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

PRELIMINARIES

1. This implementation plan is made between the Commonwealth of Australia (Commonwealth) and Victoria under the 2024–2028 National Skills Agreement (the NSA) and should be read in conjunction with the NSA and the NSA Bilateral Implementation Plan Guidance.
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, Victoria will acknowledge the Commonwealth's contribution with the following statement: This is a joint initiative between the Australian Government and Victoria 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. Victoria 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, Victoria 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), Victoria 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.

ENSURING ACCESS TO FOUNDATION SKILLS TRAINING (Clause A104 to A111 of the NSA)

Victoria commits to working cooperatively to develop the 10-year foundation skills strategy (clause A109 (c) refers).

NSA Implementation Requirements (clauses A107-109a)

1) Foundation skills assessment and referral that delivers a 'no-wrong door' experience for foundation skills learners (clause A107 refers).
2) Provide no-or low-fee access to foundation skills training in the State's VET and Adult and Community Education (ACE) (or equivalent) systems, for learners who have been assessed as at or below Australian Core Skills Framework and/or Digital Literacy Skills Framework Level 3 (clause A108 refers).
3) Activities that support the Adult Community Education sector or equivalent (clause A109a refers).

VICTORIA'S CURRENT APPROACH AND INVESTMENT

'No wrong door' for meeting students where they are

Victoria has made substantial proactive investments in foundation skills training across its Vocational Education and Training (VET) sector and its Adult and Community Education (ACE) sector. Victoria's well-established skills and training system includes longstanding measures to identify and refer learners in need of foundation skills support and deliver foundation skills by various providers.

The Victorian sector delivers a no-wrong door experience. Students can access foundation skills in Victoria through a wide range of vocational education and community education settings. For assistance determining which course to enter, prospective learners can contact a Skills and Jobs Centre (SJC). SJCs offer advice to all individuals about courses including foundation skills courses, which can help them develop skills for further training or employment.

Victorians can also access foundations skills training through Victoria's 'pre-accredited' training. Pre-accredited training is non-accredited training that is foundational in nature, allowing students who may not have the skills or educational attainment required to engage in accredited training. The goal of pre-accredited training is to develop the foundation skills students need to go on to successfully complete accredited training.

Victoria's ACE sector is highly mature, well-resourced and covers a wide geographical area. The Victorian Government provides funding through the Adult, Community and Further Education (ACFE) Board to around **230 Learn Local providers** (also known as ACE providers), as well as AMES Australia and the Centre for Adult Education to deliver pre-accredited training and other programs that support adult learners to improve foundation skills including literacy, numeracy, English language, employability and digital skills. Learn Local providers are all not-for-profit community organisations dedicated to meeting the needs of individual learners with flexibility, support and a welcoming environment. In 2023-24, the Learn Local sector excelled in meeting its performance goals, showcasing its effectiveness in delivering local education, training and employment pathways solutions that effectively respond to and flexibly meet community expectations and needs. A standout achievement was the 22% increase in pre-accredited enrolments. This

emphasises the high demand and appreciation for responsive, community-based training that responds with agility to the diverse needs of adult learners throughout Victoria.[1]

Foundation training is also provided by Aboriginal Community Controlled Organisations (ACCOs). This provides yet another doorway through which harder to reach and more disadvantaged students can be supported.

Foundation skills though accredited training

Students enrolling in accredited training at a registered training provider undergo a pre-training review which includes a language, literacy, and numeracy (LLN) assessment. This assesses an individual's literacy and numeracy skills, allowing providers such as TAFEs to place individuals in appropriate courses and provide the foundational supports required to successfully participate and complete VET.

Additionally, Victoria provides a range of accredited courses that focus on literacy, numeracy, written English, general education and work readiness. These courses form part of a skills list of Government subsidised foundation courses that can be accessed through subsidised Skills First training providers. The courses include the General Education and FSK Foundation Skills Training Packages and the LNSUPPORT Program. These are designed to support a greater emphasis on building foundation skills within VET programs.

