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: [Name of policy initiative] is a joint initiative between the Australian Government and Victorian 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.

IMPROVED COMPLETIONS – ESPECIALLY FOR PRIORITY GROUPS (Clause A141 to A150 of the NSA)

1) Outline actions to improve completions and which element of clause A145 will be addressed.

Victoria recognises that improving vocational education and training (VET) completion rates is one of the most effective strategies to increase the number of learners transitioning from training into steady employment.

Victoria has made sustained and proactive efforts to improving student outcomes through a variety of VET student services and training focussed on supporting course completions. It has also taken great strides to better understand where there is more work to be done. This includes a recent review led by the Apprenticeships Taskforce which sets out 16 recommendations and 3 supporting actions to improve the training and working experience for apprentices, trainees and their employers – these were accepted in full or in-principle by the Victorian Government.

The initiatives outlined below build on this considerable momentum and align with the NSA's shared commitment to implement new, scalable completions initiatives and strengthen and evaluate existing initiatives designed to improve student outcomes that focus on addressing the key reasons for non-completion.

Coordinated wrap-around services for at-risk cohorts

Research shows that non-completions are caused by an interplay of institutional, system and personal factors[1]. The 2023 Victorian Student Satisfaction Survey results found that more than half of the students not completing VET (and 30% of the total number) cited family/personal factors as the main reason for disengagement. The National Centre for Vocational Education Research (NCVER) 2023 Completion Rate Data similarly found that personal circumstances impacted a student's ability to complete VET.

At a cost of $30 million over the life of the NSA, a new set of coordinated personalised wrap-around support services for students at risk of non-completion will help students manage personal challenges affecting their studies and set them up for success in completing their courses. The new and expanded services include counselling, referrals to other support services and careers advice, as well as additional support for students in out-of-home care. This will augment the current student support services provided through TAFEs and will be informed by a richer set of data insights provided through the Customer Relationship Manager (CRM), as outlined below. The initiative will roll out to the top 10% of students at the highest risk of not completing (equivalent to around 25,000 students p.a.). TAFEs will assess and determine staffing requirements for delivery of support services based on the specific needs of their student cohort.

Expanding and integrating standalone programs is crucial to ensuring coordinated and effective supports for those who need it the most. These comprehensive supports will be scaled up to empower students to build confidence, navigate challenges and reduce barriers, allowing them to fully engage in their training and complete their courses successfully.

This initiative will focus on priority cohorts and qualifications to enhance support and retention. Wrap around service models for Aboriginal students will be co-designed with First Nations VET partners. Expanding and integrating existing standalone programs will ensure coordinated and more effective supports for those who need it the most.

---

[1] Callan, Victor J (NCVER, 2005) *Why do students leave? Leaving vocational education and training with no recorded achievement*.

In addition to these TAFE-led support services, this funding will expand Victoria's Raising Expectations Program. The program provides support services for young people in out-of-home care and care leavers pursuing post-secondary education. Raising Expectations was developed in 2015 to address the underrepresentation of care experienced people in post-secondary education. The program currently has formal partnerships with five universities including 3 dual sector providers.

Victoria will build on this success by expanding the program to 6 standalone TAFEs to improve access for VET students, including those in regional areas who wish to pursue vocational courses and allow for enhancement of services and development of support resources undertaken through the program.

An evaluation of the program found that Raising Expectations is seen as a respected, professional source of education and training and is providing valuable information to a range of sectors including child welfare and community service and education sectors (high school, VET, and higher education).

Literacy and Numeracy Support to improve VET course completions

Analysis of Victorian VET system data indicates that students, including apprentices, who enrol in literacy and numeracy programs in combination with a primary VET program are significantly more likely to complete the qualification and achieve employment outcomes. Many students enter VET programs and apprenticeships without the foundation skills necessary to complete their studies. This is shown in the data that most training cessation occurs at the start and at the end of courses. Students with low literacy and numeracy are more likely to stop their course early.

The Victorian Skills Plan confirms that low foundation skills create issues for learners. It recognises that delivering more foundation skills is a crucial response for improving economic participation and supporting sectors with high workforce demand that are aligned to the state's priority areas.

Victoria's TAFEs deliver a specific literacy and numeracy support program, LNSUPPORT, as a dual enrolment for learners currently studying in priority and growth industries. LNSUPPORT is designed to assist students in developing their literacy, language and numeracy skills to set them up for success in completing their vocational studies and improve their core, transferable employability skills and has been shown to improve completions.

