



**Victorian
Skills Authority**

Victorian Skills Plan for 2023 into 2024

Shared prosperity
through skills



Jobs, Skills,
Industry
and Regions

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The Victorian Skills Authority acknowledges the Traditional Owners of land throughout Victoria and their ongoing connection to this land. We pay our respects to their culture and their Elders past, present and emerging.

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This document is also available in accessible Word and PDF format at skillsauthority.vic.gov.au

Cover image

Fathima, Robert and Sumiko from Holmesglen Institute, who are all undertaking a Diploma of Nursing at the Moorabbin campus.

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A message from the Minister

The Victorian Government has made clear its ambitions to fuel productivity and economic growth, generate good jobs and help businesses, communities and individuals prosper across Victoria. These ambitions include the transition to a clean economy, 800,000 new homes over the next decade, investments in advanced manufacturing and regional development. The government is also committed to bringing back the State Electricity Commission (SEC) to drive down power bills and create government-owned renewable energy.

Workers with practical, portable and advanced skills are key to achieving these ambitions. They will also help the state navigate current and future economic transitions driven by the growth of knowledge-based industries, digital transformation and the increasing importance of reducing global emissions.

Our plan is clear and is underpinned by research and consultation.

We will deliver training that is high-quality, accessible and relevant to all Victorians.

This is training that creates clear pathways for learners into careers and

jobs that are essential for delivering government priorities and our diverse and ever-changing economy.

The Victorian TAFE Network, supported by increased access to government-subsidised training through the government's *Skills First* and Free TAFE initiatives, will support these ambitions, enabling more Victorians to up-skill and re-skill, get jobs and boost our economy.

We need to continue to work together. The *Victorian Skills Plan* gives us a roadmap to do this.

The government's plan for bringing skilling solutions to Victorians and Victorian employers is proving to be right for the times. The nature of change, and the skills challenges it presents, requires careful planning based on deep and sustained engagement.

The *Victorian Skills Plan* offers rich employment insights to all users of our state's skills system. It provides learners with the knowledge of what skill gaps are emerging and supports them to make better choices; training providers with information to plan their courses to match industry and community needs; and industry with the opportunity to

shape the education and training of workers with the right mix of skills.

These insights and data do little if they cannot be translated into action by the education and training community or do not inspire people to take up the skilling challenge.

The Plan also reinforces the rightful importance the government places on apprenticeships, and the need to support our apprentices and trainees to achieve success with initiatives such as the *Apprenticeships Taskforce* and the *Apprentice Mental Health Training Program*.

An inclusive approach to skills planning is fundamental in promoting and delivering consistency in economic opportunity and aspiring for the best for all Victorians. It will require a sense of responsibility, coordinated efforts and pragmatic collaboration by all players responsible for driving change and those affected by its outcomes — learners, industry, government, training providers and local communities.

A better integrated post-secondary education sector which includes stronger partnerships and pathways

between secondary education, Adult, Community and Further Education, Vocational Education and Training and higher education will be integral in supporting the government's ambitions and the delivery of the mix of skills the economy needs now and into the future.

More needs to be done so that every Victorian has fair and affordable access to skilling and training. We need to ensure vulnerable, disengaged and disadvantaged Victorians are given better opportunities to get the skills they need to participate in work and life.

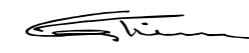
This year's plan echoes our priority for a fairer future for First Nations peoples and the support offered through the Victorian training system to align with the spirit of the Treaty process.

The Victorian TAFE Network is central to the success of this Plan. It leads the education and training response in our transition to a clean economy and our plan to build more homes to make housing more affordable.

The Plan also recommends transformations that build a contemporary and better education and training system for all Victorians.

I thank the Victorian Skills Authority, the Victorian Skills Authority Advisory Board, the Industry Advisory Groups, Vocational Education and Training providers including the Victorian TAFE Network, and other stakeholders and partners that provided valuable insights and perspectives on skilling to inform the development of the Plan.

The skills and employment portfolio, Office of TAFE Coordination and Delivery, and Apprenticeships Victoria within the Department of Jobs, Skills, Industry and Regions also contributed their expertise and will play a key role in bringing this plan and the government's vision to life.



The Hon. Gayle Tierney MP

Minister for Skills and TAFE
Minister for Regional Development



The Victorian Skills Plan provides important data, information and advice

The Victorian Skills Plan will help deliver the training and skills our state needs – now and into the future.

The Skills Plan provides evidence and insights on workforce trends, challenges and opportunities within industries, communities and across regional Victoria. The Employment Forecast Dashboard, which accompanies this plan, is a central element of this evidence.

The Plan also provides stakeholders engaged in education and training with data and insights to help in their planning.

The nature of skills needed now and into the future is changing, especially as industries adapt to worker shortages, new enabling technologies and different ways of working. The Plan argues for more transferable skills to develop a flexible and adaptable skilled workforce prepared for socio-economic transitions.

This year's plan makes recommendations for post-secondary education, in particular, Vocational Education and Training (VET), in responding to the Victorian Government's priority for a fairer future for First Nations peoples' through its nation-leading Treaty work and the Victorian Self-Determination Reform Framework.

These efforts drive economic development and social prosperity for all Victorians.

Government	Robust data and insights underpin post-secondary education policy and funding aimed at responding to skill shortages, emerging and future industry needs, and lifting Victoria's skills base and reputation as a high-quality education and training destination.
Industry	Industry has an active role in shaping education and training available to Victorians. Businesses better reflect skills in demand. Unions have a key role in protecting the interests of workers and focusing on career-building for learners. Collaboration with industry leads to better planning and delivery of skills aimed at the common good for industry and workers.
Training providers	Detailed data and insights enable the Victorian TAFE Network and quality private and community training providers to plan and deliver high-quality education and training that is aligned to the needs of Victorian industries and regions.
Schools	The Skills Plan highlights that further education and training that builds on success in schools is key to a good career and labour productivity. Data and insights support schools to communicate the value of engagement in school as preparation for further education and success in life.
Current and prospective learners	Data and insights help learners decide on the education and training they need for work and life. Learners will have a better understanding of the pathways and career options that suit their aspirations.


Figure 1: Benefits of the Victorian Skills Plan for Victorian Skills Authority partners and stakeholders.

Through its detailed Employment Forecast Dashboard, the Victorian Skills Authority provides up-to-date information about current and future demand for jobs to raise awareness of the range of employment opportunities across Victoria.


Victorian Employment Forecast Dashboard

352,000 new workers are expected to enter the Victorian economy between 2023 and 2026.


The Employment Forecast Dashboard provides information about workforce needs across all industries, occupations and regions, as well as about occupations that use government-funded VET to skill their workers.



350+
Occupations covered




19
Industries covered




15 regions
Across metropolitan Melbourne and regional Victoria

The Employment Forecast Dashboard also contains information on:



Occupations that use government-funded VET to provide skilled workers



Higher education pathways into occupations

The dashboard can be accessed via vic.gov.au/victorian-skills-plan

Insights from the dashboard have informed:

- ✓ **Workforce planning** across the Victorian Government
- ✓ The **Funded Course List** leading to better alignment with industry and workforce demand
- ✓ Current and future **VET Delivered to School Students** offerings
- ✓ **Victorian TAFE Network planning** to better meet Victoria's skilling needs
- ✓ **Careers advice** to school students
- ✓ Skills and Jobs Centres' (SJC) advice to **learners on pathways and employers on workforce trends**
- ✓ Analysis of **skilled migration** needs
- ✓ **Regional Skills Demand Profiles**, with regional employment forecasts

The Victorian Skills Plan supports actions on skills



Figure 2: The Victorian Skills Plan for 2022 into 2023 has supported positive change in a short time.

The Victorian skills roadmap includes a number of critical actions

Victoria's skills roadmap consists of the annual Victorian Skills Plans, which contain a range of actions and initiatives.

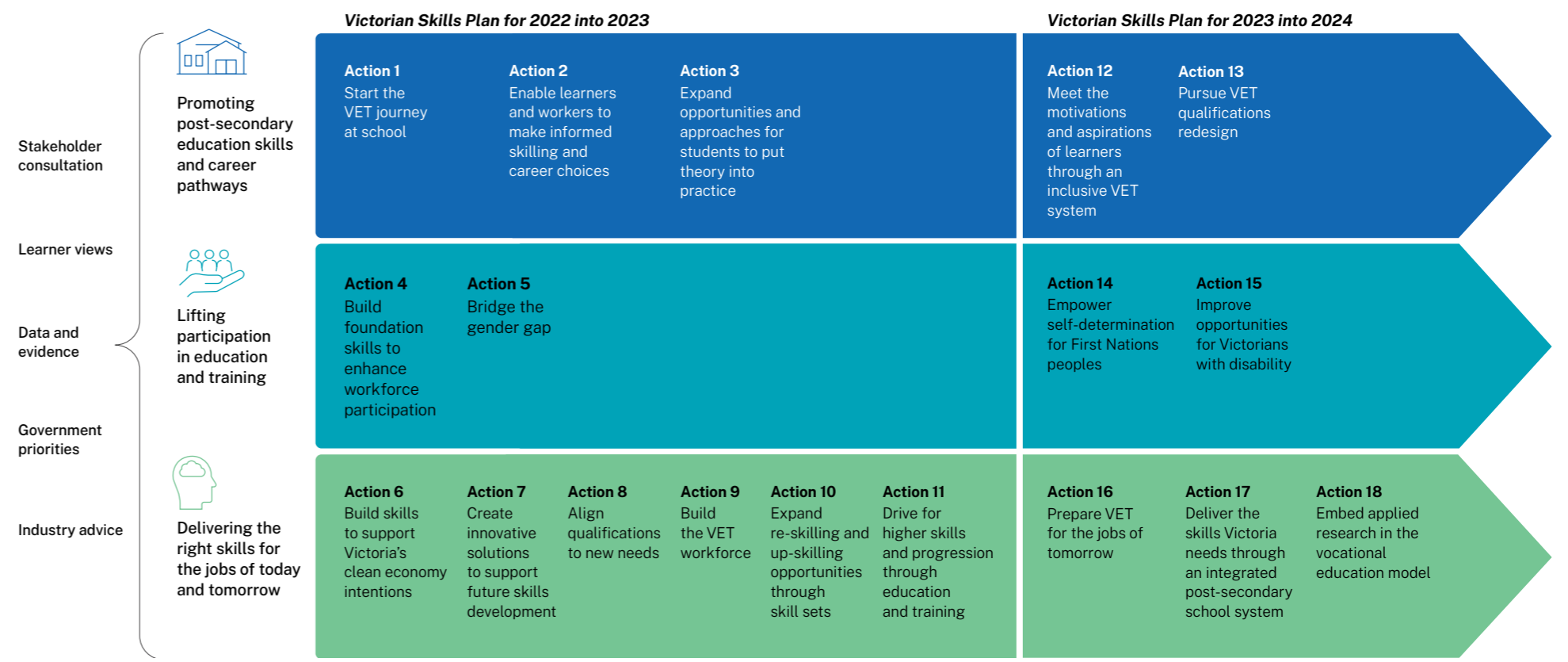


Figure 3: Victoria's skills roadmap.

Summary of recommendations

Promoting post-secondary education skills and career pathways



Action 12 Meet the motivations and aspirations of learners through an inclusive VET system

Recommendations

- Through enhanced engagement with learners,
 - provide a stronger voice into education and training reforms
 - understand their needs and aspirations and identify opportunities to improve post-secondary education participation, delivery and completion.
- Work with the Department of Education to enhance connections of school-aged learners with employers and industry and channel advice on industry trends to inform vocational learning priorities in VCE including the VCE Vocational Major and Victorian Pathways Certificate.
- Collaborate with the National Centre for Vocational Education Research to better understand the vocational education journey of different learner cohorts as well as their learning outcomes.

Action 13 Pursue VET qualifications redesign

Recommendations

- Through skills ministers' work on VET qualifications redesign, explore options to streamline the number of units of competency and advocate for VET qualifications to better reflect the aspirations of learners, and transferable skills to support wider career options.
- Trial new training approaches to designing VET qualifications through local accreditation arrangements.

Lifting participation in education and training



Action 14 Empower self-determination for First Nations peoples

Recommendations

- Using self-determination as a guiding principle and ensuring alignment with Victoria's Treaty process, the Department of Jobs, Skills, Industry and Regions implements changes in vocational education programs to reflect cultural inclusion and include First Nations knowledge systems, where relevant.
- Work with training providers to embed practices that foster a culturally safe learning environment for First Nations learners.
- Encourage training providers to increase the diversity of their workforce to enable a strong First Nations voice in decision-making.

Action 15 Improve opportunities for Victorians with disability

Recommendations

- The Department of Jobs, Skills, Industry and Regions review the range of supports available for learners with disability across the Vocational Education and Training sector and identify opportunities for improvement.
- The Office of TAFE Coordination and Delivery works with the Victorian TAFE Network to set new accessibility and outcome standards for learners with disability.
- Skills and Jobs Centres support Victorians with disability to access their services by developing targeted resources.

Delivering the right skills for the jobs of today and tomorrow



Action 16 Prepare VET for the jobs of tomorrow

Recommendation

- The Victorian Skills Authority continues to lead the work on the future skills needs of Victoria and the implications for designing and delivering post-secondary education and training, in collaboration with Jobs and Skills Australia (JSA), the Office of TAFE Coordination and Delivery, the Department of Jobs, Skills, Industry and Regions and industry, and using the latest data and insights.

Action 17 Deliver the skills Victoria needs through an integrated post-secondary school system

Recommendations

- The Office of TAFE Coordination and Delivery considers the development of a proposal for self-accreditation of Victorian TAFE Network providers.
- The Department of Jobs, Skills, Industry and Regions, with the Office of TAFE Coordination and Delivery, advocate for a regulatory framework that lessens the burden for Victorian TAFE Network providers and focuses on quality and learning outcomes.
- In collaboration with the Office of TAFE Coordination and Delivery, Victorian TAFE Network providers work with universities and institutes of higher education to establish partnerships that recognise the unique value of Vocational Education and Training.
- Advocate to the Australian Government for learners to have access to higher education subsidies where the Victorian TAFE Network acts as the access point to higher education.

Action 18 Embed applied research in the vocational education model

Recommendations

- Through a Skills Lab, develop approaches and principles to embed applied research in the education and training delivered by Victorian TAFE Network providers.
- Consider using the Workforce Training and Innovation Fund to prioritise applied research projects in the Vocational Education and Training sector.

