

Skills and workforce development

In 2022–23, the Australian Government will provide funding of \$1.8 billion to support state skills and workforce development services, including \$1.6 billion through the National Skills and Workforce Development SPP, and \$232.9 million through other National Partnership payments, as detailed in Table 2.5.

Table 2.5: Payments to support state skills and workforce development services

\$million	2021-22	2022-23	2023-24	2024-25	2025-26
National Skills and Workforce Development SPP	1,577.5	1,605.7	1,630.5	1,657.9	1,684.0
National Partnership payments					
Energising Tasmania	4.6	4.7	-	-	-
JobTrainer Fund	413.6	226.5	22.1	-	-
Revitalising TAFE campuses across Australia	27.3	1.8	-	-	-
Skilling Australians Fund	127.1	-	-	-	-
Total National Partnership payments	572.6	232.9	22.1	-	-
Total	2,150.1	1,838.7	1,652.6	1,657.9	1,684.0

National Agreement for Skills and Workforce Development

The National Agreement for Skills and Workforce Development (NASWD) identifies the long-term objectives of the Australian Government and the states in the areas of skills and workforce development.

To support Australia's future growth and prosperity, in 2020 First Ministers from all jurisdictions committed to the Heads of Agreement for Skills Reform. As part of this commitment, the Australian Government and the states are working towards agreeing a new National Skills Agreement (NSA) by mid-2022 to replace the NASWD.

National Skills and Workforce Development SPP

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2021-22	500.9	407.1	321.1	164.7	108.8	33.2	26.5	15.1	1,577.5
2022-23	507.8	414.4	328.4	168.2	110.8	33.8	26.9	15.4	1,605.7
2023-24	514.2	422.3	334.0	171.0	112.1	34.2	27.3	15.6	1,630.5
2024-25	521.7	431.5	339.6	173.8	113.3	34.6	27.7	15.7	1,657.9
2025-26	528.8	440.4	344.9	176.4	114.6	34.9	28.2	15.9	1,684.0
Total	2,573.4	2,115.7	1,667.9	854.1	559.5	170.8	136.5	77.7	8,155.6

The National Skills and Workforce Development SPP is the funding associated with the NASWD. The total amount of the payment is indexed each year by a composite of Wage Cost Index 1 (85 per cent) and Wage Cost Index 6 (15 per cent) – see Appendix A. The growth factor is estimated to be 1.79 per cent in 2022–23.

The Australian Government is willing to increase its payments to states above the National Skills and Workforce Development SPP as part of a new NSA. A new measure associated with this is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2022-23*.

The NSA is a shared priority across all jurisdictions, as per the Heads of Agreement for Skills Reform. It will support increased investment in training and implement reforms to strengthen VET quality and relevance. Through the NSA, the Government is seeking to assist more Australians to acquire the skills that businesses need. Increased investment will lift access to high-value training extending from foundation skills to higher level qualifications.

National Partnership payments for skills and workforce development

In addition to the National Skills and Workforce Development SPP, the Australian Government will provide funding through National Partnership payments as detailed below.

Energising Tasmania

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2021-22	-	-	-	-	-	4.6	-	-	4.6
2022-23	-	-	-	-	-	4.7	-	-	4.7
2023-24	-	-	-	-	-	-	-	-	-
2024-25	-	-	-	-	-	-	-	-	-
2025-26	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	9.3	-	-	9.3

The Australian Government is providing fee-free training and support for training materials to encourage Tasmanians to train in areas of priority skills needed for the energy sector.

JobTrainer Fund

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2021-22	143.3	117.3	60.3	31.1	41.4	9.5	5.0	5.8	413.6
2022-23	72.1	59.0	45.5	23.5	15.6	4.8	3.8	2.2	226.5
2023-24	7.0	5.8	4.4	2.3	1.5	0.5	0.4	0.2	22.1
2024-25	-	-	-	-	-	-	-	-	-
2025-26	-	-	-	-	-	-	-	-	-
Total	222.4	182.1	110.2	56.8	58.5	14.7	9.2	8.2	662.1

With an initial contribution of \$500 million from the Australian Government, matched by state and territory governments to create a \$1 billion fund, the JobTrainer Fund is providing low-fee and fee-free training places for job seekers and young people, including school leavers, in areas of identified skills need and/or employment growth, to support them into employment as Australia emerges from the COVID-19 pandemic.

An additional \$500 million was made available by the Australian Government over two years from 2021-22, and a further \$48.5 million over two years from 2022-23 subject to state and territory governments matching this funding, resulting in a \$2.1 billion fund. This funding enables governments to extend the JobTrainer enrolment period prioritising aged care and digital skills training until 31 December 2022, with a further Aged Care Boost of 15,000 additional places being made available through to 31 December 2023.

A new measure associated with this item is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2022-23*.

Revitalising TAFE campuses across Australia

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2021-22	5.0	5.7	7.0	2.0	1.2	5.0	0.6	0.8	27.3
2022-23	-	-	0.5	-	1.3	-	-	-	1.8
2023-24	-	-	-	-	-	-	-	-	-
2024-25	-	-	-	-	-	-	-	-	-
2025-26	-	-	-	-	-	-	-	-	-
Total	5.0	5.7	7.5	2.0	2.5	5.0	0.6	0.8	29.1

The Australian Government is providing funding to improve vocational education infrastructure, ensuring TAFEs are equipped to deliver training to the standards expected by students and industry.

Skilling Australians Fund

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2021-22	71.1	-	-	29.7	15.0	4.5	3.7	3.0	127.1
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
2024-25	-	-	-	-	-	-	-	-	-
2025-26	-	-	-	-	-	-	-	-	-
Total	71.1	-	-	29.7	15.0	4.5	3.7	3.0	127.1

The Skilling Australians Fund supports the training of Australians through a range of projects focussed on skills priorities. These include training in occupations in high demand, those that rely on skilled migration, future growth industries, and rural and regional areas. There is also a strong focus on apprenticeships and traineeships.

The current time limited funding agreement provides signatory states with an annual amount of guaranteed funding and a further amount determined by the revenue paid into the Skilling Australians Fund. The revenue in the Fund is drawn from a levy which is paid by businesses employing foreign workers on certain skilled visas.

The Australian Government is willing to provide further support for training for Australians in priority skills areas through a new National Skills Agreement.

A measure associated with this is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2022-23*.