$29.15 million through the Completions Implementation Plan will be invested to expand this program to cover apprenticeship course co-enrolments, as well as priority non-apprentice courses. Given the strong connection between foundation skills and student completions, Victoria seeks to utilise funding available across the two policy initiatives to maximise the number of students able to access foundation skills training.

The total investment in LNSUPPORT across completions and foundation skills initiatives, is anticipated to result in at least 8,000 additional co-enrolments per training year over the life of the NSA. These additional co-enrolments will be critical to provide the foundational support necessary for completions in priority areas such as construction, where ongoing growth in the supply of skilled workers will be required to enable Victoria to meet its housing commitments.

The program focuses on improving foundation skills through tailored and flexible delivery modes, including the team-teaching model, where specialist literacy and numeracy teachers work alongside the primary VET course trainer or through separate contextualised support classes.

Customer Relationship Management tool

A key factor in improving student retention and therefore VET completions is early identification of students who may be at risk of dropping out. These students could be struggling academically, facing personal challenges, or feeling disengaged from their studies.

$2.350 million will be provided for the CRM tool for early identification of students at risk of non-completion through an 'early-warning' system which enables timely interventions and personalised support to keep students on track and reduce dropout rates. Initial roll out of the tool will be at two TAFEs in Victoria, with an interim evaluation of the roll out to be provided to the Commonwealth prior to December 2028.

This technology-enabled solution uses advanced data analytics to identify students at risk of dropping out which will enable TAFEs to act promptly and drive efficiency of support services. The tool will enable TAFEs and the Victorian Department of Jobs, Skills, Industry and Regions (Department) to collect and present information on cohorts, risk factors, interventions and outcomes, and use the information and data to shape policy, identify the most effective supports for students.

Key benefits of the CRM early identification of 'students at risk' functionality include:

- Timely and proactive intervention before issues escalate, keeping students on track and reducing likelihood of students dropping out
- Personalised support tailored to the students' needs and based on students' information provided by the CRM
- Enhanced data and reporting allowing for data driven decision making to inform TAFE and department policy changes and future planning

Early identification of at-risk students enables evidence-based and prompt intervention through the various student support services provided through TAFEs. These existing TAFE supports are proposed to be expanded to include more co-ordinated wrap around support services. These expanded services coupled with better and earlier identification of students at risk of not completing their studies will lead to improved academic outcomes and skills development.

2) Outline how this proposal addresses clause A146, including links to recommendations of the National VET Completions Taskforce.

Targeted initiatives that support improved literacy and numeracy lead to increased completion rates, as well as better employment and training outcomes. Investments in adult literacy directly boost labour productivity and significantly enhance economic performance. A one-percent increase in literacy levels results in a 10% increase in wages and 3% rise in GDP per capita[2]. VET students who complete their courses are more likely to report an improved employment status in Victoria's VET student outcomes survey and the NCVER student survey. Victorian VET data shows that students who enrol in foundation skills programs in combination with a primary VET program are significantly more likely to complete the qualification and achieve employment outcomes. This is supported by the findings of the National VET Completions Taskforce Report released in 2023 (Skills SA, p.38).

> *Data demonstrates that learners who enrol in foundation skills programs concurrently with other VET programs are more likely to complete nationally recognised VET programs*

[2] HoR Standing Committee on Employment, Education and Training (2024), *Don't take it as read Inquiry into adult literacy and its importance*.

than those who enrol in foundation skills programs only (before enrolling in a recognised VET program).

Expanding the LNSUPPORT program will benefit students enrolled in priority VET qualifications (including apprenticeships) at TAFEs by improving the likelihood of completing their VET qualification of choice. This includes priority cohorts such as First Peoples, women in apprenticeships and students from culturally and linguistically diverse backgrounds. It will also support the Victorian Government to deliver against its commitment on completions in the National Foundation Skills Strategy and avoids the financial cost of non-completion while delivering skills in NSA priority areas including housing, care economy and clean energy.

VET non-completions are influenced by a range of personal and contextual reasons. The National VET Completions Taskforce Report and Victoria's Student Satisfaction Survey (VSA, 2024) indicate that most students discontinue their VET training primarily due to personal reasons. Additionally, disadvantaged learners are overrepresented among those who discontinue VET training. Victoria's initiatives to improve completions have been designed to address these reasons as well as provide additional support for priority cohorts.