Using the *Victorian Skills Plan*

The *Victorian Skills Plan for 2023 into 2024* is a continuation of the first plan released in 2022 — along with accompanying reports and data, these provide insights into the priorities for skills responses.

Priorities span the 2022 and 2023 plans, supported by identified actions, recommendations and advice. Each plan focuses on different elements of the priorities.

To assist with understanding where jobs are expected, each Skills Plan includes data on new jobs forecast in individual occupations, industries and regions. This year's plan updates the forecast window to 2023-2026 for the more than 350 occupations across the Victorian economy.

The Victorian Skills Authority (VSA) uses industry and place-based engagement to ensure the Plan and follow-up is informed by on-the-ground feedback.

Accompanying the Plan (henceforth referred to as *Victorian Skills Plan 2023*) is a *State of the Victorian Labour Market Report* which provides in-depth analysis of labour market trends and challenges in Victoria over the past year to identify areas requiring an education and training response.

The *Victorian Skills Plan Implementation Update* advises on the work underway to complete the actions identified in the *Victorian Skills Plan for 2022 into 2023* (henceforth referred to as *Victorian Skills Plan 2022*).

All documents are available through vic.gov.au/victorian-skills-plan



The *Victorian Skills Plan* covers four broad priorities



Recognising the diversity of Victoria's employment needs

The Plan details the number of new workers expected over the next three years in the state's industries, occupations and regions. This information is useful to government, industry (employers and unions), communities and education and training sectors for planning and responses.



Promoting post-secondary education skills and career pathways

All Victorians should be able to access education and training at the level that suits their circumstances and at any point in their lives.

Success rests in understanding and responding to the learning needs and aspirations of Victorians. VET (including as part of VCE) and higher education qualifications need to be fit-for-purpose and better reflect the aspirations of learners.



Lifting participation in education and training

Too many Victorians are still excluded from education and training and therefore good jobs. Access to quality and relevant learning for work and life is critical, including for First Nations peoples and Victorians with disability who are a focus of this plan.



Delivering the right skills for the jobs of today and tomorrow

Local and global factors will require workers to up-skill and develop transferable skills allowing flexibility within and across occupations and industries to meet skills demand and increase productivity.

This requires a skills and training system that is responsive to current and future skills needs and has strong connections with industry to ensure it has the capacity and capability for innovation.

Figure 4: Key themes of the *Victorian Skills Plan 2023*.

Supporting Victoria's clean economy ambitions



The clean economy transformation is all-encompassing.

Ambitious targets of net zero emissions by 2045 and 95% renewable energy* by 2035 are transforming energy consumption and services across the economy.

Much of the transformation involves clean economy-related manufacturing, construction, installation and modifications. A new wave of skilled workers is needed to complete this transformation safely and to the highest quality, many of whom need to hold trade- and technician-level skills.

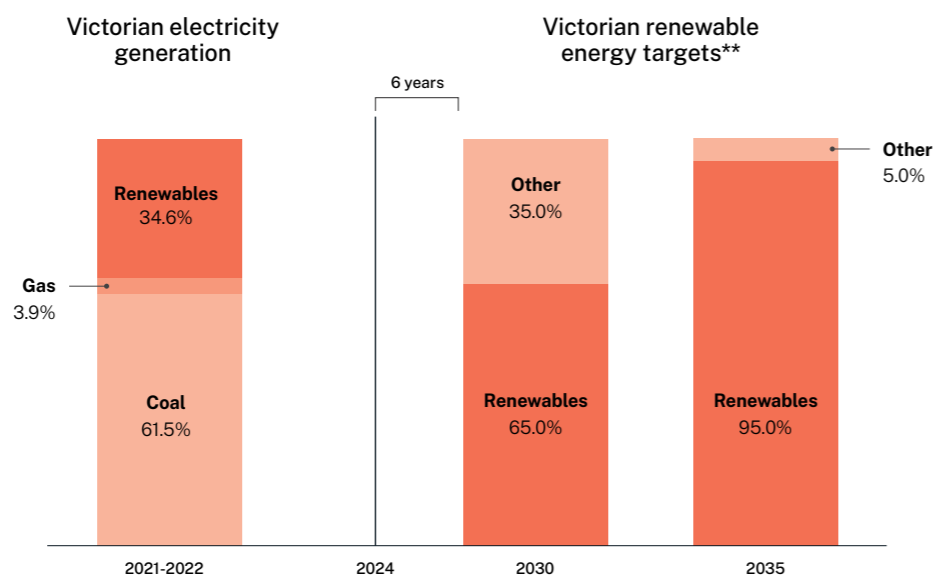


Figure 5: Victorian renewable energy targets.

*Renewable energy source means any of the following energy sources-solar; wind; hydro; an energy source declared by the minister under section 4 of the Renewable Energy (Jobs and Investment) Act 2017 (Vic).

**Targets the Victorian Government has set for the electricity generated in Victoria to be generated by means of facilities that generate electricity by utilising renewable energy sources or converting renewable energy sources into electricity.

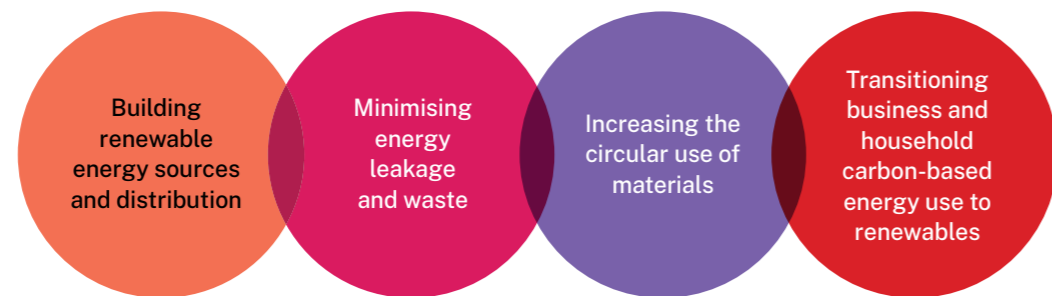


Figure 6: Clean economy transformation.

Government-owned renewable energy is leading the way

SEC and the new Centre of Training Excellence



The Victorian Government is bringing back the State Electricity Commission (SEC) — driving down power bills and creating thousands of jobs in renewable energy. An initial \$1 billion investment will help deliver 4.5 gigawatts of power and help create 59,000 jobs.

The SEC will help find and train the next generation of skilled tradespeople to support the renewable energy transition.

The new SEC Centre of Training Excellence will be the focal point for building the renewable energy workforce. It will connect with schools, the Victorian TAFE Network and other training providers, unions and industry to identify skills priorities and coordinate courses in renewable energy. In preparing the next generation of skilled workers for renewable energy, the Centre will engage secondary school students and promote career pathways.³

Transitioning Victoria's energy system to renewable energy is expected to create 6,000 apprenticeship opportunities across a range of essential trades.



Preparing the workforce for a zero emission vehicles boom



The Electrical Trades Union Victoria's registered training organisation, The Centre for U, delivers practical industry-driven training in state-of-the-art facilities.

In partnership with the Victorian Government, the Centre for U is delivering a project called *An Adept Workforce for the Zero Emission Vehicles (ZEVs) Boom*. This project aims to improve the capability and capacity of the sector's workforce and supports the Victorian Government's work towards net zero emissions by 2045.

Another project involves delivering courses relevant to ZEVs, including the safe installation, design and commissioning of electric vehicle charging infrastructure for domestic and small businesses. The Electric Vehicle Charging Infrastructure Course, the first of its kind in Australia, will up-skill 500 licensed electricians in its pilot phase.



The size and nature of the workforce challenge

The transition to a clean economy requires expansion of a long-term and stable workforce and significant shifts in occupations and skills. New technologies and work practices require existing workforces to acquire new skills, and new roles will emerge. Demand for many existing occupations will grow, particularly through construction phases of new energy projects. Skills for these occupations are evolving in line with automation and digitisation trends.

Gas is no longer the cheap fuel it once was and as households transition to cheaper renewable energy a large, skilled workforce will be needed to retrofit homes.

Conservative estimates expect around 10,000 additional jobs per year from now until 2030 as a result of investments in renewables across solar, battery storage and wind directed to meeting Victoria's renewable energy and storage targets.⁴

The government's circular economy policy, *Recycling Victoria: a new economy*, will transform how the economy uses, reuses, repairs and recycles. It includes targets to divert 80% of waste from landfill by 2030 (with an interim target of 72% by 2025) and cut total waste generation by 15% per capita by 2030. The transition to a circular economy is expected to create more than 3,900 new jobs and establish new skills in design, repair efficiency and materials usage across the state.⁵

There is a need to skill the workforce for climate adaptation and climate mitigation, to support Victoria's resilience to manage the current and future effects of climate change. New specialist occupations will be created in areas such as battery storage, energy auditing and energy efficiency. Workers with related skills will likely take up the roles and further develop the necessary knowledge and skills. The qualifications system – VET and higher education – will then need to develop formal responses in parallel.



A transformed education and training response

The *Clean Economy Workforce Development Strategy 2023-2033* sets out the transformation needed in Victoria's approach to skilling to prepare for a net-zero future.

The central feature of the strategy is to re-imagine the skills model in Victoria, to plan for the workforce and create more base skills for workers so they can transfer more easily across critical roles. It will also require innovative ways of working with VET and higher education to establish new qualifications and courses to rapidly build the skills needed for the rapid energy transition and for the new systems to minimise energy waste. The architecture for skilling in Victoria is well-prepared for the challenge.

The VSA provides advice about skills demand and innovation required to meet workforce challenges. The Department of Jobs, Skills, Industry and Regions (DJSIR) facilitates education and training responses; and the Victorian TAFE Network across the state, under

the leadership of the Office for TAFE Coordination and Delivery (OTCD), works together to bring skills to workers, businesses and communities.

The Victorian Government has established a \$50 million TAFE Clean Energy Fund to fund clean economy projects in regional Victoria. This includes investments in new and upgraded facilities, such as Stage 2 of the Asia Pacific Renewable Energy Training Centre at Federation TAFE, a clean energy centre at TAFE Gippsland's Morwell Campus, and a Building Innovation and Design Centre at South West TAFE.



Figure 7: Clean Economy Workforce Development Strategy 2023-2033 — Strategic priorities.



Planning responses

The VSA will undertake a broad range of actions in the clean economy response that include: clarifying demand for clean economy skills; providing targeted advice to attract workers; building leadership and management capability; facilitating professional development of workers; and adapting or creating new or innovative qualifications. The VSA has an immediate focus on supporting the development of the *Victorian Energy Jobs Plan* by providing data and insights in response to the *Clean Economy Workforce Development Strategy 2023-2033*.

Delivering on the needs of the care economy

The care economy represents one of the largest segments of Victoria's economy and includes services such as hospital and medical services, community services, early childhood education and care, housing and wellbeing, and allied health support.

Out of all industries, the care economy in Victoria employs the most workers and has the highest proportion of women. Care economy workers account for around 15% of Victoria's current workforce⁶ and almost one quarter of new workers expected over the next three years. This projection is not unique to Victoria; Jobs and Skills Australia (JSA) forecast similar growth for the nation.⁷

The care economy is fundamental to Australia's commitment to universal and equitable health care, including national disability services as well as new expectations of aged and community care and wellbeing services. It is also key for positive health and wellbeing outcomes that generate economic and social returns, as effective services and interventions help people get back into productive work and engage effectively in life.

The ongoing demand for care economy workers is driving new workforce planning and design, including development of a 10-year *Victorian Health Workforce Strategy*. In addition, the Care and Support Economy Taskforce, established by the Prime Minister, released a draft *National Strategy for the Care and Support Economy* designed to improve outcomes in part through creating fulfilling and secure care and support jobs.

Addressing skills and workforce gaps in the care economy requires adaptable workforces who can undertake a range of functions and responsibilities. This will help to broaden work practices, improve responsiveness and reduce bottlenecks in services — benefits that are particularly relevant in regional areas.

Vocational preparation to support the care economy needs to transform in line with workforce strategies. Qualifications must focus not only on meeting the immediate demands of the role, but also be broad enough to capture future needs and develop a process to define and update competencies to keep up with practices, including digital health responses.

Broader skills and greater capacity for graduates to transition across roles are the key education and training responses to support the redesign of workforces currently underway. VET and higher education share responsibilities for preparing the care economy workforce and there is a need for greater collaboration to streamline education offerings and to build more accessible career pathways.

Barriers need to be removed to further learning and support the care workforce to progress in their careers. People are attracted to caring roles, not necessarily one job type, and many want to take on higher level jobs. Last year's Skills Plan highlighted the rationale for a system that better enables progression for learners. Adaptation in education and training in the care economy that aligns with new workforce strategies will continue to be a focus of the skills roadmap.

The VSA, in conjunction with Holmesglen Institute, is trialing the Skills Lab model directed at lifting the learning outcomes of enrolled nursing students to support the adaptability the care economy requires.

Other initiatives underway include:

- \$370 million to attract high-quality early childhood teachers and educators to support the rollout of the *Best Start, Best Life* initiative, including scholarships and employment incentives.⁸
- \$5.6 million to fund more *Enrolled Nurse Transition to Practice Program* places.⁹
- The *Postgraduate Midwifery Incentive Program* to address shortages and build the capability and capacity of this workforce.¹⁰
- The *Registered Undergraduate Student of Nursing* initiative, with undergraduate nurses and midwives taking up designated roles as a pathway to graduate level.¹¹
- Free TAFE offers fee-free access to 30 qualifications and skills sets for jobs in the care economy, including Diploma of Nursing, Certificate III in Early Childhood Education and Care and Certificate III in Individual Support.¹²
- The 12-month *National Skills Agreement* with the Australian Government which provides 26,900 new places in the care sector, including 3,800 for early childhood education and care qualifications.¹³

Care economy Skills Lab



Skills Labs take a holistic view to skills solutions – bridging new skills needs with the aspirations of learners and building capabilities for contemporary teaching and learning.

Skills Labs drive collaborative skills solutions and are the vehicle to address long-term entrenched issues in skilling policy and outcomes. Labs use VSA's data and insights together with expertise from stakeholders with a stake in contemporary skills (such as government, employers, unions, educators, learners and community groups) to design contemporary skills responses.

Labs can also rapidly test teaching, learning and assessment processes so innovations that are found to be effective in engaging learners and delivering results can be deployed quickly.

As a result, vocational education can build its reputation for contemporary and relevant skills solutions for learners, Victorian industry and communities.

