BILATERAL SCHEDULE BETWEEN TASMANIA AND THE COMMONWEALTH ON SKILLS FLEXIBLE FUNDING

# Preliminaries

1. This bilateral schedule (Schedule) is between the Commonwealth of Australia (Commonwealth) and Tasmania (the Parties) under the 2024-2028 National Skills Agreement (Agreement) and should be read in conjunction with the Agreement.
2. This Schedule sets out bilateral arrangements pursuant to Part 5 of the Agreement (Funding Arrangements).

# Terms

1. The terms of this Schedule are set out in Clauses A15-16 of the Agreement.
2. This Schedule will expire on 31 December 2028.

# Flexible Funding Arrangements

1. Subject to the provisions of Part 5, the Commonwealth’s contribution rate under Clause A48 of the Agreement is varied by the following transition arrangement:
2. Until 30 June 2026, the Commonwealth will contribute a 34 per cent share of Eligible State Expenditure up to Cap 1.
3. Table 1 details Tasmania’s estimated Flexible Funding as follows:
4. the estimated minimum financial contribution (representing Tasmania’s projected entitlement under the National Skills and Workforce Development Specific Purpose Payment),
5. the estimated maximum financial contribution to Cap 1, and
6. the estimated maximum financial contribution to Cap 2.

**Table 1: Tasmania’s estimated Flexible Funding**

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Minimum Financial Contribution ($m) | Maximum Financial Contribution to Cap 1 ($m) | Maximum Financial Contribution to Cap 2 ($m) |
| 2023-24 | 18.11 | 20.15 | 23.15 |
| 2024-25 | 37.30 | 41.50 | 47.48 |
| 2025-26 | 38.07 | 42.36 | 48.32 |
| 2026-27 | 38.72 | 43.07 | 49.03 |
| 2027-28 | 39.37 | 43.80 | 49.74 |
| 2028-29 | 20.02 | 22.27 | 25.23 |

# Maintenance of Effort Benchmark

1. For the purposes of Clause A50(c) of the Agreement, the Commonwealth will determine that Tasmania has met the maintenance of effort benchmark where its Eligible State Expenditure for the relevant financial year meets or exceeds the amounts in Table 2:

**Table 2: Tasmania’s minimum Eligible State Expenditure required to meet maintenance of effort benchmark**

|  |  |
| --- | --- |
| Year | Amount ($m) |
| 2023-24 | 64.18 |
| 2024-25 | 130.72 |
| 2025-26 | 133.10 |
| 2026-27 | 132.46 |
| 2027-28 | 134.96 |
| 2028-29 | 68.75 |

Eligible State Expenditure

1. The scope of Eligible State Expenditure is defined at Clauses A57-62 of the Agreement.

# Signatories

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

|  |  |  |
| --- | --- | --- |
| Signed for and on behalf of the Commonwealth of Australia by    The Honourable Brendan O’Connor MP  Minister for Skills and Training  Date |  |  |
|  |  |  |
| Signed for and on behalf of the  State of Tasmania by    The Honourable Felix Ellis MP  Minister for Skills, Training and Workforce Growth  Date |  |  |