Victorian TAFEs play a critical role in providing support services to students from diverse and often disadvantaged backgrounds. The expanded services and supports included in this bilateral implementation plan will benefit priority cohorts including those with lower education levels, disabilities, unemployed, First Nations leaners, or those with experience in out-of-home care.

Victoria's suite of completions initiatives align strongly with recommendations coming out the National VET Completions report including:

- *Recommendation 1: Career and course information*
- *Recommendation 3: Employer capability*
- *Recommendation 12: Identify at-risk learners*
- *Recommendation 9: Quality and responsive delivery*
- *Recommendation 13: Wrap around support - Improve identification and implementation of wrap-around student supports*
- *Recommendation 15: Support for at-risk learners - Enhanced advice and support for learners who are at risk of dropping out*

All initiatives are scalable with the potential for additional services to be added or removed depending on evaluations of program efficiency and effectiveness. Regular reporting requirements and a repository of internal data sources provide the Department with current information on policies and programs targeted towards improving VET completions.

Improved completions - approach to matched funding arrangements (clause A144 refers) – to be reconciled over the life of the NSA. Further detail of Commonwealth contributions is set out in *Milestones and Payments*.

Commonwealth Investment ($)	**State Investment ($)**	**Planned Start Date**	**Planned End Date**
$61.5 million	Victoria will meet its matched funding obligations through committed expenditure, consistent with clause A91 of the NSA. See details below.	1 January 2024	31 December 2028

Performance Indicators

Victoria will leverage its existing robust monitoring and evaluation regime to monitor the effectiveness of training delivery as a whole, including student completions. Measures include:

- number of Government funded students who complete their studies
- priority cohorts completing training
- amount of training being completed in the market aligns with Government priority areas
- student survey responses regarding training meeting their needs and expectations, that they are achieving their desired outcomes from training, and whether it leads to improved employment outcomes
- surveying employers to understand their skills needs and satisfaction with training received by apprentices or trainees that they employ.
- percentage of students that accessed student support services that have had a positive outcome and improved their academic results and overall wellbeing
- periodic TAFE reports quantifying the use of various support services and their outcomes

New performance indicators may be added as initiatives are rolled out over the life of the NSA which will be included in subsequent iterations of the bilateral implementation plan as required.

For all initiatives listed, Victoria will set reasonable targets for both uptake of supports provided as well as an overall increase in completion rates across courses where students have accessed these additional supports.

Based on a recent evaluation of the LNSUPPORT program, Victoria anticipates a 10-percentage point or more improvement in student engagement and completions rates for students who undertake the course as a co-enrolment. It is anticipated this positive trend in completions will carry over to apprentice course completions and apprenticeship-specific indicators will be included in Victoria's reporting to the Commonwealth.

Most data will be sourced from Victorian administrative data (non-public), and finalised late January for the year before. Details of these anticipated and actual increases will be set out in Victoria's reporting to the Commonwealth over the remainder of the NSA.

Evaluation arrangements

Victoria has robust evaluation arrangements in place to monitor its completions initiatives with Victoria's TAFEs and other contracted training providers. This includes accurate data collection of activity levels and bi-annual reporting from TAFEs in relation to TAFE student support and other completions-focussed activities.

Victoria will undertake evaluation of current and new completions initiatives over the remainder of the NSA. This will be done through both quantitative and qualitative measures to assess their effectiveness in improving VET completions.

The evaluation findings will guide future decisions on scaling and refining these initiatives, ensuring a robust and evidence-based framework for improving student outcomes in VET. Details of evaluation arrangements will be incorporated into the reporting milestones for Victoria's completions initiatives.

Victoria's Approach to Matched Funding

Improved completions – estimated phasing of matched funding arrangements (clause A144 refers) – to be reconciled over the life of the NSA.

Details of matched funding	2025-26	2026-27	2027-28	2028-29	Total
VIC contribution	$18,352,000	$18,380,000	$16,512,000	$8,256,000	$61,500,000
Cwth contribution	$18,529,000	$17,619,000	$16,899,000	$8,453,000	$61,500,000
Total	$36,881,000	$35,999,000	$33,411,000	$16,709,000	$123,000,000

The Victorian Government will provide details of its 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 Victorian Government over the life of the project does not align with the Commonwealth contribution.