The VSA has partnered with Holmesglen Institute to test the Skills Lab methodology through a care economy lab.

The lab is exploring new approaches to learning design underpinning the national Diploma of Nursing to improve completion rates and better prepare graduating enrolled nurses for evolving nursing practices.

A key part of the lab is to enhance learner experience and engagement through redesign of teaching, learning and assessment practices with a view to better learning and graduate outcomes. The learnings from the trial lab will provide insights for future labs and proposed Centres of Excellence, and provide test materials for qualification redesign proposed as part of the Five Point Education and Training response for the Care Economy.

The final report, due early-to-mid 2024, will include evidence-based recommendations for changes to delivery of the Diploma of Nursing, such as new learning resources and assessment practices that can be adopted by other VET providers. Other findings are expected to inform policy makers and regulators on areas for improvement to ensure the currency of VET qualifications.



Supporting Victoria's housing ambition

Victoria is Australia's fastest growing state. The state's population is estimated to reach 10.3 million by 2051 – Melbourne will be home to more than eight million people, and regional Victoria will be home to more than 2.3 million.

Across Australia, finding an affordable home is becoming harder than ever before. Particularly in regional Victoria, finding a place to live is one of the biggest challenges in attracting and keeping workers.

Victoria's Housing Statement is an ambitious plan to tackle the root of the problem: housing supply. It includes a bold target to build 800,000 homes in Victoria over the next decade.¹⁴

Building on key initiatives such as the *Big Housing Build*, the *Housing Statement* kicks off the critical work needed to build more homes across Victoria.

To achieve these objectives, the *Housing Statement* proposes initiatives to stimulate investment, build high-quality homes where Victorians want to live, protect renters' rights, and build more social and affordable housing for those who need it most.

Developing the workforce is key to supporting the housing target. Victoria's vocational and education training system plays a critical role in preparing the workers for the range of jobs that will be in demand.

The *Victorian Budget 2023/24* invests \$80 million to deliver two new TAFE campuses in Sunbury and Melton. Melton TAFE will be a dedicated construction skills facility supporting around 600 students annually to get the skills they need for the trade career they want.

Free TAFE is helping to build the pipeline of skilled workers through easy access to priority VET courses. These include the Certificate III in Concreting, Certificate IV in Plumbing and Services, Certificate IV in Building and Construction, Diploma of Building and Construction and Advanced Diploma of Building and Surveying.

There are also more opportunities for upskilling or reskilling in construction, with the removal of the once-in-a-lifetime limit and 'upskilling rule' on Free TAFE. Learners can have multiple Free TAFE courses under Free TAFE priority pathways (which includes building and construction) and start a Free TAFE course no matter what qualifications they already hold.

The *Big Build Apprenticeships Program* is increasing the supply of apprentices which will be critical in meeting the skills requirements of the *Housing Statement*.



Jenny's successful journey with Victoria's Big Build Apprenticeship Program



Jenny Pace is proving that age is no barrier to a rewarding career in the trades. She is working as a sprinkler fitter on the new *Big Build* Flemington Housing precinct, and never imagined that a trade was a viable way to support her family while doing a practical, hands-on job she enjoys.

Collaborating on a shared vision for VET and higher education

Governments are placing new expectations on education and training in the face of industry transformation, the desire for fair wage growth and the need for higher worker productivity.

The Australian Government is undertaking a number of reforms across the post-secondary education sector to ensure that Australia can meet its knowledge and skills needs now and into the future.

These include:

- A forthcoming five-year National Skills Agreement with states and territories to lift the level of foundation skills through a strong TAFE system
- Establishing the JSA to develop insights in collaboration with states and territories to inform migration, vocational and higher education settings

- Funding 10 Jobs and Skills Councils (JSCs) to engage industry and promote skills-based solutions to address workforce issues, enable rewarding careers and higher productivity
- Reviewing Australia's higher education system through the Australian Universities Accord to drive lasting and transformative change over the long-term, including by better aligning the VET and higher education systems.

Victoria operates within this national environment. Strong platforms for the delivery of quality education and training targeted to the future operate through the OTCD, Apprenticeships Victoria and the Adult, Community and Further Education (ACFE) Board. Quality-assured *Skills First* providers deliver this education and training.



The VSA plays a critical role

The VSA collates workforce demand and skills insights that reflect Victoria's priorities and engages with JSA and Jobs and Skills Councils, which provide national insights, to inform Victorian skilling responses.

The VSA recognises that future skills and quality learning arise from collaboration. Structured engagement of all partners in the skilling journey (including government, industry (businesses and unions), educators and learners), with a willingness to envisage new learning models is the way forward.

However, collaboration and engagement hold little value if these do not account for the lived experience of providers and educators and the aspiration of learners. This approach is in progress in Victoria along with new arrangements for industry advice which push for future-focused qualifications, as well as broader outcomes for learners and the common good.

Through its collaborative approach, the VSA aims to:

- **Lead VET qualification redesign for Victoria:** collaborate with JSCs to focus on qualification design with strong knowledge and teaching principles that result in workers who are adaptable and have recognised and portable skills and knowledge for further learning to take up highly skilled jobs.
- **Develop good learning pathways for VCE Vocational Major graduates:** ensure post-school education and training options build on the knowledge and skills acquired in school that encourages entry to high-priority industries and jobs.
- **Establish collaboration across vocational, higher education and migration policies:** develop coherent planning responses for workforce supply, in line with the Australian Government's commitment in the Universities Accord process for better planning and coordination between the Australian Government and state and territory governments.

- **Support Centres of Excellence for priority industries:** leverage the Centre of Excellence model proposed in the National Skills Agreement to build leading-edge knowledge repositories and develop high-quality teaching material for particular disciplines.
- **Apply the Skills Lab methodology:** implement the Skills Lab collaborative mechanism to bring together diverse stakeholders to drive shared solutions and improvements to priority areas of the skills sector.



East Gippsland Learn Locals Collaboration
Victorian Learn Local Partnership Award winner
Learn Local Awards 2022

Buchan Neighbourhood Centre, Orbost Education Centre and Paynesville Neighbourhood Centre pooled their limited resources to promote a common regional Learn Local brand, and become a single point of contact for learners.

Quality providers underpin a strong VET system

The Victorian TAFE Network continues to play a central role in the skilling and training of Victorians, with the Victorian Government announcing more than \$545 million in funding for the network in the *Victorian Budget 2023/24*.

Free TAFE has supported training in priority areas. In 2023, more than 80 qualifications and short courses were available through Free TAFE, delivering skills needs across priority sectors such as clean energy, community and care services, information technology, building and construction, hospitality and agriculture.

Since 2019, Free TAFE has enabled more people to participate in training¹⁵



35,621

Unemployed Victorians, at the time of training



13,371

Learners with disability



39,982

Culturally and linguistically diverse learners



82,682

Women



37,321

Learners in regional Victoria



Wodonga TAFE and Australian Defence Force¹⁶



Wodonga TAFE has partnered with the Australian Defence Force (ADF) to provide technical trades, heavy vehicle and plant machinery, and medic training.

In 2023, it secured a new contract with the ADF (valued at \$300 million over five years) to expand its training offerings to include both Navy and Army. This will enable thousands of sailors and soldiers to extend their skills in technical trades in the locations where they work and live.

A National Technical Education Network has been set up which includes training providers across Australia, including Wodonga TAFE, Chisholm Institute, TAFE Queensland, Kangan Institute, Charles Darwin University, RMIT and South Metropolitan TAFE. Wodonga TAFE will lead the delivery of more than 100 accredited and non-accredited courses across construction, engineering, mechanical, electrical and electronics trades to more than 2,000 defence students per year.



Good outcomes depend upon all providers delivering to their strengths

Quality private and community training providers funded through *Skills First* play a key role in developing and delivering industry-specific training programs, including niche skills, and programs for communities to connect people into learning.

Many are small-to-medium-sized enterprises, agile, industry-owned or have strong relationships with industry. These characteristics enable them to cater to the needs of some specialised occupational areas and skills needs across Victoria, by delivering both qualifications and skill sets. The community services sector, aged care and early childhood education and care are priority industries supported by industry-focused providers.

Others are community-based and use formal vocational education alongside community services support to prepare people for work and life. Developing foundation skills is key to successful outcomes.

Learn Local providers — generally well connected to their local TAFE Network providers — play a critical role in providing learners with foundation skills and pathways into the Victorian TAFE Network.

The ACFE sector — overseen by the ACFE Board — is unique to Victoria. With strong community connections it can be the conduit to learning for people at all stages of life. Community providers focus on engagement and learning directed to building the confidence of participants through quality pre-accredited learning that aligns to learner, industry and community needs. As a result, participants are better prepared to pursue and succeed in further education and training. Providers are also strong in delivering literacy, numeracy, digital and employability skills.

Recently, the ACFE Board has supported providers to connect with local employers and deliver employment-relevant training for participants to achieve successful and sustainable employment outcomes.

In 2022 the ACFE Board supported the training of a diverse cohort of vulnerable Victorians, including

12,051 culturally and linguistically diverse learners

5,702 early school leavers

7,804 unemployed learners

6,288 people with disability

Around 57% of ACFE Board-funded learners engage in further training and of those who undertake pre-accredited training and transition to accredited training, 78% complete and attain their accredited qualification.

Universities make a critical contribution to educating and training highly skilled Victorians

Victoria is home to some of the best universities in Australia.¹⁷

In 2021, over 286,000 domestic students were enrolled in Victorian universities, including 204,633 undergraduate and 81,767 postgraduate students.¹⁸ This pipeline of graduates plays a critical role in meeting Victoria's current and future needs for workers, such as highly-skilled workers in the clean economy (for example, energy efficiency engineers and carbon sector specialists).¹⁹

Universities also generate vital research, support technology transfer and commercialisation, fuel the industries of the future, provide significant employment opportunities, and attract skilled migration and international investment to the state.

The Victorian Government recognises the vital role universities play in the economy by partnering with them to deliver government priorities including *Victoria's Big Build* infrastructure projects such as the Suburban Rail Loop and the Metro Tunnel projects, and advanced manufacturing capability, such as the mRNA facility at Monash University.

The Australian Universities Accord presents a unique opportunity for collaboration between governments and key stakeholders to build a vision for Australia's tertiary education sector that is more responsive and adaptable to the needs of the economy, learners and communities. The Australian Universities Accord interim report notes that an integrated tertiary system (where skills training and higher education sectors operate as one) is critical to achieve this vision.



Building advanced manufacturing capability²⁰



The Victorian Government and Monash University are establishing Australia's first dedicated mRNA medicines manufacturing workforce training centre.

The Monash Centre for Advanced mRNA Medicines Manufacturing and Workforce Training will develop the skills and capabilities of the future specialist workforce required for Victoria and Australia's mRNA vaccine and therapeutic manufacturing ecosystem.

The centre will draw on Monash's pool of biotechnology talent and knowledge to deliver best-practice education and training programs across the mRNA medicines and pharmaceutical pipeline.

It will also provide the education and training to support the specialist workforce needed for the new mRNA vaccine manufacturing facility currently being built on Monash's Clayton campus by global biotechnology organisation Moderna.

Apprenticeships and traineeships continue to be valued pathways

Apprenticeships and traineeships are a time-honoured approach to delivering the skills needed for Victoria's economy. Around 35,000 employers of apprentices and trainees help to deliver these skills.²¹

As of September 2022, Victoria had more than 85,000 apprentices and trainees including an increasing number of female apprentices.²² The latter increased by 27.5% over the 12 months to September 2022.²³

Apprenticeships and traineeships offer 'earn and learn' opportunities – earning a wage, while learning the skills needed for a rewarding career. In 2019, nearly 90% of those completing their apprenticeship or traineeship continued in employment with a median annual income of \$59,600.²⁴ Workers who have completed apprenticeships and traineeships also have the highest average weekly wages at the age of 25.²⁵

Victoria needs more apprentices and trainees to meet its ambitious economic and social agenda, which includes the *Big Build* and *Housing Statement*. Boosting the number of apprentices and trainees and supporting them to complete their training will be critical to Victoria's continued success.

The Victorian Government recognises the apprenticeship and traineeship impact of non-completions and the need to close the supply gap in the economy. Apprenticeships Victoria has Apprenticeship Support Officers to provide guidance and pastoral support to apprentices – particularly first year apprentices – to support their course continuation and completion.

Trades and technician workers – the product of an apprenticeship – are expected to comprise around 25% of clean energy jobs under a step-change scenario forecast by the Clean Energy Council to meet renewable energy targets.

The government has several initiatives to improve take-up of apprenticeships and traineeships.



Hannah Grau | Apprentice of the Year finalist
Victorian Training Awards 2023

Hannah is studying a Certificate III in Electrotechnology through NECA Education and Careers, and has always wanted to pursue a trade.



Supporting apprentices and trainees

Victorian Government apprenticeship and traineeship initiatives

Head Start



Supports school-based apprentices and trainees to identify their preferred apprenticeship or traineeship, matches them with a suitable employer and supports them through training and learning.

Big Build apprenticeships



Provides guaranteed paid employment for the duration of the apprenticeship or traineeship, a chance to work on major Victorian state infrastructure projects, ongoing mentoring and support, employer matching and an enrolment in an appropriate training course.

Apprenticeships Innovation Fund



Supports new approaches to the apprenticeship and traineeship model, in partnership with industry and unions. Includes a \$5 million stream to support innovative projects that encourage more women into apprenticeships.

Higher apprenticeships pilots



Trialing innovative new qualifications that extend the apprenticeship and traineeship model to training at higher levels via two innovative projects.

SEC apprenticeships and traineeships



6,000 of the 59,000 jobs supported by the SEC will be apprenticeships and traineeships.

Victoria works with other states and territories on the National VET Completions Project, a South Australian-led initiative which seeks to better understand major factors impacting completion rates and key intervention points, explore national and international best practice models and identify practical solutions drawing on these models.

The Victorian Government is supporting Victorian apprentices and trainees by providing \$4 million to establish an *Apprentice Mental Health Training Program* for apprentices of all trades.²⁶ The program provides support for apprentices at smaller employers to access employee assistance programs, and for employers to improve their mental health and suicide prevention literacy.²⁷

A further \$1.5 million has been allocated to establish and deliver the *Apprenticeships Taskforce*.²⁸ The taskforce will consider the perspectives of apprentices and trainees and provide recommendations to improve safety in workplaces, ensuring more apprentices and trainees have a successful start to their career, and industry continues to support the apprenticeship and traineeship system. The findings of the taskforce will lead to the development of initiatives to enhance apprenticeship uptake and completions.

