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## Communiqué for the COAG Industry and Skills Council Meeting Skills Ministers

2 June 2017

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### Skilling Australians Fund

Skills ministers from the Council of Australian Governments (COAG) Industry and Skills Council met on 2 June in Canberra to discuss new national arrangements in vocational education and training (VET) funding under the Skilling Australians Fund (the Fund). The Fund is dependent on the legislation for the foreign worker levy achieving passage through the Australian Parliament.

Ministers discussed the proposed principles, priorities, and projects and payment arrangements for the Fund. They also noted the need to design a genuine partnership that supports quality training for jobs, growing the economy, and addressing skills shortages and growth occupations. Ministers directed Skills Senior Officials to work on operational details and finalising the principles to refer to Council, in order to facilitate the drafting of an agreement as quickly as possible. Council will meet again in the near future to consider further details on the Fund, including any specific arrangements for 2017-18.

The session was chaired by the Hon Karen Andrews MP, Australian Government Assistant Minister for Vocational Education and Skills. All State and Territory Ministers with portfolio responsibility for skills attended the meeting with the exception of the Northern Territory Minister, who was represented by his senior official.

Ministers discussed the significant contribution of apprentices and trainees to Australia's success, future productivity, jobs and growth. Governments have long recognised the need to deliver a productive and highly skilled workforce which contributes to Australia's economic future. The changing nature of work and the diverse VET sector require strong intergovernmental cooperation to meet emerging skills needs of businesses and students in the face of continued rapid changes in the labour market and in technology.

The Fund is a new approach to skills intergovernmental funding. The Commonwealth, in the 2017-18 Budget, established the Fund for the states and territories. Payments to states and territories will be made under a new project based national partnership agreement.

Ministers noted the Fund's priority is to deliver more apprentices, trainees, pre-apprenticeships and higher level skilled Australians in occupations in high demand or with future growth potential, including in regional Australia. The Fund, when matched with funding from the states, will support up to 300,000 more apprentices, trainees, and higher level skilled Australians over the next four years.

Ministers noted the Commonwealth's priority for projects which support apprenticeships and traineeships in the following areas:

- high demand occupations that rely on skilled migration
- trade apprenticeships
- future growth industries
- rural and regional areas
- targeted cohorts.

Council noted the potential for other priorities, in response to emerging economic needs or priority sectors of the community, consistent with principles of the Fund.

Importantly project proposals will need to demonstrate engagement with, and support from, employers and industry.