Victorian Employer Skills Survey 2021 Construction

The Victorian Skills Authority (VSA) asked businesses about their skills, recruitment and training needs for the Victorian Employer Skills Survey 2021.

Findings from the survey will help the Victorian government identify areas of skills demand, drive innovation across the VET sector and better plan for Victoria’s future training needs.

The VSA conducted the survey between August and December 2021. It approached 70,000 businesses and achieved a response rate of 20.5%, with coverage across all industries, business sizes and regions in the state.

*The statistics below reflect the experience of employers across the five key survey domains:*

#### Business climate | Skills | Recruitment | Training | Apprentices, trainees and work placements

## Business climate

#### **Despite the global pandemic, many employers adapted to maintain or grow their workforce. Employers had a mostly positive outlook for the year ahead.**

#### Workforce

The majority of employers maintained or grew their workforce over the past 12 months, with rates similar to the state average.

**Grew**

Construction 19%

Vic Avg 19%

**Contracted**

Construction 20%

Vic Avg 19%

**Remained the same**

Construction 61%

Vic Avg 61%

#### Outlook

Employers in the industry were confident about their business outlook. More were expecting their workforce to grow or remain the same size.

**Predict growth**

Construction 32%

Vic Avg 33%

**Remain about the same**

Construction 55%

Vic Avg 56%

**Predict contraction**

Construction 5%

Vic Avg 5%

#### Impacts of COVID-19

More employers in the Construction industry reported experiencing challenges with adopting to news ways of working due to COVID-19.

**Skills-related challenges**

Construction 57%

Vic Avg 57%

**Adopted new ways of working related to COVID-19**

Construction 49%

Vic Avg 45%

**Staff retention challenges**

Construction 22%

Vic Avg 26%

## Skills

#### **COVID-19 presented the most common skill challenge in the past year. More employers are expecting skill shortages in 2022 than in 2021.**

#### Skills shortages

Almost one in five employers in the industry expect to face skills shortages in 2022. This was lower than the state average.

**Last 12 months**

Construction 14%

Vic Avg 16%

**Next 12 months**

Construction 18%

Vic Avg 21%

#### Skills challenges

The top skills challenges reported by employers were the same across all industries. They were:

**Finding candidates with the right skills**

Construction 42%

Vic Avg 47%

**Adapting to the new ways of working due to COVID-19**

Construction 49%

Vic Avg 45%

**Finding job-ready candidates**

Construction 35%

Vic Avg 37%

#### Skills needs

More employers reported needing job-specific skills. Fewer needed workers with the right mindset or job-ready skills compared to the state average.

**Technical/job-specific skills**

Construction 82%

Vic Avg 73%

**The right attitude/mindset**

Construction 48%

Vic Avg 50%

**Job-ready skill**

Construction 48%

Vic Avg 47%

## Recruitment

Most employers in the industry had undertaken some recruitment activity over the past year and the majority reported experiencing challenges.

Recruitment need

Fewer employers in the industry undertook some form of recruitment over the past 12 months, compared to the state average.

Construction 51%

Vic Avg 62%

Recruitment challenges

Three in four employers reported having difficulties recruiting for particular roles. This was similar to the state average.

Construction 75%

Vic Avg 76%

Type of challenge

The most common challenges faced by employers were related to the number, experience and job-specific skills of candidates.

**Few applicants**

Construction 59%

Vic Avg 63%

**Candidates lacked relevant experience**

Construction 54%

Vic Avg 50%

**Candidates lacked relevant technical/job-specific skills**

Construction 46%

Vic Avg 47%

## Training

Almost two-thirds of employers in the industry engaged in some form of staff training

**Engagement in training**

Employers in the Construction industry reported the highest usage of external training. Fewer used internal training or both (20% compared to 37% state average).

**Internal training**

Construction 10%

Vic Avg 17%

**External training**

Construction 71%

Vic Avg 45%

**Satisfaction with training**

Levels of satisfaction with training were high overall, but slightly lower than the state average.

**Helped staff do their job better**

Construction 71%

Vic Avg 81%

**Trainers had good industry knowledge**

Construction 79%

Vic Avg 80%

**Training was high quality**

Construction 68%

Vic Avg 76%

**Training was reasonably priced**

Construction 67%

Vic Avg 71%

 **Skillsets**

Over half of employers said they would consider a skillset (microcredential or part qualification) rather than a full qualification to upskill their staff.

Construction 55%

Vic Avg 61%

## Apprentices, trainees and work placements

Employers continue to make use of apprentices, trainees and work placements to assist them in filling the skills pipeline.

**Apprentices and trainees**

Construction industry took on more apprentices than any other industry. Uptake of trainees was lower than the state average.

**Apprenticeship**

Construction 57%

Vic Avg 24%

**Traineeship**

Construction 14%

Vic Avg 18%

**Challenges**

Employers cited lack of suitable applicants and cost as their most common barriers.

**There are no barriers/challenges**

Construction 23%

Vic Avg 17%

**Cost of taking on apprentice(s)/trainee(s)**

Construction 22%

Vic Avg 14%

**Lack of suitable applicants/people**

Construction 26%

Vic Avg 20%

**Work placement students**

Fewer employers in the industry took on work placement students (19% compared to 21% for Victoria). The most common type of work placement students were:

**University student**

Construction 6%

Vic Avg 49%

**Secondary school student as part of work experience**

Construction 56%

Vic Avg 41%

**Secondary school student as part of a VET qualification**

Construction 40%

Vic Avg 22%

**A VET student**

Construction 17%

Vic Avg 19%

**View the complete report here or visit** [Victorian employer skills survey | Victorian Government (www.vic.gov.au)](https://www.vic.gov.au/victorian-employer-skills-survey)