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

PRELIMINARIES

1. This implementation plan is made between the Commonwealth of Australia (Commonwealth) and 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 TAFE NSW Construction Centre of Excellence is a joint initiative between the Australian Government 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 Construction Centre of Excellence

1) Outline and priority area(s) addressed:

TAFE NSW proposes to use the Institute of Applied Technology – Construction (IATC), a proven model for progressive pathways and compliance training, as the basis to become the TAFE NSW Construction Centre of Excellence (CCoE), the national leader in construction skills to address the national priority of boosting housing supply. The CCoE will focus on strengthening Australia's construction capability, particularly in housing delivery, licensing reform, and sustainable building practices.

The CCoE will be tightly aligned with:

- National efforts to boost housing supply such as the National Housing Accord and National Construction Industry Forum (NCIF) Blueprint for the Future
- BuildSkills Australia Workforce Plan and Housing Workforce Capacity Study
- National Construction Code
- Priorities of the Building 4.0 CRC around modern methods of construction (MMC).
- Shared Commonwealth and state priorities in relation to net zero and equity group participation, and
- NSW Government Building Commission priorities through Construct NSW.

The CCoE will be delivered from the existing IATC location at the TAFE NSW Kingswood Campus which is fully equipped with:

- Prefabrication and modular assembly hub simulating off-site manufacturing and factory-based construction.
- Digital construction lab equipped with Building Information Modelling (BIM) and compliance simulation tools for integrated project planning.
- Enhanced site-based training environments for applied safety, regulatory practice, and inspection readiness.
- Advanced equipment such as 3D concrete and composite printers, roofing fabrication tools, mini 3D printers, and optimised room utilisation for flexible delivery.
- Simulation technology, including Tenstar earthmoving and lifting simulators, to replicate high-risk environments and enable safe, scalable training in machinery operation, driving, safety, maintenance, and special handling.
- Emerging technology integration including specialised equipment to support AI integration such as Boston Dynamics 'Spot' robot, drones and other robotics to train workers in digital surveying, compliance monitoring, and automated site operations.

Proposed Model

The CCoE will lead applied construction education across quality, compliance, project management, digital skills; and partner with other organisations to promote and deliver skills relating to MMC. It will prioritise equitable access to critical skills through free, stackable microskills and microcredentials for all Australians, and will have a focus on supporting apprentices to build skills in addition to what is addressed in vocational training qualifications, to support increased quality, digital capability and application of technology.

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

- Developing a Higher Apprenticeship, with a focus on applied technology in construction underpinned by a Diploma that utilises existing bundled microcredentials developed with industry and university partners, as a foundation of curriculum. The CCoE will seek to work with a university partner to embed this within a higher-level qualification to support integration of VET and Higher Education.
- Acting as a delivery platform for skills identified in BuildSkills Workforce Plans, translating sector-specific priorities into practical training not currently addressed by VET training packages.
- Delivering applied research, working with small and medium-sized businesses, to address real world challenges related to digital capability and uptake of construction technology.

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 CCoE will leverage existing IATC partnerships including with Western Sydney University in the development and delivery of courses and applied research, Building 4.0 CRC, as well as integrate other key relationships from adjacent TAFE NSW projects focused on aligning workforce supply with housing and regulatory targets such as Homes NSW, the NSW Building Commissioner, and the NSW Department of Education to align workforce supply with housing and regulatory targets.

As a Centre of Excellence, the CCoE will expand engagement with:

- BuildSkills Australia and other Jobs and Skills Councils (JSC) to ensure outputs reflect the priorities of workforce plans.
- Major housing providers, modular firms, and peak bodies (Master Builders Australia, Housing Industry Australia).
- Melbourne Polytechnic Future of Housing Centre, Building 4.0 CRC and TAFE NSW Manufacturing Centres of Excellence to partner on interconnected initiatives including Modern Methods of Manufacturing where coordination of activities will expand the capability and offerings in this space, and
- The Institute of Applied Technology – Digital, if confirmed as a Centre of Excellence, to access support with digital capability required for the construction sector.

The CCoE will work with relevant unions but would want to take advice from BuildSkills Australia on this matter. The CCoE will also seek to work with other JSCs such as the Future Skills Organisation (FSO) and Manufacturing Industry Skills Alliance in areas of overlap including MMC. This engagement may occur in partnership with other CoEs, including the TAFE NSW Manufacturing Skills Alliance.

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

A115(b)

National Skills Delivery

The CCoE will act as a national hub for skills for the construction sector developing and delivering training through:

- Microskills that effectively address targeted skills areas particularly in relation to building quality and compliance, MMC and skills to support small and medium enterprises to remain relevant and in business.
- Microcredentials that can be “stacked” as pathways into degree-level study.
- Diploma-based Higher Apprenticeship that is integrated within a higher-level qualification, in partnership with a university.

The CCoE will prioritise equitable access and effective 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 construction careers, delivering outreach programs to school students.