Madison's drive



Madison Giordano has completed her apprenticeship, a Certificate III in Heavy Commercial Vehicle Mechanical Technology at Kangan Institute and works as a diesel mechanic in a bus company.

Madison's passion was sparked in 2018, during her travels to Alice Springs, when she observed the Finke Desert Race team servicing and rebuilding vehicles.

Now, as a qualified diesel mechanic, Madison can diagnose and repair an issue from start to finish and is skilled to work on a huge range of vehicles.

The Victorian economic outlook remains positive

The Victorian labour market continues to grow, with 146,500 jobs created over the past year to May 2023.²⁹ The unemployment rate remains low at 3.7% while the proportion of people employed or actively looking for employment is near record highs at 67.6%.³⁰

Around 352,000 new workers are expected to enter the Victorian economy between 2023 and 2026.⁽ⁱ⁾ This includes 137,000 for new jobs and 215,000 replacing retiring workers.³¹

Around 277,000 new workers are expected in metropolitan Melbourne and 75,000 are expected in regional Victoria.

As with the rest of the country, the trajectory of new workers expected in the next few years is influenced by rising interest rates, higher cost of living and a weaker global economic outlook. Impacts vary across Victoria's industries, occupations and regions.

The demand for new workers can be met through improved education and training, strategic use of overseas migration and getting more people into work.

A detailed analysis of employment trends in Victoria is provided in the *State of the Victorian Labour Market Report* and the *Employment Forecast Dashboard* which accompany this Skills Plan.



Figure 8: State of the Victorian labour market outlook.

1 VSA.
2 ABS, Labour Force, Australia, May 2023.
3 ABS, Labour Force, Australia, Detailed, May 2023.
4 ABS, Potential Workers, February 2023.
5 ABS, Job vacancies, Australia, May 2023.

(i) This is an estimate of demand for workers and is not an indicator of workforce or skills shortages.

A changing economy requires more workers with higher-order skills

Most new workers will require higher-order skills. High-quality and relevant vocational and higher education for Victorians is the foundation for success.

Higher-order skills³² align with qualifications from Certificate III (plus a minimum of two years of on-the-job experience) to a Bachelor degree or higher.³³ These capture occupations such as doctors, telecommunications technical specialists, plumbers, electricians, and aircraft maintenance engineers.

Around 64% of new workers (226,000) expected over the next three years will need higher-order skills that are acquired through VET or higher education.³⁴ Health care and social assistance is expected to have the highest number of new workers with higher-order skills (50,600). In industries like professional, scientific and technical services; information, media and telecommunications; and financial and insurance services more than 85% of new workers will require higher-order skills.

The level of qualification is a strong indicator of the need for post-secondary school education and training as the pathway to success. This also applies to existing workers, even those with existing post-secondary school qualifications. Many will need some form of additional education and training (or up-skilling) for their knowledge and skills to be contemporary for advancement in their career.

The basics also need to be right. Foundational skills — such as literacy, numeracy, basic digital and general employability skills — underpin effective engagement in education, especially in a knowledge-based economy. An integrated education and training system is a critical enabler. Regardless of the starting point, each person must be able to progress to higher learning without the barriers often needlessly imposed because of differences across education sectors.

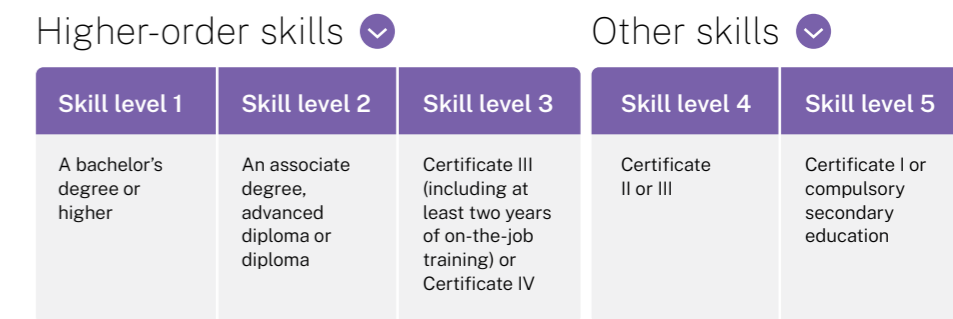


Figure 9: Qualifications required for each skill level.

The industries expecting the highest number of new workers over the next three years — health care and social assistance; education and training; and professional, scientific and technical services — require a significant proportion of workers with higher-order skills.

All other industries — apart from accommodation and food services; transport, postal and warehousing; retail trade; and administrative and support services — also have a greater demand for workers with higher-order skills than other skills.

These trends do not fully reflect the transformation to jobs and work in some industries. Warehousing, for example, is becoming increasingly automated. Automation will change the nature of some existing jobs and create new ones that require higher-order skills.

These figures demonstrate the extent of change across the economy and the need for education and training responses to keep pace. Adapting on a case-by-case approach by occupation or industry is not the best response. Education and training must build a strong base of knowledge and skills that allow for entry to good jobs and also equip workers to move to new work opportunities at the same or higher skill level. The knowledge and skills in occupations supporting automation apply across many industries and contexts. VET qualifications, in responding to this new demand, need to be based on in-depth knowledge and skills that are applicable to many contexts. The Victorian TAFE Network will play a critical role in this.

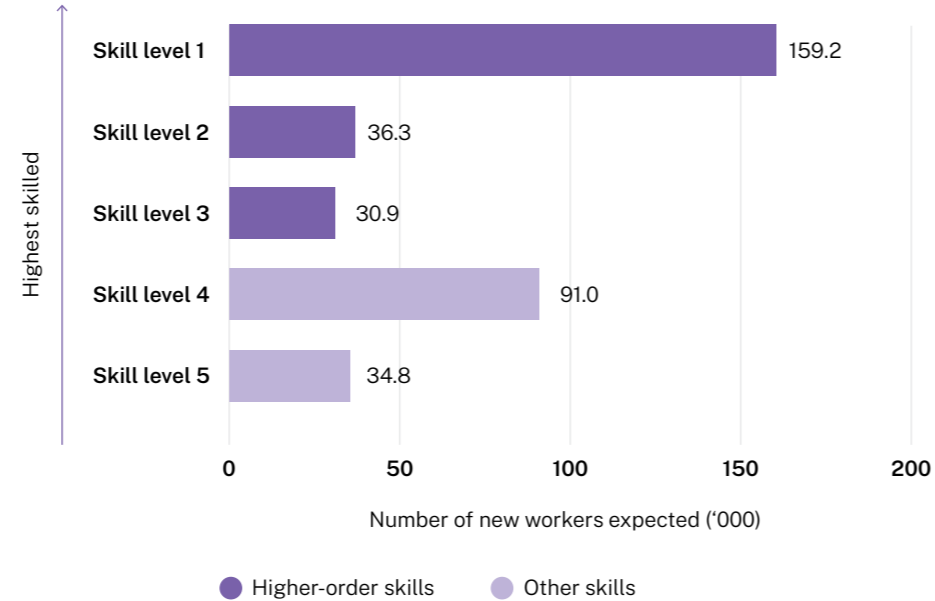


Figure 10: New workers expected by skill level, 2023 to 2026.³⁴
Source: VSA.

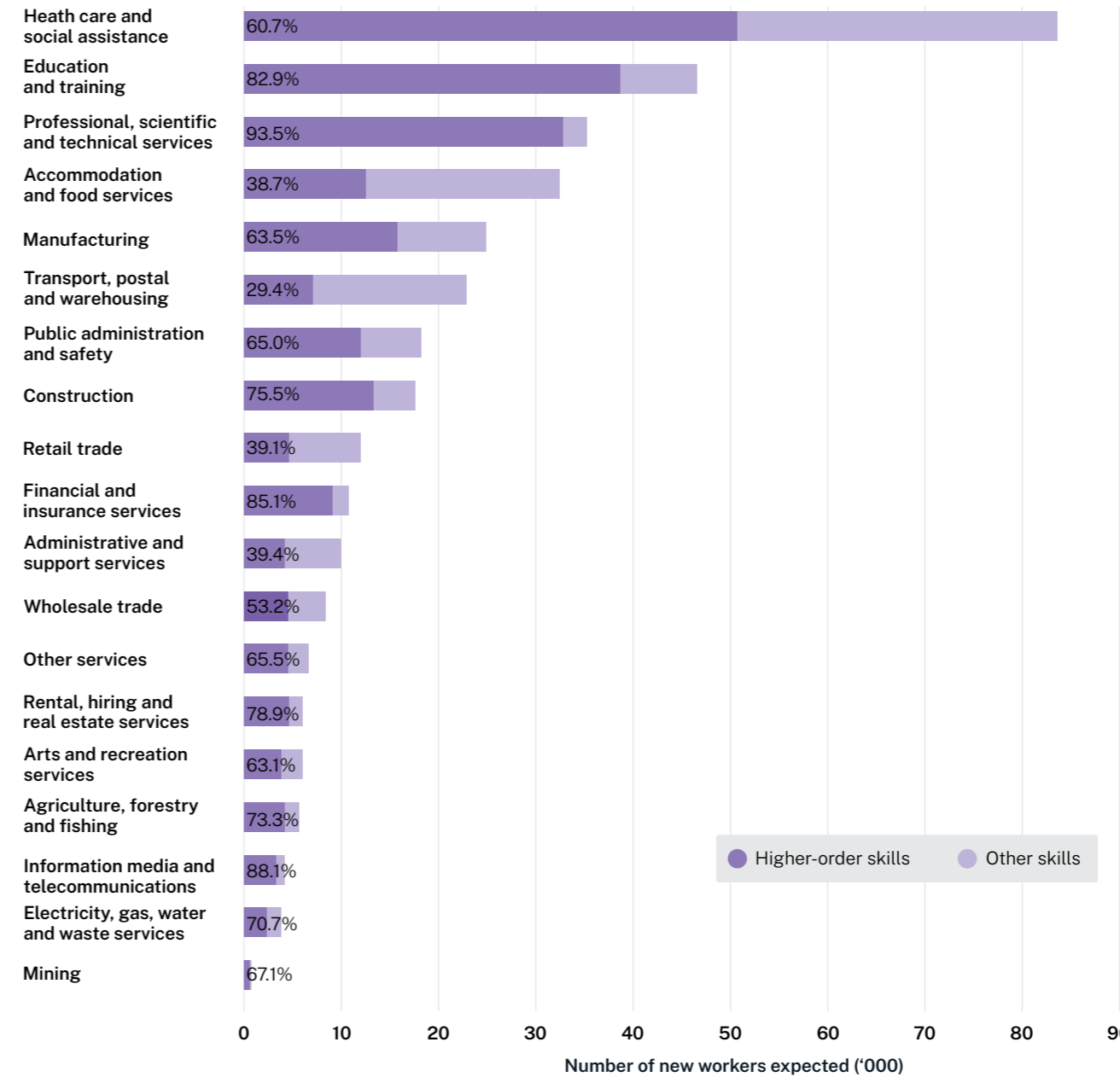


Figure 11: New workers expected by industry 2023 to 2026.
Source: VSA.























Note: New workers expected by skill level are derived based on 4-digit ANZSCO occupation forecasts from the VSA. For 22 of the 358 4-digit ANZSCO occupations that had more than one skill level, skill levels were assigned based on the predominant skill level of the occupation at the aggregate level. New workers expected represents employment growth plus workers needed to replace retirements. Proportion of higher-order and other skills sum to 100%.

The health care and social assistance; education and training; professional, scientific and technical services; and accommodation and food services industries are expecting the majority of new workers over the next three years.

Workforce growth in these industries is driven by multiple factors. The health care and social assistance, and education and training industries are growing because of government investment (for example, the *National Disability Insurance Scheme*, aged care services, and the *Best Start, Best Life* initiative) whereas the professional, scientific and technical services industry is growing as a result of improvements in existing business models due to advances in technology, and the accommodation and food services industry because of the post COVID-19 pandemic recovery.

Occupations in demand vary significantly across each industry, though some appear in more than one industry, such as sales assistants (general), truck drivers, storepersons, metal fitters and machinists, and software and applications programmers.

	Employment (2023)	New workers expected (2026)	Occupations in demand (top five)
 Health care and social assistance	520,100	83,300	Ageing and disability carers, registered nurses, nursing support and personal care workers, general clerks, early childhood educators/child carers
 Education and training	309,700	46,400	University lecturers and tutors, primary school teachers, secondary school teachers, education aides, vocational education teachers
 Professional, scientific and technical services	356,500	35,000	Software and applications programmers, solicitors, management and organisation analysts, accountants, information and communication technology managers
 Accommodation and food services	216,200	32,300	Waiters, kitchenhands, chefs, bar attendants and baristas, sales assistants (general)
 Manufacturing	265,300	24,800	Production managers, manufacturers, storepersons, metal fitters and machinists, food and drink factory workers
 Transport, postal and warehousing	186,200	22,700	Truck drivers, delivery drivers, automobile drivers, storepersons, bus and coach drivers
 Public administration and safety	197,800	18,000	General clerks, police, security officers and guards, intelligence and policy analysts, prison officers
 Construction	335,200	17,400	Construction managers, electricians, plumbers, painting trades workers, carpenters and joiners
 Retail trade	335,300	11,700	Sales assistants (general), storepersons, retail managers, delivery drivers, pharmacists
 Financial and insurance services	163,700	10,500	General clerks, management and organisation analysts, financial investment advisers and managers, software and applications programmers, credit and loans officers

	Employment (2023)	New workers expected (2026)	Occupations in demand (top five)
 Administrative and support services	110,300	10,000	Commercial cleaners, domestic cleaners, gardeners, general clerks, human resource professionals
 Wholesale trade	108,800	8,300	Storepersons, importers, exporters and wholesalers, delivery drivers, advertising, public relations and sales managers, general clerks
 Other services	123,900	6,500	Motor mechanics, beauty therapists, general clerks, ministers of religion, metal fitters and machinists
 Rental, hiring and real estate services	57,700	5,800	Real estate sales agents, land economists and valuers, general clerks, other hospitality, retail and service managers, accountants
 Arts and recreation services	66,100	5,700	Sports coaches, instructors and officials, visual arts and crafts professionals, music professionals, general clerks, other specialist managers
 Agriculture, forestry and fishing	76,200	5,600	Livestock farmers, crop farmers, mixed crop and livestock farmers, crop farm workers, livestock farm workers
 Information media and telecommunications	56,400	4,000	Film, television, radio and stage directors, librarians, telecommunications engineering professionals, artistic directors, and media producers and presenters, information and communication technology managers.
 Electricity, gas, water and waste services	40,900	3,600	Truck drivers, electrical engineers, other specialist managers, electricians, general clerks
 Mining	8,600	700	Drillers, miners and shot firers, metal fitters and machinists, production managers, mining engineers, truck drivers
 All industries	3,534,900	352,300	Ageing and disability carers, general clerks, registered nurses, sales assistants (general), software and applications programmers



Note: Occupations in demand are the top 5 ANZSCO 4 occupations in each industry that are expected to have the highest number of new workers expected between 2023 and 2026. For a more complete list of occupations in demand for each industry, see the Employment Forecast Dashboard. New workers expected represents employment growth plus workers needed to replace retirements. New workers expected for the clean economy will be dispersed across multiple industries, including Electricity, gas, water and waste services, Construction (for new renewable energy generation for example) and Manufacturing (for manufacturing electric vehicles for example). The numbers above do not fully reflect the effects of the staged pre-prep rollout as part of the Best Start Best Life reforms commencing in 2025.

