

Skills and workforce development

In 2024–25, the Australian Government will provide funding of \$2.5 billion to support state skills and workforce development services, including \$2.4 billion through the National Skills Agreement, and \$108.2 million through other payments, as detailed in Table 2.5.

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

\$million	2023-24	2024-25	2025-26	2026-27	2027-28
National Skills Agreement	2,014.8	2,432.0	2,457.0	2,495.7	2,535.4
National Partnership payments					
Capital and Equipment Investment Fund	-	35.0	7.5	7.5	-
Fee-Free TAFE Skills Agreement	335.9	51.3	167.4	146.3	-
Resources Centre of Excellence	2.0	-	-	-	-
Turbocharge the Teacher, Trainer and Assessor Workforce	-	15.0	15.0	-	-
Turbocharging TAFE Centres of Excellence	-	6.9	7.0	7.0	7.1
Total National Partnership payments(a)	337.9	108.2	196.9	160.9	7.1
Total	2,352.7	2,540.2	2,653.9	2,656.5	2,542.5

a) Excludes National Skills Agreement payments which are shown separately.

National Skills Agreement

The National Skills Agreement (NSA) commenced on 1 January 2024, replacing the National Agreement for Skills and Workforce Development.

National Skills Agreement

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2023-24	628.2	509.6	411.9	218.9	140.6	45.4	37.4	22.8	2,014.8
2024-25	750.3	612.3	498.0	266.0	170.1	56.6	47.3	31.4	2,432.0
2025-26	761.9	623.1	504.7	267.8	169.0	54.6	46.0	29.9	2,457.0
2026-27	774.6	636.5	513.1	271.1	170.1	54.4	46.2	29.6	2,495.7
2027-28	786.9	649.0	521.2	274.8	171.9	54.8	46.9	29.8	2,535.4
Total	3,701.9	3,030.5	2,449.0	1,298.6	821.7	265.9	223.8	143.5	11,934.8

Through the NSA, the Commonwealth and states committed to implementing improved funding arrangements to replace the National Specific Purpose Payments for Skills and Workforce Development (SPP) established by the *Federal Financial Relations Act 2009*.

As 2023–24 is a transitional year, amounts reflect the combined estimates for the SPP (1 July 2023 to 31 December 2023) and the NSA (1 January 2024 to 30 June 2024).

Funding for the NSA includes National Partnership Payments for seven Specific Policy Initiatives: Closing the Gap, Ensuring Access to Foundational Skills Training, TAFE Centres of Excellence, National TAFE Network, Measures to Strengthen the VET Workforce, Enhanced VET Data and Evidence and Improved Completions – Especially for Priority Groups.

National Partnership payments for skills and workforce development

In addition to the National Skills Agreement, the Australian Government is providing funding through National Partnership payments as detailed below.

Capital and Equipment Investment Fund^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2023-24	-	-	-	-	-	-	-	-	-
2024-25	~	~	~	~	~	~	~	~	35.0
2025-26	~	~	~	~	~	~	~	~	7.5
2026-27	~	~	~	~	~	~	~	~	7.5
2027-28	-	-	-	-	-	-	-	-	-
Total	~	~	~	~	~	~	~	~	50.0

a) State allocations have not yet been determined.

The Australian Government will provide \$50.0 million to support co-investment with states on new and upgraded TAFE facilities. This funding will be used to ensure that TAFE facilities are equipped and ready to deliver cutting-edge training in clean energy qualifications and support more students to undertake this training.

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 2024–25*.

Fee-Free TAFE Skills Agreement^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2023-24	101.9	82.4	67.3	38.7	21.6	11.5	7.9	4.5	335.9
2024-25	12.0	11.1	9.1	5.9	5.7	1.2	3.7	2.7	51.3
2025-26	52.1	43.3	34.4	18.0	11.5	3.6	3.0	1.6	167.4
2026-27	45.4	38.0	30.0	15.8	10.0	3.1	2.6	1.4	146.3
2027-28	-	-	-	-	-	-	-	-	-
Total	211.4	174.8	140.8	78.4	48.8	19.5	17.1	10.2	701.0

a) State allocations are indicative estimates only to be determined on the re-negotiation of the agreement.

The Australian Government is providing \$701.0 million for the Fee-Free TAFE Skills Agreement. This includes \$564.6 million for fee-free TAFE and \$50.0 million for a TAFE Technology Fund, to improve workshops, laboratories, and IT facilities across the country.

In order to address labour shortages in the building and construction sector, the Australian Government will provide an additional \$86.4 million to increase the pipeline of skilled workers. This includes \$24.6 million for pre-apprenticeships and \$61.7 million for new fee-free places in TAFEs and Industry Registered Training Organisations.

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 2024–25*.

Resources Centre of Excellence

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2023-24	-	-	2.0	-	-	-	-	-	2.0
2024-25	-	-	-	-	-	-	-	-	-
2025-26	-	-	-	-	-	-	-	-	-
2026-27	-	-	-	-	-	-	-	-	-
2027-28	-	-	-	-	-	-	-	-	-
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.

Turbocharge the Teacher, Trainer and Assessor Workforce^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2023-24	-	-	-	-	-	-	-	-	-
2024-25	~	~	~	~	~	~	~	~	15.0
2025-26	~	~	~	~	~	~	~	~	15.0
2026-27	-	-	-	-	-	-	-	-	-
2027-28	-	-	-	-	-	-	-	-	-
Total	~	~	~	~	~	~	~	~	30.0

a) State allocations have not yet been determined.

The Australian Government will provide \$30.0 million to the states to support existing initiatives and new measures that will rapidly upskill teachers, trainers and assessors involved in the clean energy, manufacturing and construction sectors.

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 2024–25*.

Turbocharging TAFE Centres of Excellence^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2023-24	-	-	-	-	-	-	-	-	-
2024-25	~	~	~	~	~	~	~	~	6.9
2025-26	~	~	~	~	~	~	~	~	7.0
2026-27	~	~	~	~	~	~	~	~	7.0
2027-28	~	~	~	~	~	~	~	~	7.1
Total	~	~	~	~	~	~	~	~	28.1

a) State allocations have not yet been determined.

The Australian Government will provide \$28.1 million funding to fast track up to six new TAFE Centres of Excellence in addition to the \$325.0 million provided under the five-year National Skills Agreement. This funding will support partnerships between TAFEs, Jobs and Skills Councils, industry and universities to: establish TAFE Centres of Excellence; design and teach world leading curriculum; and provide students with cutting edge skills.