Victoria has made considerable proactive investments in supporting measures to improve VET student completions. Victoria will meet its matched funding obligations through a suite of student support services provided through its TAFE network, as per the details below.

Details of Vic matched funding	2025-26	2026-27	2027-28	2028-29	Total
Disability Transition Support Officers	$1,840,000	$1,868,000	-	-	$3,708,000
TAFE Services Fund – Student Support Services	$16,512,000	$16,512,000	$16,512,000	$8,256,000	$57,792,000
Total	$18,352,000	$18,380,000	$16,512,000	$8,256,000	$61,500,000

Student Support Services provided through the TAFE Services Fund (TSF)

Improving student welfare and identifying particular learning needs are essential for enhancing retention rates and reducing withdrawals. Victoria's TAFE Services Fund (TSF) provides grants to TAFEs to support them to deliver on their role as public providers within the VET training system. The TSF includes a funding stream for student support services, which was allocated $54.2 million in 2024 calendar year alone. Funding detailed above is a proportion of the available funding over the next four years for student support services. Reporting on this funding will acquit Victoria's co-contribution to the Improved Completions Bilateral Implementation Plan.

Student Support Services funding allows Victoria's TAFEs to deliver free learning, wellbeing and mental health services to students who need additional support to complete their training and enter the workforce. Services provided through the fund cover a range of areas to support students in completing their training, including:

- student wellbeing and welfare
- study and learning support, including with literacy and numeracy
- training, career and pathway support

The support services follow best practice and are refined annually, tailored to address the needs of both incoming and continuing students. The Victorian Government monitors the performance of these initiatives through completion rates and student feedback of the program.

Disability Transition Support Officers

Disability Transition Officers came into effect January 2024 and Victoria asserts this should be considered new appropriation for the purposes of NSA matched funding requirements. The employment of Disability Transition Support Officers across the Victorian TAFE Network is a key initiative to help learners with disability and additional needs access and transition more effectively from secondary school (including specialist schools and alternate education settings) to TAFE. Supports include:

- Guiding students through the enrolment process and troubleshooting any difficulties.
- Helping students understand TAFE systems, their rights, and how reasonable adjustments work in a TAFE context.
- Offering wrap-around support and partnering with other TAFE support units, including First Nations student teams, to provide coordinated support.

This additional support can help ensure more equitable training outcomes and better completion rates for young learners with disabilities.

The program is available to all members of the Victorian TAFE network, with the Program Coordinator role based at The Gordon TAFE. The contracts with each TAFE stipulate common duties, use of shared practice resources and active participation in a network community of practice. Participating TAFEs also provide periodic reports quantifying the use of this service and its outcomes.

MILESTONES AND PAYMENTS – IMPROVED COMPLETIONS

Milestone	Evidence	Payment Value Up To (Commonwealth funded)	Commonwealth reporting period
Milestone 1. Initial payment on agreement of bilateral implementation plan (June 2025)	1: Bilateral implementation plan agreed with Commonwealth	**1:** $6.15 million	N/A
Milestone 2. Commonwealth acceptance of 2025-2026 implementation milestones for measures to improve VET completions. This will include performance indicators for existing measures, timelines and sequencing of future initiatives as well as evaluation arrangements over the remainder of the NSA. Specific milestones include: • Commencement of CRM students at-risk module at select TAFEs (Stage 1) o Submission of detailed project plan including scope, timelines and sequencing of deployment at selected TAFEs. • Report on level of delivery of existing student support services and additional wrap-around support services to the target cohort. • Raising Expectations: Contract execution between DJSIR and the provider organisation. o Submission of project plan and implementation documentation. • LNSUPPORT performance measures including additional apprentice commencements and anticipated and actual student uptake over 2025 calendar year.	2.Report signed by relevant Victorian senior official providing status of implementation of all completions initiatives. This includes: • The CRM detailed project plan • Report on delivery of existing student support services and additional wrap-around support services to the target cohort • Raising Expectations implementation documentation • LNSUPPORT performance measures	**2:** $12.379 million consisting of: • CRM - $1.48 million • LNSUPPORT- $5.329 million • Wraparound Supports - $5.570 million	March 2026
Milestone 3.	3.Report signed by relevant Victorian senior official summarising deployment details of	**3:** $0.22 million	September 2026