Victoria's LNSUPPORT program is an accredited skill set, offered free of cost to students enrolled in a primary VET qualification at a TAFE. Students enrolling in the program are exempt from other eligibility requirements (including the 'two in a year' and 'two at a time' course volume limits)

All TAFEs offer foundation training courses, with a range of private and community providers also delivering accredited foundation training.

No- or low-fee access to foundation skills training

The focus of the Victorian government is to provide free or subsidised training so eligible students pay less for their training. Low- or no-fee foundation skills training can be accessed through TAFEs, Learn Local providers within the ACE sector and other Skills First providers, subject to eligibility requirements. Foundation skills courses are further subsidised for eligible concession card holders.

For example, pre-accredited training (foundation skills) is government subsidised and offered at low or no cost to eligible Victorian adults. The course fees depend on the fees set by the Learn Local provider and are capped. From 1 January 2025, all Aboriginal or Torres Strait Islander students are exempt from paying tuition fees for pre-accredited programs.

Additionally, funding for foundation skills in TAFEs is provided on top of course subsidies via concessions and fee waivers to ensure foundation skills support is available to Aboriginal or Torres Strait Islander students, students in regional areas and other eligible young people.

Supporting the ACE sector or equivalent

Victoria's community education sector has a long-standing commitment to support disengaged and disadvantaged Victorians. Victoria leads Australia in providing accessible and tailored lifelong learning opportunities for adult learners seeking to develop the skills they need for work and further study, and to participate fully in the Victorian community.

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[1] Year in Review, Adult, Community and Further Education Board Annual Report 2023-24. https://www.vic.gov.au/adult-community-and-further-education-board-annual-report-2023-24/year-review

Victoria funds AMES Australia, the Centre for Adult Education and approximately 230 registered Learn Local providers. These organisations deliver accredited and pre-accredited education (or ACE) and training programs to a broad range of Victorians who are above compulsory school age and who seek to gain the educational capacity and core foundation skills they need for study, work and life. ACE providers aim to support individuals who may not have had access to traditional educational pathways.

Victoria also provides curriculum maintenance services for core foundations skills accredited programs, in particular the suite of EAL and CGEA qualifications. Victoria incurs costs to maintain these and they are used nationally – particularly the EAL qualifications that are now mandated for AMEP provision.

Victoria's further supports the ACE sector by providing professional development opportunities to the ACE workforce. This includes ensuring the sector is aware of online self-paced or in person professional development opportunities through direct engagement from the Department and via a secure online portal. Offerings include free courses by the Victoria's VET Development Centre and dedicated Adult Literacy and Numeracy Practitioners Program.

Additionally, Victoria has developed the Pre-accredited Quality Framework through Learn Local providers. The Pre-accredited Quality Framework (developed by the ACFE Board) aims to improve outcomes for learners through better understanding the professional practices used by the Learn Local workforce and is a tool to guide professional development. Finally, Victoria is developing a Foundation skills strategy, a holistic strategy encompassing pre-accredited and accredited training and associated providers. The strategy will ensure Victoria's approach to foundation skills workforce training aligns with the National Foundation Skills strategy and, where relevant, the National VET Workforce Blueprint.

Victoria's Strategic Aims for Foundation Training

Victoria's trajectory to improving Foundation skills across the population is well established and grounded in several key guiding Strategies and Statements, including:

Ministerial Statement: *The Future of Adult Community Education in Victoria 2020-2025* Sets a clear and shared vision for the future of Victoria's adult community education sector.

Adult, Community and Further Education Board Strategy 2020-2025

Ensures the ACE sector can effectively meet the educational needs of adults, particularly those who may not have had access to traditional educational pathways.

Victorian Skills Plan 2024 into 2025

Acknowledging that low foundation skills create issues for learners, workers and employers alike, the plan recognises delivering more foundation skills as a crucial skills response to improve economic participation and support sectors with high workforce demand[2].

The key elements are summarised below and the integration with the new *National Foundation Skill Strategy 2025-2035* is outlined in the next section.