Figure 12: New workers expected by industry and occupations most in demand, 2023 to 2026.
Source: VSA.

In May 2023

Metropolitan Melbourne accounted for:

2.8 million workers
76% of Victoria's employment

77,000 jobs
created in the past 12 months

4.1% unemployment rate
higher than 3.1% for regional Victoria

69.5% labour force participation rate

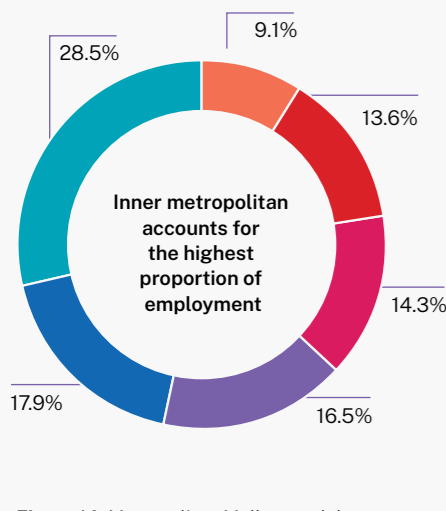


Figure 14: Metropolitan Melbourne labour market statistics, May 2023.

The strong labour market in metropolitan Melbourne is expected to continue

An estimated 277,000 new workers are expected in metropolitan Melbourne by 2026. Around two-thirds of new workers expected (180,500) will require higher-order skills.

Across industries in metropolitan Melbourne, health care and social assistance (60,700), education and training (39,300) and professional, scientific and technical services (31,600) are expecting the highest number of new workers by 2026.

Across all metropolitan regions, professionals are the most common occupation group. Ageing and disability carers, general clerks and registered nurses are among the five jobs most in demand.

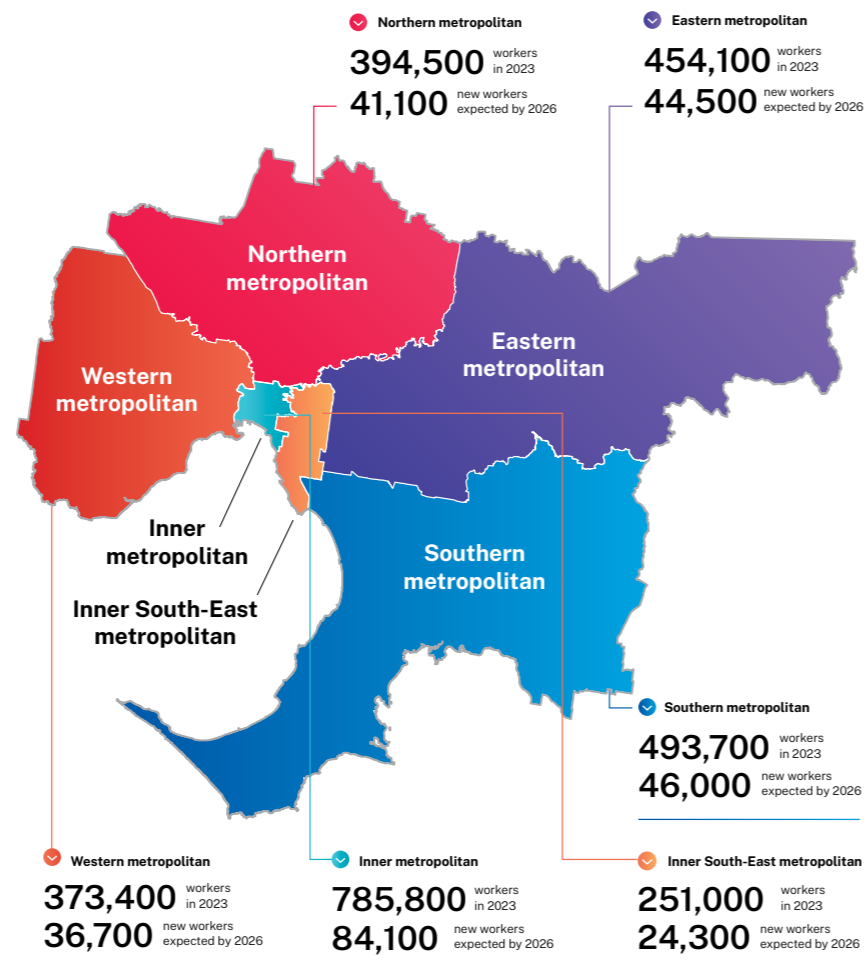
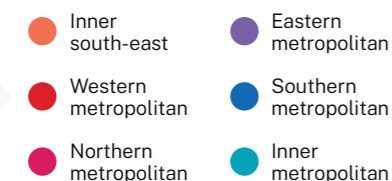


Figure 13: New workers expected in metropolitan Melbourne, 2023 to 2026.³⁵

Demand for workers in regional Victoria remains strong

More than 75,000 new workers are expected in regional Victoria by 2026, 60.7% of whom will require higher-order skills.

Barwon, Central Highlands, Gippsland and Loddon Campaspe regions are forecast to account for around two-thirds of the new workers expected.

Across regional Victoria, health care and social assistance, accommodation and food services, and education and training are forecast to need the highest number of new workers by 2026 – 22,600, 8,900 and 7,100 workers respectively.

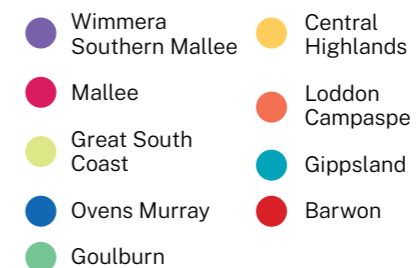
In all regions, health care and social assistance account for the highest proportion of new workers expected by 2026. However, there are region-specific growth industries. For example, a relatively higher proportion of new workers is expected in agriculture in Great South Coast, Wimmera Southern Mallee and Mallee regions; education and training in Barwon and Central Highlands regions; accommodation and food services in Ovens Murray; and construction in Barwon, Central Highlands and Goulburn regions.

Ageing and disability carers, registered nurses and general clerks are in the top five occupations in demand across all regional areas. Livestock farmers are also in the top five occupations in demand for five of the nine regions: Gippsland, Great South Coast, Loddon Campaspe, Mallee, and Wimmera Southern Mallee.

Regional Victoria is well-placed to benefit from the state's transition to renewable energy. The transition is anticipated to increase gross state product by \$9.5 billion and create 59,000 jobs – including 6,000 trainees and apprenticeships in solar, wind and emerging energy industries.³⁶ The SEC, together with the \$480 million investment from the *Renewable Energy Zone Fund*,³⁷ will also contribute to employment growth in regional Victoria. The Latrobe Valley currently hosts the headquarters of Solar Victoria and will become the home of the SEC.

The impact and opportunities of the transition will differ across regional Victoria, depending on suitability of project sites, the available local industry and skilled workers and the buy-in of the community.³⁸

Victoria's regional TAFE Network providers are anchor institutions for education and training in their region and are key players in supporting regional development, including in manufacturing and building and construction which will need to grow to support energy and other infrastructure. TAFE Network providers also train people in industries which service a growing population, such as education, health and hospitality.



In May 2023

Regional Victoria accounted for:

850,000 workers
24% of Victoria's employment

62,000 jobs
created in the past 12 months

3.1% unemployment rate
lower than 4.1% for metropolitan Melbourne

63.1% labour force participation rate

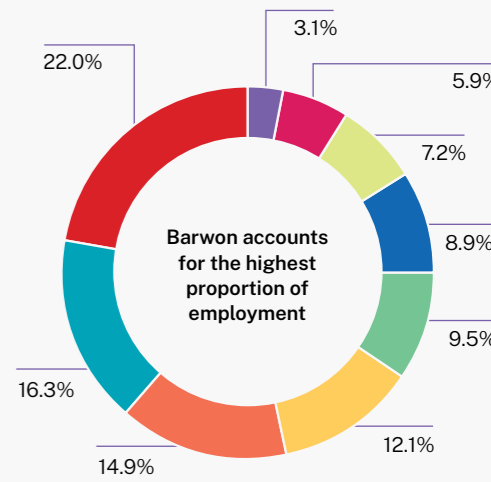


Figure 15: Regional Victoria labour market statistics, May 2023.

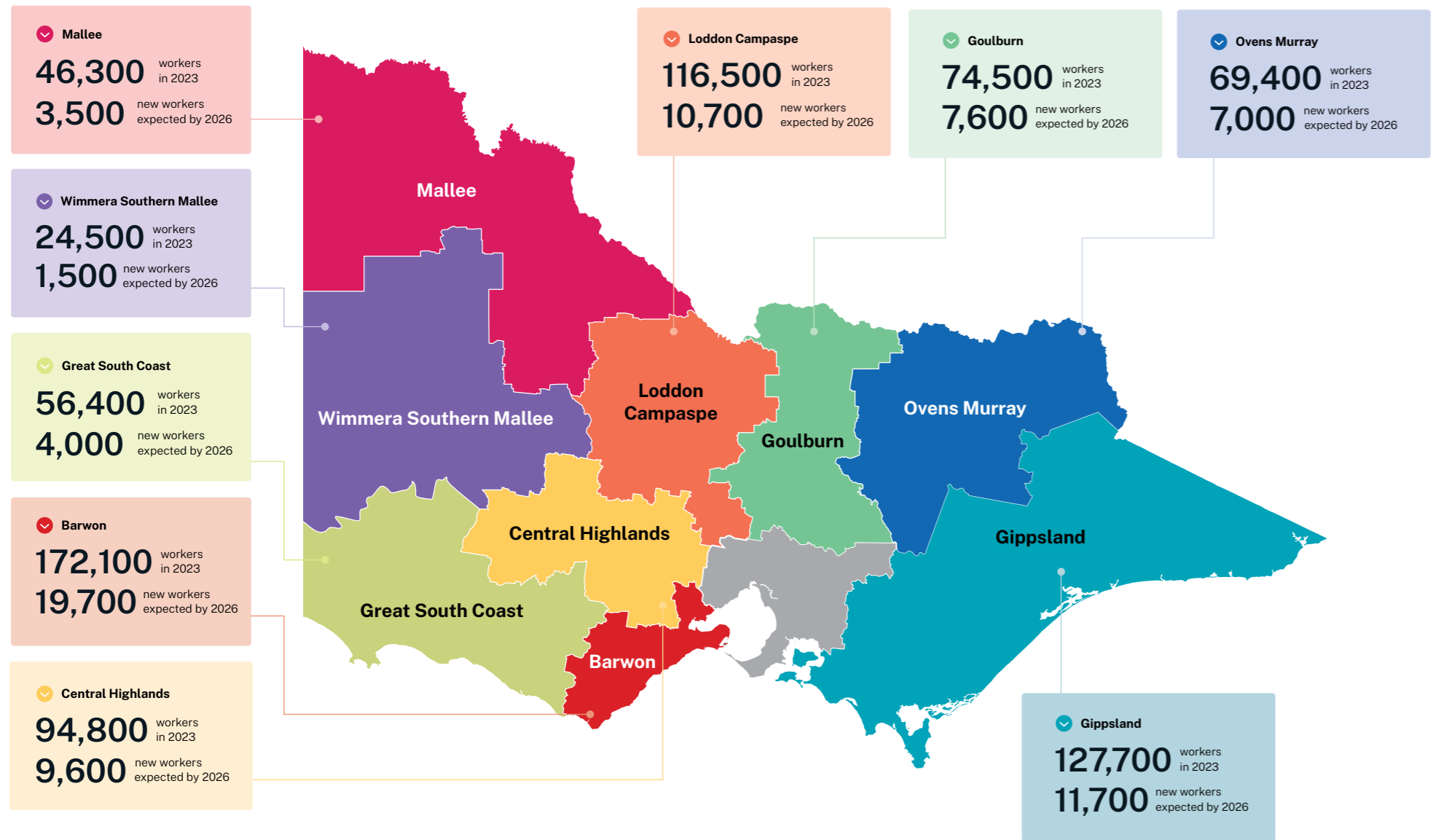


Figure 16: New workers expected in regional Victoria, 2023 to 2026.³⁵



Regional Skills Taskforces and Regional Skills Demand Profiles

To support regional skills and training initiatives, the VSA convened Regional Skills Taskforces to develop seven *Regional Skills Demand Profiles*.

The profiles gather local insights and intelligence on skill demand pressures, future industry skills and training needs, and priority growth sectors within specific regions of Victoria.

Along with the *Victorian Skills Plan*, these profiles inform the Victorian Government's investments for vocational education and skills development in the regions. The profiles can be accessed at skillsauthority.vic.gov.au

Developing transferable skills to promote job mobility and meet Victoria's workforce needs

Transferable skills allow workers to take up new job opportunities and meet the changing needs of the economy.

The capacity for workers to move between good jobs is an attribute of healthy workforces — whether in an organisation, an industry or economy-wide. The sharp increase in the proportion of employed Victorians who changed jobs over the past year reflects a strengthening labour market.

Job mobility also underpins the efficient operation of the labour market and improves productivity by allowing for better job matching to fit the preferences and skills of workers.³⁹

In general, opportunity to change jobs favours those with strongly recognised skills such as professions and trades or deep experience and expertise in a field. Even though digitisation is changing many roles, the higher level of learning involved in entry to these job roles opens up other related roles.

There is less insurance of this type for people with lower levels of learning or those with formal skills tightly prescribed to an occupation. Adjustments within industries can leave workers at a disadvantage and often in need of support to transition to new work.