Milestone	Evidence	Payment Value Up To (Commonwealth funded)	Commonwealth reporting period
Commonwealth acceptance of CRM implementation progress (Stage 2): • Completion of the CRM students at risk module build in a test environment. Commonwealth acceptance of 2026 completions report with status update of Victoria's suite of other completions initiatives listed in Milestone 2.	the initial tranche of completions initiatives and details of future improvements to support the continued roll-out and/or expansion of other completions initiatives. This includes an update on the CRM students at risk module (Stage 2).		
Milestone 4. Commonwealth acceptance of 2026-2027 completions implementation report which will set out progress on Victoria's suite of completions initiatives. This will include performance indicators for existing measures, timelines and sequencing of future initiatives as well as evaluation arrangements over the remainder of the NSA. Specific milestones include: • Deployment of CRM tool to the first tranche of TAFEs (Stage 3). o Submission of project report summarising deployment details of the initial set of TAFEs • Progress report on anticipated and actual delivery levels of TAFE wrap-around supports for at-risk learners • Raising Expectations: Progress report with relevant performance indicators. • LNSUPPORT performance measures including additional apprentice commencements and anticipated and actual student uptake over 2026 calendar year.	4.Report signed by relevant Victorian senior official providing an update on progress of completions initiatives underway and details of future developments to support the continued roll-out and/or expansion of other completions initiatives. This includes: • Updated CRM project plan • Report on anticipated and actual delivery levels of TAFE wrap-around supports for at-risk learners • Raising Expectations progress report • LNSUPPORT performance measures This will include performance indicators for existing measures, evaluations of any initiatives that concluded in 2026, and timelines and sequencing of new initiatives.	4:$17.399 million consisting of: • CRM - $0.5 million • LNSUPPORT- $8.329 million • Wraparound Supports - $8.570 million	March 2027

Milestone	Evidence	Payment Value Up To (Commonwealth funded)	Commonwealth reporting period
Milestone 5. Commonwealth's acceptance of completions evaluation report including but not limited to an interim LNSUPPORT evaluation. Specific measures will include anticipated and actual commencement and co-enrolment course completion rates over the 2025 and 2026 training years. Apprentice-specific uptake and outcomes also to be included.	5. Report signed by relevant Victorian senior official providing an update on progress of completions initiatives underway, interim evaluation findings of select initiatives, and details of future developments to support the continued roll-out and/or expansion of other completions initiatives. This will include performance indicators for existing measures as well as timelines and sequencing of any remaining initiatives.	5: $1.00 million	September 2027
Milestone 6. Commonwealth acceptance of final completions report with implementation status of Victoria's suite of completions initiatives. This includes: • Evaluation of CRM module initial rollout to first tranche of TAFEs • Anticipated and actual delivery of TAFE wrap-around supports for at-risk learners • Raising Expectations: Progress report with relevant performance indicators • LNSUPPORT performance measures including anticipated and actual student uptake over 2027 calendar year. Finalisation of formal evaluation report for completions initiatives including timelines and scope of evaluations that will occur beyond 31 December 2028.	6. Report signed by relevant Victorian senior official providing an update on progress of completions initiatives underway and details of future developments to support the continued roll-out and/or expansion of other completions initiatives. This includes: • Evaluation of CRM module pilot rollout to first tranche of TAFEs • Report on anticipated and actual delivery levels of TAFE wrap-around supports for at-risk learners • Raising Expectations: Progress report with relevant performance indicators • LNSUPPORT performance measures.	**6**: $15.899 million consisting of: • LNSUPPORT- $7.329 million • Wraparound Supports - $8.570 million	March 2028

Milestone	Evidence	Payment Value Up To (Commonwealth funded)	Commonwealth reporting period
	This will include performance indicators for existing measures, evaluations of any initiatives that concluded in 2027, and timelines and sequencing of any new initiatives for the final year of the agreement.		
Milestone 7. Commonwealth acceptance of final completions report which will acquit Victoria's suite of completions initiatives over the life of the NSA.	7. Final acquittal report signed by relevant Victorian senior official. This includes: report on the final evaluation of the: • CRM model pilot • TAFE wrap-around supports • Raising Expectations • LNSUPPORT performance measures • Financial expenditure information to allow final reconciliation of matched funding.	**7.** $8.453 million consisting of: • LNSUPPORT- $4.163 million • Wraparound Supports - $4.290 million	31 December 2028
	Total	**($) 61.5 million**	

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
6/3/2025

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

The Honourable Gayle Tierney MP
Minister for Skills and TAFE
3/3/25