Victoria aims to:

- drive down rates of very low literacy and numeracy in the Victorian adult population
- increase engagement of at-risk and high-needs Victorians in training

[2] DJSIR (2023), *Victorian Skills Plan for 2024 into 2025*

- improve pathways into work entry level Certificate III and higher VET courses, training completions including apprenticeships, and stronger employment outcomes
- address the low foundation skill needs of the Victorian workforce who are employment-vulnerable in the transitioning economy.

Victoria's adoption of the *National Foundation Skill Strategy 2025-2035* aligns with the completion of several Victorian strategies and the ongoing aims of Victoria's VET architecture.



Actions to enhance Foundation Skills through Commonwealth investment

$8.606 million of Commonwealth Foundation Skills funding will go to LNSUPPORT delivered through selected ACE providers and TAFEs for students concurrently studying for another non-foundation qualification.

The LNSUPPORT program utilises the integrated team-teaching model, with an LLN-trained classroom teacher co-delivering with the VET trainer.

A National Centre for Vocational Education Research (NCVER) study indicates that VET completions are achieved when foundation skills are integrated within a VET program, which has been the preferred approach to implementation of LNSUPPORT by TAFEs. This approach sets LNSUPPORT apart from traditional foundation skills qualification delivery.

The 2022 NCVER report, 'Journeying through VET: a case study of foundation skills learners', showed learners who enrol in foundation skills programs **in some combination** with other VET programs are more likely to complete a VET program than learners who only enrol in foundation skills programs. The report also found employment outcomes of foundation skills learners were not as good as those who undertook foundation skills as part of VET qualification.

Action 1 Enhanced access to and improved quality of foundation skills training	Increased access to learning interventions to boost study skills, language, IT, and prerequisite skills through the Literacy and Numeracy Support initiative. Continuous improvement in delivery through monitoring and evaluation.

Objective	In 2023, LNSUPPORT was added to the Free TAFE course list to improve students' literacy, numeracy and digital literacy which are essential for successfully completing VET qualifications. Access to LNSUPPORT will be expanded to enable: • a greater focus on students enrolled in courses aligned with skills shortage in TAFEs; and • LNSUPPORT available through selected ACE providers The quality of LNSUPPORT will undergo continuous improvement to consistently meet the needs of students and employers.
Delivery method	• The program will be available as a dual enrolment to complement a primary Free TAFE course in priority skills areas, including apprenticeships, and at selected ACE providers. Students will be enrolled in LNSUPPORT, concurrently with a Free TAFE VET course aligned to a priority industry, or at an ACE provider. • The program will be delivered through an integrated team-teaching model or as a stand-alone offering based on the needs and circumstances of the student. • Providers will allocate staffing to deliver the LNSUPPORT either as a literacy and numeracy trained classroom teacher co-delivering with the VET trainer or as a Foundation Skills advisor delivering one-on-one sessions or small group workshops. • Engage with the sector (students, delivery partners and employers) through surveys and consultation to test and improve training, identify gaps and meet need.
Expected reach and additionality	Internal DJSIR training activity data has shown better completions in courses where students are also enrolled in LNSUPPORT including courses aligned to construction and the care sector. Funding will enable TAFEs to deliver LNSUPPORT as a dual enrolment in high priority areas of skills shortages.

Amount of investment – Commonwealth	Amount of investment – State	Planned start date	Planned end date
$8.606 million, incl. • $3.802m allocated to TAFE • $4.804m allocated to ACE	N/A (unmatched)	Existing providers from 2025 New LNSUPPORT providers as needed over duration	End of Agreement in 2028

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Action 2 ***Enhance foundation skills training in the Adult Education Sector***	Victoria will enhance adult community education workforce capacity and capability via a scholarship program for advanced qualifications for foundation skills trainers. This proposal aligns with the *National Foundation Skills Strategy*, National Focus Area 'Sustainable Workforce'.
Objective	Increase the quality, capacity and capability of foundation skills training through community-based adult education and increase attraction and retention of foundation skills trainers to increase access to foundation skills in the adult, further and community education sector.

