Victorian Employer Skills Survey 2021 Regional Victoria

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

#### Workforce

Five in six employers in Regional Victoria reported that their workforce remained the same size or grew in 2021.

**Grew**

Regional Victoria 23%

Vic Avg 19%

**Contracted**

Regional Victoria 15%

Vic Avg 19%

**Remained the same**

Regional Victoria 62%

Vic Avg 61%

#### Outlook

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

**Predict growth**

Regional Victoria 30%

Vic Avg 33%

**Remain about the same**

Regional Victoria 61%

Vic Avg 56%

**Predict contraction**

Regional Victoria 5%

Vic Avg 5%

#### Impacts of COVID-19

Fewer employers in Regional Victoria reported skills-related challenges due to COVID-19 than Metropolitan Melbourne.

**Skills-related challenges**

Regional Victoria 54%

Vic Avg 57%

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

Regional Victoria 41%

Vic Avg 45%

**Staff retention challenges**

Regional Victoria 24%

Vic Avg 26%

## Skills

Finding candidates with the right skills presented the most common skill challenge in the past year. More Regional Victoria 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 Regional Victoria are fairly similar to the state average.

**Last 12 months**

Regional Victoria 17%

Vic Avg 16%

**Next 12 months**

Regional Victoria 22%

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**

Regional Victoria 51%

Vic Avg 47%

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

Regional Victoria 41%

Vic Avg 45%

**Finding job-ready candidates**

Regional Victoria 41%

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**

Regional Victoria 74%

Vic Avg 73%

**The right attitude/mindset**

Regional Victoria 54%

Vic Avg 50%

**Job-ready skills**

Regional Victoria 44%

Vic Avg 47%

## Recruitment

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

Recruitment need

Two thirds of Regional Victoria employers undertook some form of recruitment in the past 12 months. This rate was higher than Metropolitan Melbourne (61%).

Regional Victoria 66%

Vic Avg 62%

Recruitment challenges

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

Regional Victoria 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**

Regional Victoria 67%

Vic Avg 63%

**Candidates lacked relevant experience**

Regional Victoria 47%

Vic Avg 50%

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

Regional Victoria 44%

Vic Avg 47%

## Training

More than half of Regional Victoria employers engaged in some form of training.

**Engagement in training**

More employers in Regional Victoria used external training only, whilst fewer used internal training or both (40%).
 **Internal training**

Regional Victoria 12%

Vic Avg 17%

**External training**

Regional Victoria 48%

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**

Regional Victoria 80%

Vic Avg 81%

**Trainers had good industry knowledge**

Regional Victoria 80%

Vic Avg 80%

**Training was high quality**

Regional Victoria 77%

Vic Avg 76%

**Training was reasonably priced**

Regional Victoria 73%

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.

Regional Victoria 59%

Vic Avg 61%

## Apprentices, trainees and work placements

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

**Apprentices and trainees**

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

**Apprenticeship**

Regional Victoria 30%

Vic Avg 24%

**Traineeship**

Regional Victoria 23%

Vic Avg 18%

**Challenges**

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

**Lack of suitable applicants/people**

Regional Victoria 24%

Vic Avg 20%

**There are no barriers/challenges**

Regional Victoria 21%

Vic Avg 17%

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

Regional Victoria 13%

Vic Avg 14%

**Work placement students**

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

**University student**

Regional Victoria 35%

Vic Avg 49%

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

Regional Victoria 56%

Vic Avg 41%

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

Regional Victoria 30%

Vic Avg 22%

**A VET student**

Regional Victoria 21%

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)