

Skills and workforce development

In 2023–24, the Australian Government will provide funding of \$1.9 billion to support state skills and workforce development services, including \$1.7 billion through the National Skills and Workforce Development Specific Purpose Payment (SPP), and \$230.2 million through National Partnership payments, as detailed in Table 2.5.

Further allocation of funds to the states for vocational education and training will be subject to the successful conclusion of negotiations for a new 5-year National Skills Agreement, which would commence on 1 January 2024.

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

\$million	2022-23	2023-24	2024-25	2025-26	2026-27
National Skills and Workforce Development SPP	1,607.8	1,669.8	1,724.1	1,763.9	1,797.8
National Partnership payments					
Energising Tasmania	4.7	-	-	-	-
Fee-free TAFE					
12-Month Skills Agreement					
(including TAFE Technology Fund)	376.0	163.3	10.8	-	-
Fee-free TAFE from 2024	-	66.9	136.7	139.8	70.7
JobTrainer Fund	268.7	-	-	-	-
Resources Centre of Excellence	2.0	-	-	-	-
Revitalising TAFE campuses across Australia	4.5	-	-	-	-
Total National Partnership payments	655.9	230.2	147.4	139.8	70.7
Total	2,263.7	1,900.1	1,871.6	1,903.7	1,868.4

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.

National Skills and Workforce Development SPP

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2022-23	503.9	410.3	329.7	172.6	112.4	35.2	28.3	15.5	1,607.8
2023-24	522.1	428.0	342.6	179.3	116.1	36.3	29.4	16.0	1,669.8
2024-25	537.8	443.7	353.7	185.2	119.3	37.4	30.5	16.5	1,724.1
2025-26	548.9	455.6	361.9	189.6	121.5	38.1	31.4	16.9	1,763.9
2026-27	558.1	466.0	369.0	193.3	123.2	38.8	32.1	17.2	1,797.8
Total	2,670.8	2,203.7	1,756.9	919.9	592.6	185.7	151.7	82.1	8,563.4

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 3.86 per cent in 2023–24.

National Partnership payments for skills and workforce development

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

Energising Tasmania

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2022-23	-	-	-	-	-	4.7	-	-	4.7
2023-24	-	-	-	-	-	-	-	-	-
2024-25	-	-	-	-	-	-	-	-	-
2025-26	-	-	-	-	-	-	-	-	-
2026-27	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	4.7	-	-	4.7

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

Fee-free TAFE

12-Month Skills Agreement (including TAFE Technology Fund)^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2022-23	116.9	94.8	76.9	43.3	24.8	9.5	6.2	3.7	376.0
2023-24	46.0	37.5	30.2	16.4	10.1	3.6	2.6	1.6	163.3
2024-25	1.1	0.6	0.9	1.2	~	0.4	~	~	10.8
2025-26	-	-	-	-	-	-	-	-	-
2026-27	-	-	-	-	-	-	-	-	-
Total	164.0	133.0	107.9	60.9	34.9	13.5	8.8	5.3	550.1

a) State allocations may not sum to total due to unallocated funds.

The Australian Government is providing \$550.1 million for the 12-Month Skills Agreement, including \$493.3 million for fee-free TAFE places to be matched by the states.

This Agreement also includes \$6.8 million from the Australian Government to improve critical data infrastructure and \$50.0 million for a TAFE Technology Fund, to improve workshops, laboratories, and IT facilities across the country.

Fee-free TAFE from 2024^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2022-23	-	-	-	-	-	-	-	-	-
2023-24	~	~	~	~	~	~	~	~	66.9
2024-25	~	~	~	~	~	~	~	~	136.7
2025-26	~	~	~	~	~	~	~	~	139.8
2026-27	~	~	~	~	~	~	~	~	70.7
Total	~	~	~	~	~	~	~	~	414.1

a) State allocations have not yet been determined.

In addition to the 12-Month Skills Agreement, the Australian Government will provide funds to the states to enable 300,000 TAFE and vocational education places to become fee-free from 2024. The allocation of funding and places will be subject to further discussions with the states.

JobTrainer Fund^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2022-23	127.4	52.1	40.2	20.7	13.8	8.4	3.4	1.6	268.7
2023-24	-	-	-	-	-	-	-	-	-
2024-25	-	-	-	-	-	-	-	-	-
2025-26	-	-	-	-	-	-	-	-	-
2026-27	-	-	-	-	-	-	-	-	-
Total	127.4	52.1	40.2	20.7	13.8	8.4	3.4	1.6	268.7

a) State allocations may not sum to total due to unallocated funds.

The JobTrainer Fund is providing low-fee and fee-free training places for job seekers, including young people, in skills that are in high demand.

Resources Centre of Excellence

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2022-23	-	-	2.0	-	-	-	-	-	2.0
2023-24	-	-	-	-	-	-	-	-	-
2024-25	-	-	-	-	-	-	-	-	-
2025-26	-	-	-	-	-	-	-	-	-
2026-27	-	-	-	-	-	-	-	-	-
Total	-	-	2.0	-	-	-	-	-	2.0

The Australian Government is providing funding to support the Isaac Regional Council's initiative to establish a future Resources Centre of Excellence in Moranbah and for the North Bowen Basin Mines Rescue Station and Training Centre.

Revitalising TAFE campuses across Australia

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2022-23	-	-	2.6	-	1.9	-	-	-	4.5
2023-24	-	-	-	-	-	-	-	-	-
2024-25	-	-	-	-	-	-	-	-	-
2025-26	-	-	-	-	-	-	-	-	-
2026-27	-	-	-	-	-	-	-	-	-
Total	-	-	2.6	-	1.9	-	-	-	4.5

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.