Delivery method	• $3.5m over 4 years to provide scholarships for prospective, new and existing ACE teachers to undertake qualifications, specialist training and upskilling in Language, Literacy and Numeracy. • Scholarship recipients will have a mutual obligation to teach in community-based adult education settings for at least 12 months following completion of their course. • The type and number of courses will be determined in consultation with the sector and refined, subject to uptake and demand. The number and nature of Language, Literacy, Numeracy and specialist training courses will be reported to the Commonwealth as specified below. • $1m over 4 years to create and deliver online learning modules for ACE teacher professional development, to supplement face-to-face learning. • Funding includes 0.5 FTE for coordination and administration of the program.		
Expected reach and additionality	The Victorian ACE sector comprising more than 230 training ACE providers.		
Amount of investment – Commonwealth	**Amount of investment – State**	**Planned start date**	**Planned end date**
$4.5m	N/A (unmatched)	01 July 2025	End of Agreement in 2028

Action 3 ***Increase the digital skills of the most vulnerable and disadvantaged Victorians.***	Victoria will ensure that pre-accredited training for digital skills is delivered to some of the most marginalised individuals in Victoria.
Objective	This action will expand access to digital skills supports for the most vulnerable and disadvantaged learners in Victorian. The increasing reliance upon digital technology requires both learners and employees to possess a core level of digital skills. By ensuring that learners have the right foundational skills, their prospects for success in accredited training, employment and societal participation will be greatly improved.

<table>
<tr><td>Delivery method</td><td colspan="3">• $5.900m over 4 years to support up to 9,600 pre-accredited training places at Learn Local providers across Victoria to address and reduce the digital skills gap, and to meet the continuing demand for digital skills.
• ACFE providers to deliver pre-accredited training for digital skills will follow the following timelines:
o In or around August each year, ACFE expression of interest for Training Provision Funding contracts will be released for the upcoming training year.
o In February each year successful ACFE providers will commencement of delivery of the Digital Skills Places.</td></tr>
<tr><td>Expected reach and additionality</td><td colspan="3">Pre-accredited training for digital skills, in previous years has been fully subscribed and there is no indication that demand has decreased.
Low levels of core employability skills are most acute in regional areas and in the culturally and linguistically diverse and First Nations communities.</td></tr>
<tr><td>Amount of investment – Commonwealth</td><td>Amount of investment – State</td><td>Planned start date</td><td>Planned end date</td></tr>
<tr><td>$5.900m</td><td>N/A (unmatched)</td><td>01 July 2025</td><td>End of Agreement in 2028</td></tr>
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Performance Indicators

Victoria will leverage its existing robust monitoring and evaluation regime to monitor the effectiveness of foundation skills training delivery, with particular focus on 'No-wrong door' and no- or low-fee access to foundation skills training. Quantitative and qualitative measures include:

- Hours of pre-accredited training delivered through Learn Local providers
- Enrolments in foundation courses in accredited training
- Reported levels of student satisfaction with skills and learning experience, including foundation skills
- Total number of enrolments in accredited and pre-accredited foundation skills training
- Number of referrals from SJC to foundation skills training
- Number of learners accessing no- or low-cost foundation training.

Building on this regime, Victoria will utilise the following performance indicators to measure the impacts and effectiveness of the additional investment provided through this policy initiative.

Subject to further consultation with the Commonwealth on reporting templates, data on the following aspects of delivery may be obtained by Victoria and included in reporting to the Commonwealth on delivery of foundation training (including accredited, pre-accredited training and literacy and numeracy support):

- Average fees paid by students accessing foundation training
- Priority cohorts accessing foundation training, including first nations, young people, unemployed (but not long term unemployed), people with a disability, and regional and remote students
- Employer satisfaction with students' foundation skills.

Specific indicators to measure the effectiveness of Action 1

- Number of Literacy and Numeracy Support commencements through TAFE and selected ACE providers
- Number of Literacy and Numeracy Support completions as well as completion rates for accompanying qualification
- This will provide additional data on the impact of LNSUPPORT on student completions regarding their full qualification
- Accompanying cohort breakdown for LNSUPPORT commencement and completions data including First Peoples.

