

# Heads of Agreement for Skills Reform

*This Agreement is made between the COMMONWEALTH OF AUSTRALIA (Commonwealth) and NEW SOUTH WALES, VICTORIA, QUEENSLAND, WESTERN AUSTRALIA, SOUTH AUSTRALIA, TASMANIA, the AUSTRALIAN CAPITAL TERRITORY and the NORTHERN TERRITORY (the States).*

## Preliminaries

- The Commonwealth and the States (the Parties) recognise that Australia's vocational education and training (VET) system will play a critical role in supporting Australia's future growth and prosperity including the economic recovery from the COVID-19 crisis.
- The Parties recognise the jobs that will emerge as we come out of the COVID-19 crisis may not be the same as the jobs that were lost. Together with the higher education system, the VET system needs to immediately provide additional support to job seekers to enable them to reskill and upskill, and ensure that all school leavers have access to training and that businesses are able to get the skilled workers where and when they need.
- At the same time, the Parties agree Australia's VET system needs reform so that Australians can access high quality and relevant training, to ensure they have the skills to take on the jobs that emerge through the next decade and beyond.
- This Heads of Agreement will form the basis for negotiating a new National Skills Agreement to replace the National Agreement for Skills and Workforce Development (NASWD).

## Immediate reforms to improve quality and relevance

- Building on the progress the Parties made in 2019 to develop a VET Reform Roadmap, the Parties commit to the following immediate reforms that will strengthen the training system to support Australia's immediate economic recovery:
  - Simplifying, rationalising and streamlining national VET qualifications across industry occupation clusters and the Australian Qualifications Framework (AQF), and introducing improved industry engagement arrangements.
  - Strengthening quality standards, building Registered Training Organisations (RTO) capacity and capability for continuous improvement and developing a VET workforce quality strategy.

## Approach to a future National Skills Agreement

Further to this, the Parties commit to working together collaboratively, including sharing data, to develop the new National Skills Agreement to replace the NASWD.

Priorities for the new arrangement are:

- Adopting a **new funding model** that improves national consistency for students, integrates subsidies and loans and is linked with efficient pricing and the skills needed by employers.
- Developing and funding nationally accredited **micro-credentials** and individual skill sets, in addition to full qualifications, and supporting **lifelong learning** through an integrated tertiary education system.

- Providing stronger support for **foundation skills** and ensuring access for all Australians with low levels of language, literacy, numeracy and digital literacy.
- Promoting **apprenticeships** and other employment-based training, including pre-apprenticeships, and undertaking reforms to boost geographic mobility and labour supply.
- Strengthening VET pathways for **secondary school students** and improving the quality and vocational relevance of VET in schools.
- Working with the **National Careers Institute (NCI)**, to reduce the proliferation of careers information available, and supporting the NCI to provide access to career information that best enables people to make decisions about their learning, training and employment pathways.
- Enhancing **transparency and accountability**, through clear roles and responsibilities for governments and industry, and increasing data collection and analysis that is shared publicly to support regular assessment of governments' policies and performance.
- Supporting a viable and robust system of public, private and not for profit providers, with **contestability** in VET markets, to ensure high quality training and student choice.
- **Increasing real investment** in VET, while undertaking agreed reforms needed to ensure this investment will improve outcomes for Australians and the economy.

#### Implementation and timing

- The Parties agree to work with the National Skills Commission (NSC) to develop an approach to estimating the costs of delivering training by October 2020 and to share data that will enable the NSC to release efficient prices for common VET qualifications by 1 July 2021 and all VET qualifications by 1 July 2022. This includes sharing data on costs of delivery, student outcomes and provider performance.
- The new National Skills Agreement will be finalised by August 2021, with a transition period commencing from 1 January 2022, or when it is signed by the Commonwealth and one other party, and will cover the five year period to 2026-27.

#### Establishment of a JobTrainer Fund

- The States that sign this Heads of Agreement will have the opportunity to partner to establish a \$1 billion JobTrainer Fund, on a 50:50 cost share basis. The Commonwealth will contribute \$500 million to the fund in 2020-21 as an initial and immediate investment in a reformed skills system.
- The fund will enable a rapid increase in low, or no fee, training places for job seekers and young people in areas of identified and genuine skills need, based on a list of qualifications and short courses agreed with the NSC.
- The fund will support around an additional 340,000 training places.
- The fund would be established by August 2020, with training offered through the fund available from September 2020.

The Parties have confirmed their commitment to this Agreement as follows:

**Signed** *for and on behalf of the Commonwealth of Australia by*

---

**The Honourable Scott Morrison MP**  
Prime Minister of the Commonwealth of Australia  
[Day] [Month] [Year]

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

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**The Honourable Gladys Berejiklian MP**  
Premier of the State of New South Wales  
[Day] [Month] [Year]

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

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**The Honourable Daniel Andrews MP**  
Premier of the State of Victoria  
[Day] [Month] [Year]

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

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**The Honourable Anastacia Palaszczuk MP**  
Premier of the State of Queensland  
[Day] [Month] [Year]

**Signed** *for and on behalf of the State of Western Australia by*

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**The Honourable Mark McGowan MLA**  
Premier of the State of Western Australia  
[Day] [Month] [Year]

**Signed** *for and on behalf of the State of South Australia by*

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**The Honourable Steven Marshall MP**  
Premier of the State of South Australia  
[Day] [Month] [Year]

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

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**The Honourable Jeremy Rockliff MP**  
Acting Premier of the State of Tasmania  
[Day] [Month] [Year]

**Signed** *for and on behalf of the Australian Capital Territory by*

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**Andrew Barr MLA**  
Chief Minister of the Australian Capital Territory  
[Day] [Month] [Year]


**Signed** *for and on behalf of the Northern Territory by*

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**The Honourable Michael Gunner MLA**  
Chief Minister of the Northern Territory of Australia  
[Day] [Month] [Year]

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Prime Minister of the Commonwealth of Australia

[Day] [Month] [Year]

*Signed <sup>27 JUL 2020</sup> for and on behalf of the State of New South Wales by*

**The Honourable Gladys Berejiklian MP**  
Premier of the State of New South Wales

[Day] [Month] [Year]

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Premier of the State of Victoria

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**The Honourable Peter Gutwein MP**  
Premier of the State of Tasmania

[Day] [Month] [Year]

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**Andrew Barr MLA**  
Chief Minister of the Australian Capital Territory

[Day] [Month] [Year]

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Chief Minister of the Northern Territory of Australia

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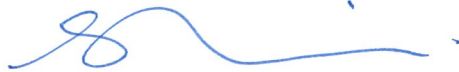
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Prime Minister of the Commonwealth of Australia

[Day] [Month] [Year]

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**The Honourable Gladys Berejiklian MP**

Premier of the State of New South Wales

[Day] [Month] [Year]

16/7/20

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

**The Honourable Anastacia Palaszczuk MP**

Premier of the State of Queensland

[Day] [Month] [Year]

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Chief Minister of the Australian Capital Territory

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**The Honourable Daniel Andrews MP**  
Premier of the State of Victoria

29 July 2020

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

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**The Honourable Gladys Berejiklian MP**  
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[Day] [Month] [Year]

15 / 7 / 20

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July 2020

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Acting Premier of the State of Tasmania

16 July 2020

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**Andrew Barr MLA**  
Chief Minister of the Australian Capital Territory

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