000	31 March 2026
Milestone 3: Commonwealth acceptance of the Institute of Applied Technology Digital's – National Centre of Excellence continued operation, to be demonstrated by: • achievement of specified deliverables up to 31 March 2027 in the approved Activity Plan, and • partnership development activities with key stakeholder groups (including other TAFEs, employers, unions, universities, and JSCs).	Report signed by the relevant New South Wales senior skills official that provides an update on progress against key deliverables and attaches or includes: • progress against achievement of deliverables specified in the Activity Plan to 31 March 2027 • updated Activity Plan (if warranted due to changes in the deliverables or timeframes), and	$2,000,000	31 March 2027

	• partnership development activities (including other TAFEs, employers, unions, universities, and JSCs).		
Milestone 4: Commonwealth acceptance of the Institute of Applied Technology – Digital – National Centre of Excellence's continued operation, to be demonstrated by: • achievement of specified deliverables up to 31 March 2028 in the approved Activity Plan, and • partnership development activities with key stakeholder groups (including other TAFEs, employers, unions, universities, and JSCs).	Report signed by the relevant New South Wales senior skills official that provides an update on progress against key deliverables and attaches or includes: • progress against achievement of deliverables specified in the Activity Plan to 31 March 2028 • an updated Activity Plan (if warranted due to changes in the deliverables or timeframe), and • partnership development activities (including other TAFEs, employers, unions, universities, and JSCs).	$1,500,000	31 March 2028
Milestone 5: Commonwealth acceptance of the Institute of Applied Technology Digital – National Centre of Excellence's continued operation, to be demonstrated by: • achievement of specified deliverables up to 30 September 2028 in the Activity Plan, and • Completion of all Activity Plan deliverables, including development of Higher Apprenticeship, Applied Research	Report signed by the relevant New South Wales senior skills official that provides an update on progress against key deliverables and attaches or includes: • Final progress against achievement of Activity Plan to 30 September 2028 • Training Product delivery evidence, and • Applied research outcomes	$500,000	30 September 2028
Milestone 6: Commonwealth acceptance of the Institute of Applied Technology Digital – National Centre of	Report signed by the relevant New South Wales senior skills official that provides an update on	Nil	31 December 2028

Excellence's continued operation, to be demonstrated by: • Completion of a Final Evaluation Report for (including lessons learned and recommendations for scaling).	progress against key deliverables and attaches or includes: • A Final Evaluation Report for the Institute of Applied Technology Digital – National Centre of Excellence.		

Note: Submission of the activity plan may prompt a review of how the funding is phased by the Parties. Any amendment would be subject to further agreement.

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
26 / 6 / 2025

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
30 / 9 / 2025