



Federal Financial Relations (National Specific Purpose Payments for 2023-24) Determination 2025

I, Andrew Leigh, Assistant Minister for Competition, Charities and Treasury, make the following determination.

Dated 12 March 2025

Dr Andrew Leigh
Assistant Minister for Competition, Charities and Treasury
Parliamentary Secretary to the Treasurer

Contents

Part 1—Preliminary	1
1 Name	1
2 Commencement.....	1
3 Authority	1
4 Definitions	1
Part 2—Determination of national specific purpose payments for 2023-24	2
5 National specific purpose payments for skills and workforce development for 2023-24.....	2

Part 1—Preliminary

1 Name

This instrument is the *Federal Financial Relations (National Specific Purpose Payments for 2023-24) Determination 2025*.

2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The day after this instrument is registered.	

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under the *Federal Financial Relations Act 2009*.

4 Definitions

Note: Paragraph 13(1)(b) of the *Legislation Act 2003* has the effect that expressions have the same meaning in this instrument as in the *Federal Financial Relations Act 2009* as in force from time to time.

In this instrument:

the Act means the *Federal Financial Relations Act 2009*.

Section 5

Part 2—Determination of national specific purpose payments for 2023-24

5 National specific purpose payments for skills and workforce development for 2023-24

- (1) For the purposes of subsection 12(4) of the Act, the total amount for the preceding financial year under paragraph 12(2)(c) of the Act is to be indexed for the 2023-24 financial year by applying a growth rate of 18.2427636 per cent.

Note 1: Despite its repeal, section 12 continues to apply to in relation to the 2023-24 financial year: see item 9 of Schedule 6 to the *Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Act 2024*.

Note 2: Clause D27 in Schedule D to the Intergovernmental Agreement provides that the growth factor for national skills and workforce development specific purpose payments is calculated according to the following formula:

$$\text{growth factor} = (0.85 \times \text{Wage Cost Index 1}) + (0.15 \times \text{Wage Cost Index 6})$$

Note 3: From 1 January 2024, the National Skills Agreement commenced, replacing the National Agreement for Skills and Workforce Development. The new funding arrangements are designed to replace the National Specific Purpose Payments for Skills and Workforce Development.

Note 4: The growth factor provided by clause D27 in Schedule D to the Intergovernmental Agreement was modified to take into account the National Skills Agreement, resulting in the following formula being used to calculate the final growth rate:

$$\text{Growth factor} = (0.85 \times \text{Wage Cost Index 1}) + (0.15 \times \text{Wage Cost Index 6}) + (\text{State entitlement above minimum Commonwealth contribution and up to Cap 1 under the National Skills Agreement}) + (\text{State entitlement above Cap 1 and up to Cap 2 under the National Skills Agreement})$$

Note 5: The Wage Cost Indices are weighted averages of movements in a wage component and the All Groups Consumer Price Index published by the Australian Statistician, to reflect movements in labour and supplier costs respectively. The wage component is calculated from dollar increases in the national minimum wage determined by the Fair Work Commission, expressed as a percentage of the latest available Average Weekly Ordinary Time Earnings figures published by the Australian Statistician.

- (2) Under paragraph 12(2)(c) of the Act, the total amount of all financial assistance payable under subsection 12(1) of the Act to the States for the 2023-24 financial year is \$1,901,093,000.00.
- (3) For the purposes of subsection 12(5) of the Act, the manner in which the total amount stated in subsection (2) of this section is to be divided between the States is set out in the following table.

Item	For this State:	The amount of financial assistance for the 2023-24 financial year is:
1	New South Wales	\$594,739,638.73
2	Victoria	\$486,944,712.40
3	Queensland	\$389,803,233.96
4	Western Australia	\$206,447,165.06
5	South Australia	\$131,595,218.20
6	Tasmania	\$40,522,799.37

Section 5

Item	For this State:	The amount of financial assistance for the 2023-24 financial year is:
7	Australian Capital Territory	\$33,156,344.55
8	Northern Territory	\$17,883,887.73
Total		\$1,901,093,000.00