Increased participation in further education and training is still a strong foundation for a healthy Victorian workforce. At the same time, it is important that workers trained through the VET sector are prepared for changes in work and industries and have the transferable skills and broader learning that support mobility throughout a career.

Vocational education needs to develop knowledge and skills that are relevant today and transferable to the jobs of the future.

Over the year to February 2023 9.2% of employed Victorians (327,800) changed jobs. This is above pre-pandemic trends.

Of those that changed jobs around:

1/2 changed industry **+** **3 in 10** changed occupation

Source: ABS, Job mobility, February 2023.

An inclusive VET system meets the motivations and aspirations of learners

Victoria's diversity is one of its greatest strengths, making it a great place to live and work.

For Victoria to get the most out of its skills and training sector, VET needs to be inclusive and accessible to all Victorians. Strong starts have been made through initiatives encouraging women's participation in trades and construction, but there is always more to do. All learners have the right for their unique circumstances and aspirations to be accepted.

Learners engaged in education and training acquire knowledge and skills far beyond competency. Success generates success – skilled and knowledgeable graduates power workplaces and productivity.

Victoria has well-established mechanisms for listening to its learners that can be enhanced. Through an annual survey, the VSA listens to learners sharing their experiences at the end of their study. There is a compelling case for stronger student engagement that goes beyond surveys

to gather the views of prospective and current learners to ascertain their needs and aspirations. The resulting data can inform course design, delivery and assessment to ensure learner perspectives are accommodated, thereby improving attraction and retention. Scotland, for example, balances learner and industry needs by ensuring students' voice is an input to curriculum, services and policy for school and post-secondary education. The Australian Universities Accord interim report also highlighted that students require a stronger voice in governance and decision-making to hold institutions to account and to generate improvement.



Rebecca Hope | Trainee of the Year Winner
Victorian Training Awards 2023
Rebecca is thriving with autism, and is a guiding light for disability awareness.

Promoting VET pathways that suit the needs of learners

More than one-third of jobs in 2026 will require skills aligned to VET qualifications.

Current estimates of jobs requiring preparation through vocational education do not include the full extent of the new jobs for the energy transformation targets.

Manufacturing and construction jobs for renewable energy generation and distribution to meet the 95% renewable energy target in 2035 will increase demand significantly. VET enrolments have stabilised, but are still significantly lower than 10 years ago. Increasing participation in full VET qualifications, for renewables plus other growing industries, is the priority for Victoria.

Building understanding in the community of career trajectories from vocational education is challenging. One survey of young Australians found that 77% had a well-rounded understanding of university but only 53% had an understanding of TAFE and 31% of VET.⁴⁰

A recent learner survey found that 63% of students aspire to jobs requiring a university degree, while only 27% aspire to jobs which require a certificate.⁴¹ This shows there is more work needed to change attitudes to vocational education.

Achieving equal standing between higher education and vocational education in the minds of Australians has been a long-term goal for skills ministers, and is also featuring in discussions of the Australian Universities Accord: 'These systems (VET and higher education) both provide essential skills and knowledge in their own right and the Review is exploring whether these systems should be equally valued in funding, regulatory and policy settings.'⁴²

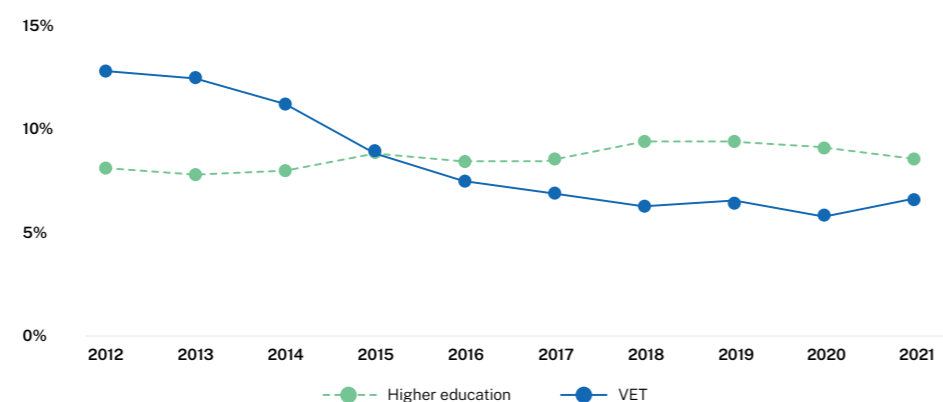


Figure 17: Trends in the student participation rate in higher education and government-funded VET for 15-64 year olds, Victoria, 2012-2021.

Source: ABS, Census, various; ABS, Education and work, May 2022; NCVET, Historical time series of government-funded vocational education and training in Australia, 2012 to 2021.

Prospective students should be able to choose an education and training pathway suited to their learning preferences that opens options for success as they see it. The value of vocational education qualification needs to be enhanced in terms of securing good jobs and satisfying work which can be a springboard to more learning and better jobs.

This highlights the importance of better understanding the needs and aspirations of learners as a key strategy for assessing the value they see in VET qualifications.

The potential changes to the VET qualification system are underway through skills ministers. This provides the opening to enhance qualifications to resonate with student aspirations for learning that leads to broader education and employment outcomes.

This would also support greater movement of skilled persons within businesses and across the economy and build the resilience of the workforce to restructuring of work.

Career aspirations, choice and participation in post-secondary education

Existing level of education and skills	Available supports	Time, cost and accessibility of education and training
Learners' personal attributes, interests and desired learning and employment outcomes	Influencers (for example, parents, peers, media, career counsellors)	Understanding views of and access to learning and employment pathways

Figure 18: Many factors influence the career aspirations of learners and the qualifications they choose.



Recommendations

Through enhanced engagement with learners,

- provide a stronger voice into education and training reforms
- understand their needs and aspirations and identify opportunities to improve post-secondary education participation, delivery and completion.

Work with the Department of Education to enhance connections of school-aged learners with employers and industry and channel advice on industry trends to inform vocational learning priorities in the VCE including the VCE Vocational Major and Victorian Pathways Certificate.

Collaborate with the National Centre for Vocational Education Research to better understand the vocational education journey of different learner cohorts as well as their learning outcomes.

Pursuing VET qualifications redesign

Increasingly, the economy needs workers with higher-order and transferable skills.

Higher-order skills in demand across the workforce call for deeper learning and skills acquisition and need to be supported by new forms of vocational education and VET qualifications.

National training arrangements for the last three decades have been effective in codifying via competencies the requirements of over 80% of Australian occupations. This has been comprehensive and, in some regards, complete. For example, more than 16,000 units of competency operate within the funded VET system in Victoria.⁴³

The one-size competency-based approach and associated regulation across VET struggles to cater for the broader equity and social purposes often called upon through the VET sector. With an increased focus on lifting the education capital of more Australians through foundation learning in literacy, numeracy and basic digital capabilities, nuanced approaches are needed.

The approach to how these competencies are packaged up for delivery in the context of an occupation along with their specification of skill make them appropriate for some occupations but not for others. At a national level, over half of these national units of competency available for funding are not used. As a result, the National Qualifications Reform processes currently underway are specifically reviewing this issue to reduce duplication and make the VET system easier to understand and navigate for learners, employers and training providers. Employers also call for micro-credentials in response to what they see as skills needs not available in VET.

VET faces new demand pressures, such as higher-level skills for initial vocational education, lifting participation for people in need of foundation and work skills, transferable skills to build workforce mobility, and greater alignment in learning recognition between VET and higher education to smooth credit and

progression in learning to build career options. These changes place new requirements on VET qualifications. High levels of prescription tied to an occupation stifle flexibility and innovation in supporting the skills needs of employers. Skills framed for the needs of only one industry limits their recognition across others and dampens the movement of workers. This needs to be balanced with the needs of specialisations (entailing deep knowledge) which is a feature of advancing industries.

A greater focus on the transferability of skills will assist in the delivery of local responses to local skills challenges. Stakeholders note that having broader qualifications which deliver transferable skills across sectors will increase engagement of learners and open up more job opportunities in industries. This is particularly critical in regional areas.

Australian skills ministers are exploring new approaches to VET qualifications. The mix of industry-specific, transferable and core (capability) skills is an important design consideration, as are the needs of learners. An industry qualification which defines technical skills narrowly limits the number of providers to deliver the course (due

to cost to delivery ratios), as well as candidates and new entrants to the industry. Equally, if the focus on technical skills ignores the learning needs and life circumstances of learners, both employers and learners miss out.

In this context, micro-credentials can be harnessed to complement entry level vocational education, especially for up-skilling existing workers.



Recommendations

Through skills ministers' work on VET qualification redesign, explore options to streamline the number of units of competency and advocate for VET qualifications to better reflect the aspirations of learners, and transferable skills to support wider career options.

Trial new approaches to designing VET qualifications through local accreditation arrangements.

2021 ABS Census

Victoria is home to

65,400

First Nations peoples

49%

of First Nations peoples reside in regional Victoria

compared to 24% for non-Aboriginal Victorians

Median age

for First Nations peoples is

24

years compared to 38 years for non-Aboriginal Victorians

18%

of First Nations peoples are aged between 15 and 24 years

compared to 12% for non-Aboriginal Victorians

Empowering self-determination for First Nations peoples

Education and training can play a crucial role in reconciliation and self-determination for First Nations peoples.⁴⁴

Reconciliation should be seen as a journey, not a destination. It involves strengthening relationships between First Nations peoples and non-Aboriginal people for the benefit of all Australians.

Treaty negotiations present significant opportunities for First Nations peoples to advance self-determination to make decisions that affect their communities, culture and Country.

While more First Nations peoples are working, more are unemployed and fewer participate in the workforce compared to non-Aboriginal Victorian workers (9.6% compared to 5% and 58.5% compared to 65.3% respectively).⁴⁵



Figure 19: Labour force participation rate for First Nations peoples, 2011-2021
Source: ABS, Census, various.



VET training co-design leads to better outcomes for First Nations peoples



For several years, the Australian Centre for Career Education (ACCE) had difficulty retaining First Nations learners, many of whom gave feedback that course delivery and content were barriers to engagement.

To address this problem, ACCE applied for a *Regional and Specialist Training Fund (RSTF)* grant in 2021 to pilot an innovative approach to VET training for the Graduate Certificate in Career Development Practice which used a First Nations knowledge system of delivery predicated on self-determination.

The training empowered the learners to become career practitioners so they could develop and deliver services to their communities.

The grant provided funding for continued customisation, consultancy and delivery for up to 10 places for First Nations learners. The first group of learners completed their training in March 2023.

With the support and guidance of First Nations consultants, such as Aunty Carol Harrison, ACCE has facilitated program

delivery by First Nations teachers to First Nations learners in the postgraduate program.

This unique model demonstrates how a culturally appropriate, co-designed approach to vocational learning can significantly improve learner outcomes. Although more can be done, it also reflects the value of programs like the RSTF in building career development capacity within First Nations communities.

The engagement between Victorian First Nations communities and Victoria's education systems is long standing.

The *Marrung Aboriginal Education Plan 2016-2026*⁴⁶ sets the vision and actions for all First Nations peoples to achieve their learning aspirations and to close the gap in education outcomes. This includes actions to support the successful transition of First Nations learners into further education and employment, the availability of opportunities for First Nations peoples to access education at all stages of life, 25% more Year 9 students reaching the highest levels of achievement in reading and maths, and halving the numbers leaving school early.

Marrung has been the springboard for deploying:

- Koorie liaison and student support officers in TAFE to assist in First Nations learners becoming successful
- Wurreeker Brokers to facilitate community engagement with training providers and industry and identify employment trends and related opportunities.

The government also provides additional subsidies and concessions to assist providers in delivering VET to First Nations peoples and through the *Reconnect Program*, First Nations learners are empowered to overcome skilling and employment barriers. Education and training play a pivotal role in supporting the goals and aspirations of Victoria's Traditional Owner Groups.

Self-determination acknowledges that First Nations peoples hold the knowledge and expertise about what is best for themselves, their families and their communities.

Structural barriers remain, such as lower literacy and numeracy levels and socio-economic status, as well as poorer health and wellbeing. Intergenerational education and economic disadvantage limit success.

Stakeholders say that inclusion and better representation are required to encourage people to take up skilling as a pathway to employment.

More needs to be done to increase the representation of First Nations peoples in tertiary qualification attainment and increase their participation in VET. Currently, 41.4% have a Certificate III or higher, compared to 53.5% of non-Aboriginal Victorians.⁴⁷

A stronger education and training system that is open to listening, engaging and adjusting to needs will deliver real benefits to First Nations learners.



The Gordon's Kitjarra Centre supporting First Nations learners to thrive



The Kitjarra Centre, which was officially opened in 2021, houses The Gordon's Aboriginal Education Unit and is an important part of the Victorian Government's *Marrung Aboriginal Education Plan 2016-2026*.

The centre is a culturally safe and welcoming environment for the local First Nations community designed to help students engage in training and build their confidence in their VET studies that ultimately increase career options.

The centre helps First Nations peoples aged between 15 and 17 to undertake the Certificate I, II or III in Mumgu-dahl tyama-tiyt message stick of knowledge — so they understand their identity and develop the literacy, numeracy, confidence, goal setting and vocational skills they need to be ready for work.



Empowering self-determination

The VSA engaged with First Nations peoples in the preparation of this Skills Plan to understand how best to support First Nations learners to engage in training and employment. Ongoing consultation will foster collaboration and partnership between the VSA and First Nations peoples and communities and build the capability of the skills sector to empower Aboriginal self-determination.

First Nations peoples stressed the importance of a strengths-based approach in developing programs and initiatives, as it acknowledges the resilience and strength of the First Nations peoples, their cultures and communities. Cultural safety, free from prejudice, must be seen as the bedrock of VET.

They also highlighted that the one-size-fits-all approach in learning lacks cultural awareness and runs counter to inclusion principles. Engagement and exposure to community role models can create the right environment to attract more First Nations peoples into education and training and to increase completion rates.

Of more significance is supporting self-determination. Consultations for this plan reinforced that First Nations communities are best placed to understand the issues and develop effective solutions. It may mean regular VET pathways are chosen but it is critical that VET in Victoria facilitates other approaches determined by communities.

The Victorian Government also has the *Yuma Yirramboi Strategy (Invest in Tomorrow)*⁴⁸, which brings together all First Nations employment initiatives to support wealth creation and achieve economic parity. The strategy helps First Nations peoples by creating a supportive environment, opening employment and business opportunities, and supporting delivery of existing government policies and initiatives.