Specific indicators to measure the effectiveness of Action 2

- Recruitment of ACE Scholarship program administrator
- Number of commencements and completions of ACE scholarships
- Post-scholarship monitoring of engagement in ACE sector
- Student satisfaction with ACE teaching.

Specific indicators to measure the effectiveness of Action 3

- Number of digital skills pre-accredited training commencements at selected ACE providers
- Number of digital skills pre-accredited training completions
- Accompanying cohort breakdown for digital skills pre-accredited training commencement and completions data including First Peoples (to the extent allowed by sample size).

Note: All measures are to include a breakdown by indigenous status where possible

Evaluation arrangements

An internal program evaluation will be conducted that examines the impact of foundation training on students. This evaluation will be conducted during the course of the NSA.

The following evaluation questions will be tested using student survey data:

- To what extent do students report that participation in the course improved their foundation skills, team working skills and digital skills.
- To what extent are students who are enrolled in a foundation course more likely to report that they were satisfied with the support received from their trainers (relative to the general survey population).
- To what extent are students who enrolled in a foundation course more likely to report satisfaction with generic skills and learning experiences (relative to the general survey population).
- Is there evidence that enrolment in a foundation course increased likelihood of completion?

Input will be sought from Learn Local providers and other Skills First providers offering foundation training as to the impact of this training on individual students.

Other relevant stakeholders will also be engaged, including groups that represent migrant populations around the extent to which their constituents can access foundation training.

The evaluation will include summary statistics around labour market engagement within Victoria, noting that low literacy and numeracy skills can contribute to labour market disengagement but are not the only explanatory factor.

Approach to Funding

Foundation Skills - estimated phasing of funding arrangements.

Details of funding	2025-26	2026-27	2027-28	2028-29	Total
Commonwealth contribution	$5,435,000	$5,184,000	$5,135,000	$3,252,000	$19,006,000

MILESTONES AND PAYMENTS – ENSURING ACCESS TO FOUNDATION SKILLS TRAINING

Milestone	Evidence	Commonwealth Payment (up to)	Reporting period
Milestone 1 Initial payment in first payment round of the 2025-26 financial year	Bilateral implementation plan agreed with Commonwealth	$1,900,000 (10%)	N/A
Milestone 2 Commonwealth acceptance of **initial** Victorian Foundation Skills Training report which will provide detail on Victoria's suite of initiatives.	Report signed by relevant Victorian senior official providing status of all foundation skills training initiatives, including digital skills pre-accredited training, LNSUPPORT at selected ACE providers, ACE scholarships and online learning modules. Format to be negotiated with the Commonwealth consistent with Bilateral Implementation Plan template guidance. Proposed to include performance indicators for existing measures where available, timelines and sequencing of future initiatives as well as evaluation arrangements over the remainder of the NSA.	$3,535,000	September 2025
Milestone 3 Commonwealth acceptance of **updated** Victorian Foundation Skills Training report which will provide detail on Victoria's suite of initiatives.	Report signed by relevant Victorian senior official providing status of all foundation skills training initiatives, including digital skills pre-accredited training, LNSUPPORT at selected ACE providers, ACE scholarships and online learning modules.	$5,184,000	September 2026
Milestone 4 Commonwealth acceptance of updated VET Foundation Skills Training report which will set out status of Victoria's suite of initiatives.	Report signed by relevant Victorian senior official providing status of all foundation skills training initiatives, including digital skills pre-accredited training. LNSUPPORT at selected ACE providers, ACE scholarships and online learning modules.	$5,135,000	September 2027
Milestone 5 Commonwealth acceptance of updated VET Foundation Skills Training report which will set out status of Victoria's suite of initiatives.	Report signed by relevant Victorian senior official providing status of all foundation skills training initiatives, including digital skills pre-accredited training, LNSUPPORT at selected ACE providers, ACE scholarships, online learning modules, completion of ACE scholarships and engagement of scholarship recipients in ACE sector.	$3,252,000	September 2028
	Total	**$19,006,000**	

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
24 / 3 / 2025

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



The Honourable Gayle Tierney MP
Minister for Skills and TAFE
27 / 03 / 2025