Victorian Employer Skills Survey 2021 Melbourne Metropolitan

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 Metropolitan Melbourne employers adapted to maintain or grow their workforce. Employers had a mostly positive outlook for the year ahead.**

#### Workforce

Almost four in five Metropolitan Melbourne employers reported that their workforce remained the same size or grew in 2021

**Grew**

Metropolitan Melbourne 18%

Vic Avg 19%

**Contracted**

Metropolitan Melbourne 20%

Vic Avg 19%

**Remained the same**

Metropolitan Melbourne 61%

Vic Avg 61%

**Don’t know**

Metropolitan Melbourne 1%

#### Outlook

Employers were optimistic about their future growth, with the majority expecting their workforce to remain the same size or grow over the next 12 months.

**Predict growth**

Metropolitan Melbourne 3%

Vic Avg 33%

**Remain about the same**

Metropolitan Melbourne 54%

Vic Avg 56%

**Predict contraction**

Metropolitan Melbourne 5%

Vic Avg 5%

#### Impacts of COVID-19

Almost three in five employers reported skills-related challenges due to COVID-19, the most common being adapting to new ways of working and staff retention challenges.

**Skills-related challenges**

Metropolitan Melbourne 58%

Vic Avg 57%

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

Metropolitan Melbourne 47%

Vic Avg 45%

**Staff retention challenges**

Metropolitan Melbourne 26%

Vic Avg 26%

## Skills

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

#### Skills shortages

One in five Victorian employers are expecting skills shortages over the next 12 months. Expected skills shortages in Metropolitan Melbourne are similar to the state average.

**Last 12 months**

Metropolitan Melbourne 16%

Vic Avg 16%

**Next 12 months**

Metropolitan Melbourne 21%

Vic Avg 21%

#### Skills challenges

The most common skills challenges experienced by employers were the same across all regions. Employers in regional Victoria experienced higher levels of skills challenges than those in metropolitan Melbourne.

**Finding candidates with the right skills**

Metropolitan Melbourne 46%

Vic Avg 47%

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

Metropolitan Melbourne 47%

Vic Avg 45%

**Finding job-ready candidates**

Metropolitan Melbourne 35%

Vic Avg 37%

#### Skills needs

The top three skills needs reported by employers were: technical/job-specific skills, workers with the right attitude/mindset and job-ready skills.

**Technical/job-specific skills**

Metropolitan Melbourne 72%

Vic Avg 73%

**The right attitude/mindset**

Metropolitan Melbourne 49%

Vic Avg 50%

**Job-ready skills**

Metropolitan Melbourne 47%

Vic Avg 47%

## Recruitment

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

Recruitment need

Over three in five employers undertook some form of recruitment in the past 12 months. This rate was higher among employers in regional Victoria (66%).

Metropolitan Melbourne 61%

Vic Avg 62%

Recruitment challenges

Three-quarters of employers reported having difficulties recruiting for particular roles. This was similar across all regions

Metropolitan Melbourne 76%

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**

Metropolitan Melbourne 62%

Vic Avg 63%

**Candidates lacked relevant experience**

Metropolitan Melbourne 51%

Vic Avg 50%

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

Metropolitan Melbourne 48%

Vic Avg 47%

## Training

More than half of Metropolitan Melbourne employers engaged in some form of training.

**Engagement in training**

More employers in Metropolitan Melbourne used internal training only, whilst fewer used external training or both (36%).
 **Internal training**

Metropolitan Melbourne 19%

Vic Avg 17%

**External training**

Metropolitan Melbourne 44%

Vic Avg 45%

**Satisfaction with training**

Levels of satisfaction with external training are high, with improved performance of staff in their jobs and industry knowledge of trainers rating highest.

**Helped staff do their job better**

Metropolitan Melbourne 81%

Vic Avg 81%

**Trainers had good industry knowledge**

Metropolitan Melbourne 80%

Vic Avg 80%

**Training was high quality**

Metropolitan Melbourne 76%

Vic Avg 76%

**Training was reasonably priced**

Metropolitan Melbourne 70%

Vic Avg 71%

 **Skillsets**

Three in five employers said they would consider a skillset (microcredential or part qualification) rather than a full qualification to upskill their staff.

Metropolitan Melbourne 61%

Vic Avg 61%

## Apprentices, trainees and work placements

More employers in Metropolitan Melbourne report engaging apprentices compared to trainees. Employers in regional Victoria had higher rates of uptake than those in metropolitan areas.

**Apprentices and trainees**

More employers reporting engaging apprentices compared to trainees. Employers in regional Victoria had higher rates of uptake than those in metropolitan areas.

**Apprenticeship**

Metropolitan Melbourne 22%

Vic Avg 24%

**Traineeship**

Metropolitan Melbourne 17%

Vic Avg 18%

**Challenges**

Lack of suitable applicants and cost were cited as the most common barriers to engaging apprentices and trainees. One in six employers had no barriers to engagement.

**Lack of suitable applicants/people**

Metropolitan Melbourne 18%

Vic Avg 20%

**There are no barriers/challenges**

Metropolitan Melbourne 16%

Vic Avg 17%

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

Metropolitan Melbourne 15%

Vic Avg 14%

**Work placement students**

Fewer employers in Metropolitan Melbourne (19%) had a work placement student compared to those in regional Victoria (26%). The most common type of work placement students were:

**University student**

Metropolitan Melbourne 56%

Vic Avg 49%

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

Metropolitan Melbourne 34%

Vic Avg 41%

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

Metropolitan Melbourne 18%

Vic Avg 22%

**A VET student**

Metropolitan Melbourne 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)