The Victorian TAFE Network is embedding self-determination principles as part of its ongoing priorities. The *2023 TAFE Network Statement of Priorities* highlights the Network's role in delivering training with cultural safety, empowering Aboriginal self-determination, and being a culturally safe employer for First Nations peoples.

DJSIR is encouraging training providers to consider their contribution to empowering First Nations peoples through their programs.

The ACFE Board is developing protocols in the design and delivery of pre-accredited training and other ACFE programs for Koorie learners and their communities based on, and developed through, a self-determination approach.



Recommendations

Using self-determination as a guiding principle and ensuring alignment with Victoria's Treaty process, the Department of Jobs, Skills, Industry and Regions implements changes in vocational education programs to reflect cultural inclusion and include First Nations knowledge systems, where relevant.

Work with training providers to embed practices that foster a culturally safe learning environment for First Nations learners.

Encourage training providers to increase the diversity of their workforce to enable a strong First Nations peoples voice in decision making.



Reclaiming First Nations languages through VET



An inclusive skills sector is one that creates a sense of belonging and allows everyone to thrive and reach their potential.

The Victorian Government is committed to the learning and use of First Nations languages and supports reclaiming and reviving of First Nations languages. Funded programs include the new certificates II and III in Learning an Australian First Nations language.⁴⁹

The *Victorian Budget 2022/23* invested \$2.8 million to deliver

a new Certificate IV in Teaching an Australian First Nations language and built a team of specialist teachers to revive language on Country and in classrooms and kindergartens.⁵⁰

This builds on the pilot course Certificate IV in Teaching an Endangered Aboriginal Language Course at Swinburne University of Technology, which was developed with First Nations groups and led by linguistic expert and Taungurung Elder Aunty Lee Healy.

Yoorrook Justice Commission



The Yoorrook Justice Commission (Yoorrook) is the first formal truth-telling process into historical and ongoing injustices experienced by First Nations peoples in Victoria since colonisation.

Yoorrook is:

- establishing an official record of the impact of colonisation on First Nations peoples in Victoria
- developing a shared understanding among all Victorians of the impact of colonisation, as well as the

diversity, strength and resilience of First Nations peoples' cultures

- making recommendations for healing, system reform and practical changes to laws, policy and education, as well as to matters to be included in future treaties.

The Yoorrook Justice Commission's inquiry into the education system in 2024 will provide an opportunity for the State to learn more deeply about the systemic barriers, whilst pointing to self-determined strategies that may go towards ameliorating them.

Artwork: Dixon Patten, Yorta Yorta, and Gunnai.

Improving opportunities for Victorians with disability

The vision for Victoria is an inclusive, accessible and safe place that upholds the rights of Victorians with disability, celebrates their diversity and pride, and expands their opportunities to belong and to control their lives.⁵¹

Around 17% of Victorians live with a disability.⁵² While Victorians with disability should have the same opportunities as all Victorians, this is not always the case.

Victorians with disability are more likely to be unemployed and less likely to be part of the labour force. Health issues, difficulties accessing reasonable adjustments at work and discrimination from employers are some of the reasons that account for the difference.

Getting more Victorians with disability to participate in the labour market will yield significant benefits. Currently, unemployment rates are higher for working age Victorians with disability (12.2% compared to 4.5% for other Victorians)⁵³ and the proportion of Victorians with disability employed or actively looking for employment needs to be higher. The cost of these exclusions is estimated to be \$14 billion annually at the national level.⁵⁴

The Government is committed to increasing the proportion of learners with disability participating in VET. This includes improving their completion rate, experience during training and outcomes after training.

Disabilities alone do not disadvantage learners from participating in skilling and employment. Lack of streamlined pathways for learners, failure to provide reasonable adjustments and insufficient tailored supports lead to Victorians with disability feeling disengaged, undervalued and limit their access to skilling and employment.⁵⁵

Importantly, tertiary education helps to improve employment outcomes for Victorians with disability.



Adrian's success in securing work with the help of Disability Employment Services



Learning difficulties made it challenging for Adrian to grasp tasks and find employment. He undertook the *Stepping Forward For Work Program* at Westgate Community Initiatives Group's Disability Employment Services, which focuses on the needs of the long-term unemployed with mental or physical health barriers.

Adrian was reserved and unsure of himself and his abilities, but hopeful and willing to learn. His unwavering determination saw him arrive to class

early and stay late to complete tasks. After several weeks of striving hard to focus and learn, he was able to plan and write a resume and cover letter, and he gained the confidence to further his quest for employment. Such was his success that he went on to guide other struggling learners.

Adrian's goal of full-time employment became a reality when he secured an apprenticeship in horticulture. He loves his job and is committed to sticking to it.

Under both Victorian and Australian legislation (*Equal Opportunity Act 2010 (Vic)* and the *Disability Discrimination Act 1992 (Cth)*) and associated standards (*Disability Standards for Education 2005 (Cth)* and *Standards for Registered Training Organisations 2015 (Cth)*), education providers must make reasonable adjustments to enable learners with disability to participate in education and training on the same basis as learners without disability.

It is important that VET providers are aware of these obligations and have a good understanding about how to make adjustments to support learners with disabilities.⁵⁶



Breaking down barriers for Victorians with disability

Key skilling and employment initiatives from the Victorian Government include the formation of the Victorian Disability Advisory Council,⁵⁷ which plays a key role in advising on the implementation of the *Inclusive Victoria: State Disability Plan (2022-2026)*.⁵⁸

The disability plan is the government's strategy for improving employment outcomes and working conditions for people with disability by ensuring everyone has access to mainstream education that is accessible, inclusive and linked to employment outcomes. By delivering a TAFE Disability Inclusion Strategy, the government will improve disability inclusion and support access and achievement for all learners, ensuring that learners with disability have the resources necessary to make informed pathway decisions.

Giving VET practitioners the required knowledge and tools to support learners with disability is important. To do so, the VET Development Centre delivers a range of professional learning workshops and webinars on teaching and learning strategies for a range of disabilities (such as notetaking for learners who are deaf or hard of hearing, and addressing specific learning differences in the classroom).

Through the TAFE Services Fund, the Victorian TAFE Network delivers a variety of services, including those aimed at supporting access, participation and completion into vocational education for priority cohorts such as learners with disability.

The government has also committed \$7.3 million over four years to employ disability transition officers across the Victorian TAFE Network.⁵⁹ The officers help learners with disability and additional needs access and transition more effectively into post-secondary education.

Free TAFE has been successful in removing financial barriers to training and giving learners with disability the confidence to take up education and training, or to re-engage. Since 2019, 13,371 learners with disability have commenced a Free TAFE course.⁶⁰

A Centre of Excellence to support disability outcomes is being set up at The Gordon in Geelong, as part of the Building Better TAFE Fund. The centre will showcase leading education and inclusion practices and support employers to build their inclusion approaches for people with disability. The centre's work will be taken up across the Victorian TAFE Network and inform VET practice more generally.

There is an opportunity to progress the government's commitments in its recent inquiries into disability (such as the Inquiry into access to TAFE for learners with disability), Royal Commissions into Mental Health and Family Violence, and the *Inclusive Victoria: State Disability Plan*

(2022-2026) to improve support for people with disability.

Specific and tailored supports for learners with disability will enable them to participate in training more effectively.



Recommendations

The Department of Jobs, Skills, Industry and Regions review the range of supports available for learners with disability across the Vocational Education and Training sector and identify opportunities for improvement.

The Office of TAFE Coordination and Delivery works with the Victorian TAFE Network to set new accessibility and outcome standards for learners with disability.

Skills and Jobs Centres support Victorians with disability to access their services by developing targeted resources.

Preparing VET for the jobs of tomorrow

To be effective in work, the employee of the future requires more than technical skills. Many of the skills employers search for in candidates are characterised as soft employability skills. Globally, these skills are categorised as capabilities – the personal attributes and innate ability of the individual.⁶¹

The International Labor Organisation (ILO), in assessing global and country frameworks across the developed and developing world, has defined capabilities as a set of core skills that sit alongside technical skills. Individuals require both if they are to succeed in work and life.

The core skills are social and emotional, cognitive and metacognitive (that is, the ability to develop an awareness and understanding of their own thought processes), basic digital skills and basic skills for clean economy jobs, and they characterise what employers express in job advertisements, across occupations and different levels of jobs.

Analysis of job advertisements in Victoria place communication as the most sought after core skill, followed by planning and teamwork or collaboration.

As digital technology fundamentally changes the way Victorians live and work,⁶² employers are also increasingly seeking workers with the right level of digital skills for the job.

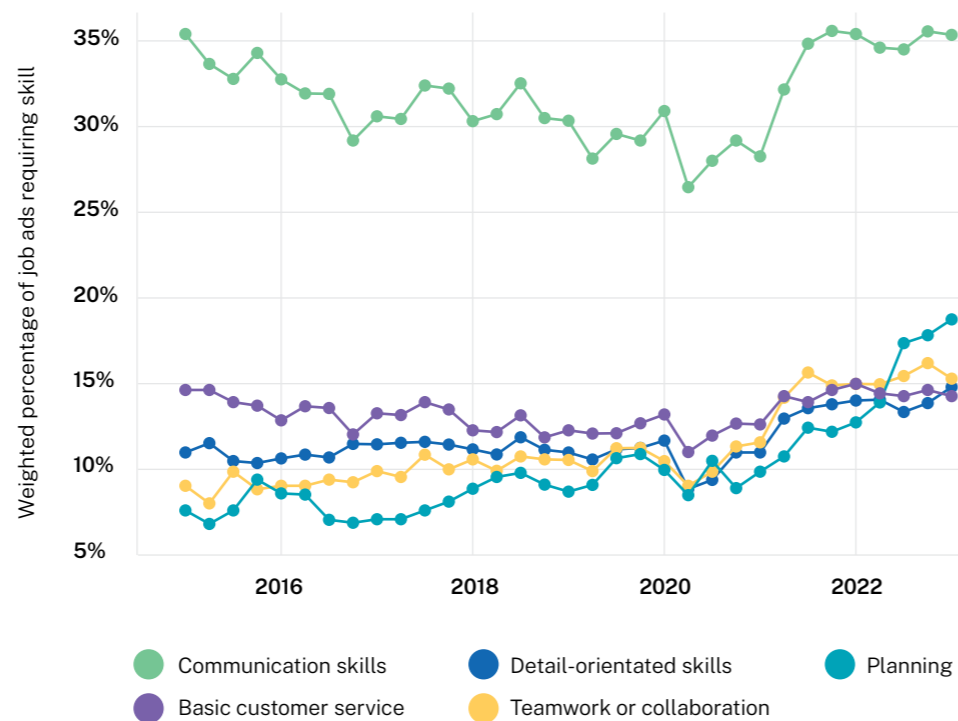


Figure 20: Demand for priority skills from 2015 to 2023. Source: VSA analysis of LightCast online job vacancy data, Q1 2015 to Q1 2023.

Top 10 requested core skills in Victoria for 2023

- Communication skills
- Planning
- Teamwork or collaboration
- Detail-orientated
- Building relationships
- Organisational skills
- Problem solving
- Effective relationships
- Time management
- Digital literacy

ILO Global Framework for core skills

<p>Social and emotional skills</p> <ul style="list-style-type: none"> Communication Collaboration and teamwork Conflict resolution and negotiation Emotional intelligence 	<p>Cognitive and metacognitive skills</p> <ul style="list-style-type: none"> Foundational literacies Analytical and critical thinking Creative and innovative thinking Strategic thinking Problem solving and decision making Self-reflection and learning to learn Collect, organise and analyse information Planning and organising Career management
<p>Basic skills for clean economy jobs</p> <ul style="list-style-type: none"> Environmental awareness Waste reduction and waste management Energy and water efficiency 	<p>Basic digital skills</p> <ul style="list-style-type: none"> Use basic hardware Use basic software Operate safely in an online environment

The question remains of whether a worker acquires their capabilities through formal teaching and assessment. These capabilities may also result from a combination of a worker's core attributes, knowledge and technical skills, aided by an inclusive and facilitative workplace that gives them the confidence to operate collaboratively.

With collaboration increasing as a key feature of workplaces, the issue warrants investigation, especially for traditional vocational education with its heavy focus on demonstration of technical skills.

For VET training to continue to be responsive to the needs of the economy and equip learners with the skills to bolster their career prospects, consideration needs to be placed on vocational education that fosters and develops technical and core skills.

Demand for technical skills – industry specific skills that are unique to a task or that primarily occur within a subset of occupations – is also changing over time. Time taken to develop these technical skills varies considerably and can occur either on the job or through formal training. The ILO Global

framework provides a global reference point for considering the place of capability development within vocational education. The learner voice will also provide a critical perspective.

These are aspects central to the VSA's task of planning for the future skills which activate learners and power industry with the skills and capabilities they need. They also inform the consideration of VET qualification design underway by skills ministers.



Recommendations

The Victorian Skills Authority continues to lead the work on the future skills needs of Victoria and the implications for designing and delivering post-secondary education and training, in collaboration with Jobs and Skills Australia, the Office of TAFE Coordination and Delivery, the Department of Jobs, Skills, Industry and Regions, and industry, and using the latest data and insights.

An integrated post-secondary school system delivers the knowledge and skills Victoria needs

Increasingly, successful careers depend on higher levels of knowledge and skills. The dichotomy of either vocational education or higher education does not reflect the realities of the workforce or the society the sectors serve.

The challenge is twofold. Employers are increasingly seeking VET-prepared workers with a broader set of capabilities and transferable skills, like critical thinking. At the same time, employers respect the knowledge level of university graduates but are seeking additional technical and applied skills from them.

Many employers need workers with knowledge and skills that blend vocational and higher education learnings.

However, the fundamental differences of approach between vocational education and higher education in learning and recognition philosophies hinders learning progression and career advancement. The cumbersome processes to obtain recognition and credit between sectors act as an unnecessary barrier for people seeking to advance their careers.