Courses, where intellectual property requirements permit, will be made available to other CoEs and TAFEs nationally. The CCoE will also partner with the Melbourne Polytechnic Future of Housing CoE and TAFE NSW Manufacturing CoE to support a national approach to training.

In addition, the CCoE will facilitate applied research that expands on the work completed by the JSCs, including BuildSkills Australia, to evolve their findings into actionable education solutions, appropriate for small and medium sized businesses.

- Applied research initiative to be focused on the effective application of construction technology by small and medium-sized businesses.
- 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 work directly with small-medium businesses to explore real-world challenges and co-design practical education solutions that build construction technology capability within the workforce.
- The applied research will be completed as part of a learning experience for students and result in a research output that will be shared with participating businesses, other CoEs, TAFEs, and key industry stakeholders.

3) Partnerships and engagement:

The CCoE will maintain its strong relationship with Western Sydney University, and other collaborations including with the Building 4.0 CRC. TAFE NSW's existing relationship with the NSW Building Commission could be integrated into the CCoE to drive nation-leading education focused on quality and capability across the construction sector. These collaborations provide curriculum expertise, co-teaching opportunities, and articulation into higher education, forming a robust ecosystem for construction skills development.

Looking ahead, the CCoE will evolve into a nationally networked entity, expanding its reach and impact through:

- Direct collaboration with BuildSkills Australia, Future Skills Organisation and Manufacturing Industry Skills Alliance to ensure education reflects the priorities of their workforce plans.
- Formalising an ongoing partnership with Building 4.0 CRC to support the development and delivery of courses.
- Partnerships with other CoEs, including:
    - Melbourne Polytechnic Future of Housing CoE to support their focus on MMC.
    - TAFE NSW Manufacturing CoEs for coordination of efforts where there is an overlap between manufacturing and construction.
    - The Institute of Applied Technology – Digital, if confirmed as a Centre of Excellence, to access support with digital capability required for the construction sector.

- Engagement with the National TAFE Network, enabling cross-jurisdictional sharing of CCoE-developed IP and courses.
- Major housing providers, modular firms, and peak bodies (MBA, HIA)

The CCoE will work with relevant unions but would want to take advice from the JSC on this matter. The CCoE will also seek to work with other JSCs such as the FSO and Manufacturing Industry Skills Alliance in areas of overlap including MMC. This engagement may occur in partnership with other CoEs, including the TAFE NSW Manufacturing Skills Alliance.

Governance
The CoE would look to expand the current IATC governance group which is made up of members from TAFE NSW, and Western Sydney University, but also include representatives from BuildSkills Australia, and Future of Housing CoE and any other CoE with a shared focus.
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 CoEs.

Engagement
The proposed model builds on the IATC pilot, which, as a partnership with Western Sydney University, has achieved:

- approximately 47,000 enrolments in construction microcredentials and microskills since November 2022.
- course completion rate of 77%, well above the NCVER equivalent average of 42% for comparable courses.
- effective engagement of diverse cohorts, including women (41% of enrolments) and students from culturally and linguistically diverse backgrounds (47%).

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:

- 24 x microskills
- 20 x microcredentials
- 77% completion rates across all courses (exceeding NCVER benchmarks).

Number of students enrolled in construction training products per annum:

- 20,000 x microskills
- 1,000 x microcredentials

The CCoE 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 CCoE and commits to 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 CCoE 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 CCoE's governance structures
- exchanging expertise and experience in the design and delivery of education and training relevant to the CCoE'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 CCoE, and/or
- facilitating joint opportunities for applied research relevant to the CCoE.

New South Wales commits to early and regular engagement with relevant JSC on all the CCoE'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 CCoE 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	01/01/2026	31/12/2028

CCoE – 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 2026 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 TAFE NSW Construction Centre of Excellence will report annually against the following 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 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:
  - Student 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 TAFE NSW CCoE 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 MCoEs Evaluation Framework—already in place—will be extended to apply to additional TAFE NSW led-CoEs. 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 National Skills Agreement (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 within the CCoE 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 CCoE'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 Construction Centre of Excellence to be demonstrated by: • development of a TAFE NSW Construction 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 Construction Centre of Excellence's 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 • an 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 Construction 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 timeframes), and • partnership development activities (including other TAFEs, employers, unions, universities, and JSCs).	$1,500,000	31 March 2028
Milestone 5: • Commonwealth acceptance of the Construction 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 against Activity Plan deliverables to 30 September 2028 • Training Product delivery evidence, and • Applied research outcomes.	$500,000	30 September 2028
Milestone 6:	Report signed by the relevant New South Wales senior skills official that provides an update on	Nil	31 December 2028

• Commonwealth acceptance of the Construction Centre of Excellence's continued operation, to be demonstrated by: • Completion of a Final Evaluation Report (including lessons learned, impact and alignment with strategic objectives and recommendations for scaling).	progress against key deliverables and attaches or includes: A Final Evaluation Report for Construction 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

20 / 10 / 2025

Signed *for and on behalf of the State of NSW by*

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

30 / 9 / 2025