

Skills and workforce development

In 2025–26, the Australian Government will provide funding of \$2.7 billion to support state skills and workforce development services, including \$2.5 billion through the National Skills Agreement, and \$202.3 million through other payments, as detailed in Table 2.5.

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

\$million	2024-25	2025-26	2026-27	2027-28	2028-29
National Skills Agreement	2,495.7	2,469.0	2,524.7	2,551.6	2,229.2
National Partnership payments					
Degree Apprenticeship Pilot program	1.0	-	-	-	-
Fee-Free TAFE Skills Agreement(a)	76.9	166.1	207.2	171.7	178.0
Resources Centre of Excellence	1.0	-	-	-	-
Skilling the Clean Energy, Manufacturing and Construction Workforces	50.0	22.5	7.5	-	-
Turbocharging TAFE Centres of Excellence	14.7	13.8	3.1	-	-
Total National Partnership payments(b)	143.6	202.3	217.8	171.7	178.0
Total	2,639.3	2,671.3	2,742.5	2,723.3	2,407.1

a) The Fee-Free TAFE Skills Agreement expires on 30 June 2027, beyond which funding is subject to states signing a new agreement on Free TAFE.

b) Excludes National Partnership payments made under the National Skills Agreement, 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^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2024-25	771.6	625.9	518.8	270.9	174.6	55.6	45.5	30.9	2,495.7
2025-26	760.8	625.8	508.8	269.3	170.7	54.4	47.7	30.2	2,469.0
2026-27	780.8	637.2	511.5	281.0	171.0	63.0	47.0	31.8	2,524.7
2027-28	786.2	648.7	522.4	287.2	174.0	53.3	47.5	31.0	2,551.6
2028-29	686.4	573.9	461.9	243.8	150.8	45.3	40.5	25.8	2,229.2
Total	3,785.8	3,111.6	2,523.5	1,352.1	841.1	271.5	228.2	149.7	12,270.2

a) Totals include funding yet to be allocated.

Through the NSA, the Australian Government will provide flexible funding to support state training systems and deliver national priorities. Funding for the NSA includes National Partnership payments for seven Specific Policy Initiatives: Closing the Gap, Ensuring Access to Foundation 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.

Degree Apprenticeship Pilot program

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2024-25	-	-	-	-	1.0	-	-	-	1.0
2025-26	-	-	-	-	-	-	-	-	-
2026-27	-	-	-	-	-	-	-	-	-
2027-28	-	-	-	-	-	-	-	-	-
2028-29	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	1.0	-	-	-	1.0

The Australian Government is providing funding to build the pipeline of highly skilled, work ready graduates, to meet the expanding needs of the South Australian defence industry. Degree Apprenticeships are designed to bridge the gap between academic learning (university degree) and workplace skills (vocational education and training), providing participants with hands on experience and formal qualifications whilst earning a salary.

Fee-Free TAFE Skills Agreement^{(a)(b)}

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2024-25	19.4	17.1	13.9	10.5	7.3	1.7	4.0	2.9	76.9
2025-26	51.7	42.9	34.1	17.9	11.4	3.6	2.9	1.6	166.1
2026-27	38.5	32.3	25.5	13.4	8.5	2.7	2.2	1.2	207.2
2027-28	~	~	~	~	~	~	~	~	171.7
2028-29	~	~	~	~	~	~	~	~	178.0
Total	109.6	92.3	73.5	41.8	27.2	7.9	9.1	5.7	799.8

a) Totals include funding yet to be allocated.

b) The Fee-Free TAFE Skills Agreement expires on 30 June 2027, beyond which funding is subject to states signing a new agreement on Free TAFE.

The Australian Government is providing funding for the Fee-Free TAFE Skills Agreement, which commenced on 1 January 2023, for the delivery of fee-free TAFE and VET places to support training in areas of high demand and skills need. The Fee-Free TAFE Skills Agreement also includes funding for a TAFE Technology Fund to improve workshops, laboratories, and IT facilities across the country.

The Australian Government will also provide ongoing funding from 2026–27 for at least 100,000 Free TAFE places per year from 2027.

Resources Centre of Excellence

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2024-25	-	-	1.0	-	-	-	-	-	1.0
2025-26	-	-	-	-	-	-	-	-	-
2026-27	-	-	-	-	-	-	-	-	-
2027-28	-	-	-	-	-	-	-	-	-
2028-29	-	-	-	-	-	-	-	-	-
Total	-	-	1.0	-	-	-	-	-	1.0

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.

Skilling the Clean Energy, Manufacturing and Construction Workforces^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2024-25	~	~	~	~	~	~	~	~	50.0
2025-26	~	~	~	~	~	~	~	~	22.5
2026-27	~	~	~	~	~	~	~	~	7.5
2027-28	-	-	-	-	-	-	-	-	-
2028-29	-	-	-	-	-	-	-	-	-
Total	~	~	~	~	~	~	~	~	80.0

a) State allocations have not yet been determined.

The Australian Government is providing \$80.0 million to support skilling the clean energy, manufacturing and construction workforces. \$50.0 million will support new and upgraded TAFE facilities to ensure they are equipped and ready to deliver cutting-edge training in clean energy qualifications and support more students to undertake this training. \$30.0 million will support existing initiatives and new measures that will rapidly upskill teachers, trainers and assessors.

Turbocharging TAFE Centres of Excellence^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2024-25	2.1	~	2.5	2.0	3.3	0.4	2.9	~	14.7
2025-26	1.8	~	2.5	3.0	1.8	0.3	1.9	~	13.8
2026-27	1.3	~	-	-	-	0.1	-	~	3.1
2027-28	-	-	-	-	-	-	-	-	-
2028-29	-	-	-	-	-	-	-	-	-
Total	5.3	~	5.0	5.0	5.0	0.8	4.8	~	31.6

a) Totals include funding yet to be allocated.

The Australian Government is providing \$31.6 million to fast-track 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.