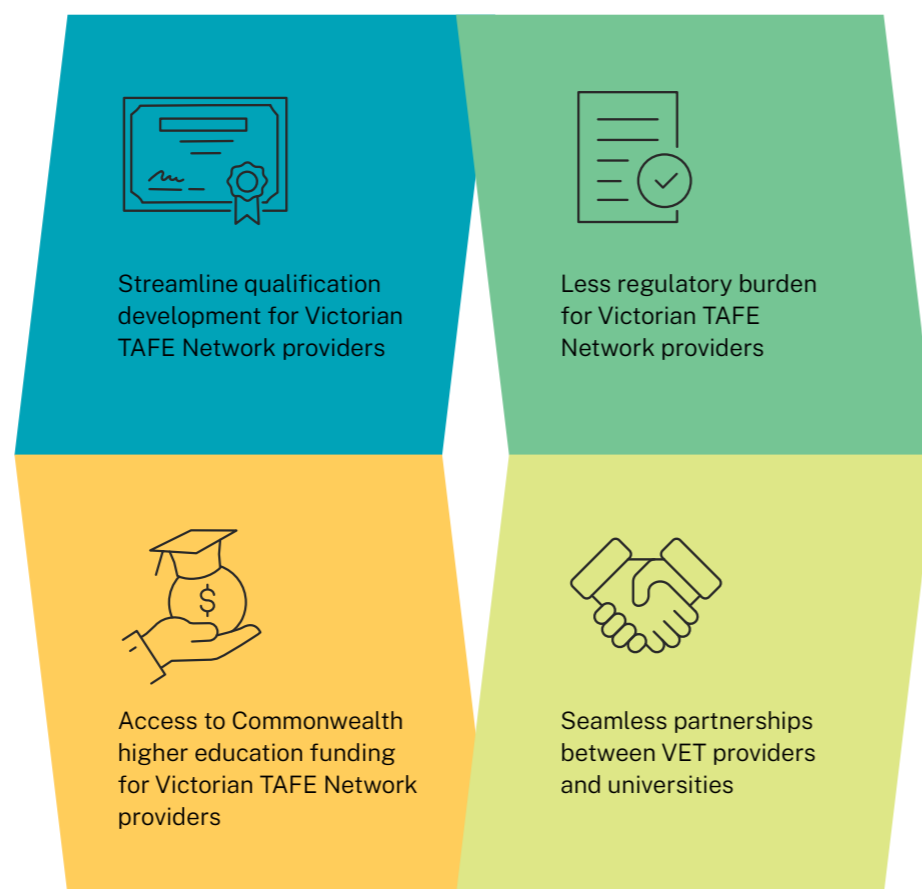
There are instances of strong connection and collaboration, but the priority is for this to be systemic.

Qualifications that blend the best of both sectors — the technical competence and applied skills of the VET sector and the knowledge generation and transfer and analytical capabilities of higher education — will be highly valued. This includes a system that also makes it easy for higher education graduates to top up their qualifications with job-specific skills acquired through VET.

For industry, this means a modern worker who possesses the desired blend of conceptual knowledge and practical skills. For the workforce, this opens possibilities for more job opportunities and mobility of skilled workers that characterises healthy labour markets.

The *Victorian Skills Plan 2022* highlighted the importance of a better-connected skills system to drive improved outcomes in skills and outlined several actions in response. These remain, but as the concept of tertiary education is undoubtedly open for discussion across governments, more can be done.

Working towards an integrated post-secondary school system in Victoria



The Australian Universities Accord Panel estimates that by 2050, Australia will require a workforce-wide higher education attainment rate of 55%. The first step is increasing attainment levels for 25-34 year-olds which translates to 1.2 million higher education students in 2035 and 1.8 million by 2050. Compared to 2021, this is a 33% increase in enrolments by 2035 and 55% by 2050.

The Victorian TAFE Network facilitates local access to education opportunities and can contribute substantially to increasing these attainment levels, especially where university capacity for growth is constrained, or in regional areas without universities. Many Victorian TAFE Network providers already offer higher education programs, most in response to industry demand and as structured pathways for VET-prepared workers.

There needs to be less regulatory burden, streamlined qualification development and more partnerships between VET and higher education to enable the Victorian TAFE Network to effectively play a role.



Lessen the regulatory burden

The Victorian Government has advocated to the Australian Government to lessen the regulatory burden for Victorian TAFE Network providers as government entities. With its focus on quality learning outcomes and scholarship, the higher education regulatory model is well suited to the Victorian TAFE Network. The self-assurance model (where training providers have their own systems and practices to monitor, evaluate and improve their learning outcomes and performance against the Standards for Registered Training Organisations) that is being rolled out in the VET sector, including for TAFE Network providers, sets the precondition for one body assuring all TAFE quality education outcomes.

Through self-assurance, the one body can satisfy itself that measures expected of quality VET are in place, in addition to the higher education standards it administers.



Streamline qualification development for TAFE Network providers

Barriers relating to the development and formal recognition of qualifications outside of those offered in training packages (known as accreditation) may impact the ability of VET providers to be responsive and relevant in terms of meeting changing occupational needs, particularly in regional Victoria.

Regulatory changes will bring flexibility to VET providers, so they can quickly create bespoke accredited offerings to meet industry needs as they arise.

Course accreditation has the potential to be more efficient and effective if overseen by the Victorian Government via the Victorian Registration and Qualifications Authority (VRQA) or through a more joined up model of tertiary education oversight.

The implementation of self-accreditation should take into account the capacity and capability of Victorian TAFE Network providers. This applies the recommendation from the *2020 Future skills for Victoria, Driving collaboration and innovation in post-secondary education and training* (the Macklin Review) which calls for a streamlined approach to VET regulation based on the provider's track record of delivering quality education and training, level of maturity, and effectiveness in meeting skills needs, and provides a pathway to self-accreditation for highly regarded institutions.

New principles for accreditation oversight for these areas of learning need to be developed in conjunction with the VRQA.



Access to higher education funding for TAFE Network providers

Where the Victorian TAFE Network acts as an access point to higher education, Commonwealth higher education subsidies for learners should be available. This is particularly pressing for learning that allows priority cohorts to access higher education as well as learning that is local and aligned to the needs of industry. This aligns with the spirit of the learning account proposed by the Universities Accord Panel.

More broadly, funding arrangements should neither be a barrier to course development and delivery for Victorian TAFE Network providers nor a barrier to collaboration between VET and higher education providers.



Secure seamless pathways between sectors

Beyond funding and regulatory arrangements, there is merit in learning from successful partnerships between VET and higher education providers that have created seamless pathways and qualifications to support skills development. More importantly, there needs to be an enabling environment that allows these partnerships and collaborations to become the norm, rather than the exception.



Recommendations

The Office of TAFE Coordination and Delivery considers the development of a proposal for self-accreditation of Victorian TAFE Network providers.

The Department of Jobs, Skills, Industry and Regions, with the Office of TAFE Coordination and Delivery, advocate for a regulatory framework that lessens the burden for Victorian TAFE Network providers and focuses on quality and learning outcomes.

In collaboration with the Office of TAFE Coordination and Delivery, Victorian TAFE Network providers work with universities and institutes of higher education to establish partnerships that recognise the unique value of Vocational Education and Training.

Advocate to the Australian Government for learners to have access to higher education subsidies where the Victorian TAFE Network acts as the access point to higher education.

Clean economy



Australian governments are moving to zero-emissions buses to meet carbon emission targets. Hydrogen fuel cells for buses and heavy vehicles, and their associated refueling infrastructure, are now becoming economically viable. Limited training opportunities exist for fuel cell buses in Australia.

South West TAFE, Deakin University and Federation University are

collaborating on a project to deliver a new set of accredited units critical for the safe operation and maintenance of fuel cell buses, with the aim to develop or curate learning resources and run three pilot groups by the end of 2024. Training will be for employees, drivers and mechanics and designed to be readily adapted for other hydrogen heavy vehicles.



Veterinary



Melbourne Polytechnic, in partnership with La Trobe University and industry, have developed pathways for veterinary para-professionals to work in the veterinary industry.

The Bachelor of Veterinary Nursing is the first veterinary nursing qualification of its kind in Australia.

Students benefit from high levels of clinical skills, training and knowledge, along with extensive placement opportunities. The qualification creates future-ready and highly employable graduates, prepared to make strong and confident starts in their careers.



Embedding applied research in the vocational education model

Applied research can be embedded in high-quality vocational education to bring innovation to businesses and empower workers with new skills. It draws on established research methods to find practical, evidence-based solutions to real-world problems.⁶³

Innovation in production, business processes and work organisation is changing the nature of skills needed for work and to build a career. Victorian universities and research institutions develop world-class research but the challenge of implementation across society and industry remains.

The Victorian VET sector is strongly connected to industry and local communities. The application of new knowledge to solve real-world problems is a universal feature of the sector, making it a natural conduit for conducting applied research and helping industry and the community realise the benefits of innovation.

Applied research in VET often depends on staff, committed to their industry, driving solutions. The scope to invest in the capability of VET to apply new knowledge and technologies to solve problems for industry remains largely untapped.

Conducting research and disseminating the findings is integral for championing innovation and supporting the commercialisation of productivity-enhancing ideas. However, workforce skills gaps often hinder uptake.

Applied research:

Is valued by employers — small and medium firms lack resources to fund their own research and rely on partnerships with education and training providers to generate new ideas and realise productivity benefits.

Benefits training organisations, allowing for knowledge transfer that builds the currency of their programs and teaching staff.

Generates knowledge transfer to and among **learners** and helps build an innovative workforce, providing opportunities to work with leading technology on real-world problems.

While there has been a strong emphasis on applied research by universities and other research institutions, the role of vocational education has been unrecognised.

Skills ministers have signaled the role of TAFE Centres of Excellence in the forthcoming National Skills Agreement. Centres will be TAFE-led partnerships to grow high-potential and strategically important industries. Each can be a focal point for design and delivery of innovation and new skills, especially through supply chain firms which may not have capacity to evolve their operations.

The Macklin Review also highlighted the importance of the VET sector partnering with industry to drive innovation.

Applied research is the process of identifying innovation opportunities, framing support to firms and developing the skills solutions. The model can place high level vocational education at the forefront of industry development and drive contemporary skills.



Prioritising applied research

The TAFE Centres of Excellence provide the platform for structured development of applied research capabilities.

Applied research is the natural extension of the Australian vocational education model. While it must be limited to providers with in-built capabilities, applied research identifies leading industry practices and can define skills at pace. Combining this early skills identification with self-accreditation – as discussed in the preceding section – will give TAFE Network providers the ability to develop new, industry-valued qualifications years in advance of the current system. Applied research leverages the strong support relationships from high-level vocational education providers to businesses, brings currency to teaching practice and exposes participating learners to the sometimes messy process of innovation.

To be successful, applied research should only be translated through the right institutional form. This includes strong leadership and long-term commitment and requires strong business partnerships. Internally, staffing capabilities entailing deep

industry expertise and knowledge of innovation practices and teaching design skills are required.

Victorian TAFE Network providers and universities can also partner in applied research. Doing so would support capacity building in the Victorian TAFE Network, expose learners (at TAFE and university) to learning opportunities and leverage potential funding sources (for example, Australian Research Council grants).

Elevating the role of vocational education institutions in applied research and in innovation in Victoria will require a long-term vision and strategy. Through applied research, part of the vocational education system can help elevate Victoria's capacity and capability for innovation. This applies especially in renewable energy, where projects will bring new production and equipment to Australia.



Recommendations

Through a Skills Lab, develop approaches and principles to embed applied research in the education and training delivered by Victorian TAFE Network providers.

Consider using the *Workforce Training and Innovation Fund* to prioritise applied research projects in the Vocational Education and Training sector.



Holmesglen Institute Centre for Applied Research and Innovation



Holmesglen Institute is a recognised leader in applied research and innovation across the TAFE sector. Established in 2016, the Holmesglen Centre for Applied Research and Innovation acts as an important driver of Holmesglen’s relationships with industry and the community. The centre provides a supportive environment for Holmesglen’s researchers and is an important complement to its teaching and learning program.

Holmesglen’s partnership with Healthscope has provided its Faculty of Health Sciences, Youth and Community Studies with the opportunity to enhance its program of applied research across the faculty, leading to the continuing improvement of its teaching programs in health sciences and better patient outcomes.

Key research undertaken by the centre includes the Collaborative Online International Learning (COIL) Project.

The project has evaluated the development, implementation and outcomes of a COIL program in nursing education established between Holmesglen Institute and Northwestern Polytechnic (formerly Grande Prairie Regional College) Alberta, Canada.

The COIL program has created multiple online environments that have facilitated collaboration, the sharing of resources, and the development and implementation of novel educational and academic experiences for learners and faculty.

Conclusion – a message from the Victorian Skills Authority

Employment growth remains strong in Victoria. The challenge is supplying the workers and matching the skills needed for the evolving economy.

Opportunities are numerous in Victoria for people seeking work or career advancement and for businesses to enhance productivity through new technologies and skilled labour. The area of renewable energy is just one example.

This Skills Plan extends Victoria’s skills roadmap with a number of key responses relating to education and training.

Offering robust education and training pathways for those at risk of missing out on these opportunities must continue to be a key priority.

At the same time, higher levels of knowledge and skills –often spanning multiple industries –are demanded for industry innovation and productivity.

Broad-based knowledge and skills are the best strategy to prepare for the future. Feedback from businesses point to core skills and knowledge as in demand.

As technologically driven transformation takes hold in more industries, transforms supply chains and establishes new enterprises and industries, VET needs to evolve its approach.

Against this backdrop, the *Victorian Skills Plan for 2023 into 2024* provides a range of actions and recommendations as Victoria, as part of Australian reforms to education and training, enhances its approaches to deepen skills that lead to successful careers for more Victorians.

Success relies on collaboration and integrity of actions. Collaboration so that everyone learns from the best of the best and integrity in the actions by all partners in education and training for outcomes directed to the common good – for learners, industries and communities.



Craig Robertson
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Lisa Line
Chair
Victorian Skills Authority Advisory Board

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- Higher-order skills are occupations with skill levels 1 to 3.
- Experience may substitute for formal qualification, or in other cases relevant experience may be required in addition to the formal qualification.
- Employment forecasts for skill levels are derived based on 4-digit ANZSCO occupation employment forecasts from the VSA. For 22 of the 358 4-digit ANZSCO occupations that had more than 1 skill level, skill levels were assigned based on the predominant skill level of the occupation.
- The estimates of employment by regions in the *Victorian Skills Plan* will differ from some other common sources such as the ABS Labour Force Survey due to methodological differences. The VSA's data relates to place of work and not place of residence. The regional boundaries differ slightly when comparing metropolitan Melbourne with regional Victoria because regional and metropolitan partnerships are based on grouping of LGAs which do not neatly align with the ABS Greater Capital City Statistical Areas. And the time points of comparison may differ, depending on the data source.
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Useful links

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Adult, Community and Further Education Board

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