

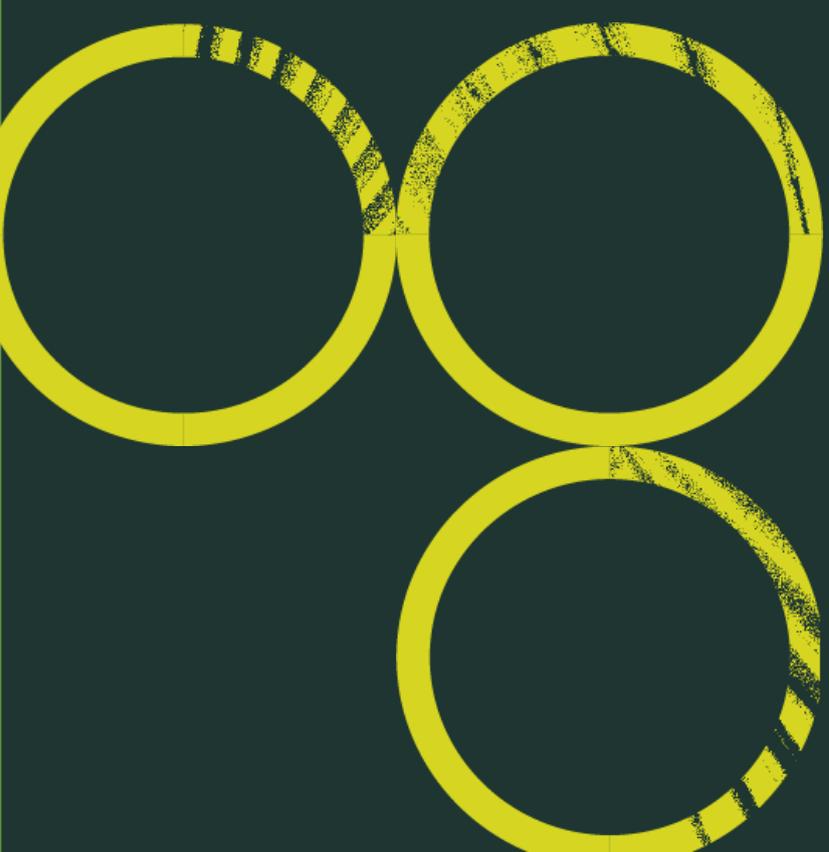


# Response to a revised methodology for the Australian Apprenticeship Priority List discussion paper

DEWR Discussion paper

Skills Insight response

October 2025



Skills  
Insight

Skills Insight acknowledges that First Nations peoples have been living on and caring for Country for thousands of years. This is respected in our values and the way we work.



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# A revised methodology for the Australian Apprenticeship Priority List

## Executive Summary

Skills Insight represents Australia's agribusiness, fibre, furnishing, food, animal and environment care industries - sectors that directly employ more than 667,800 workers (5% of the national workforce)<sup>1</sup> with industry revenue of more than \$240 billion<sup>2</sup>. These industries form the backbone of regional, rural and remote (RRR) communities, providing jobs and underpinning social cohesion, local service continuity and community identity. Their reach extends far beyond direct employment: they

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<sup>1</sup> JSA Data Placement accessed 15 October 2025

<sup>2</sup> IBISWorld, 2025

generate flow-on economic activity for small businesses, schools, transport, and health services.

The prosperity, security and resilience of all Australians also depend on these industries. They ensure national food security, environmental sustainability, climate change adaptation, biosecurity, and sovereign capability. In times of global instability or disruption in particular, these enterprises provide the foundation that protects Australia's supply chains and communities, demonstrating that their national significance far outstrips their total job numbers.

## The fundamental challenge

Based on extensive consultation with Skills Insight stakeholders through our member networks, formal industry consultations, and research including reports from AgriFutures, Commonwealth Scientific and Industrial Research Organisation (CSIRO), National Centre for Vocational Education Research (NCVER), Australasian Vocational Education and Training Research Association (AVETRA) and Rural Research and Development Corporations, as well as Skills Insight Workforce Plans, papers and communiques, and our [Exploring Training Demand and Supply Challenges](#) report (2025), we have identified that the current Priority List methodology systematically disadvantages these essential industries and the national and local communities they sustain.

With 16 additional occupations within Skills Insight's coverage listed as potentially excluded from the Apprenticeship Priority List, if the Strategic Review's primary recommendations are implemented, stakeholders are deeply concerned that this disadvantage will not only continue but be exacerbated.

## Six key recommendations

1. **Rights-based foundation:** All skills and training system design should start from the basis that there is a fundamental right of access to education, training and employment, to lead to full and sustained work, as confirmed by the *Australian Government Employment White Paper*.
2. **Evidence-based inclusionary methodology:** The Apprenticeship Priority List should be robustly supported by evidence, regionally attuned and structured to systematically address the full spectrum of structural and financial barriers currently impeding Australian apprenticeship success.
3. **Supply chain recognition:** Any redesigned methodology will need to be inclusionary and ensure that there is consideration of the supply and value chains of priority industries (if the priority industries approach is adopted).
4. **Multi-dimensional decision making:** A more sophisticated approach to decision-making that includes consideration of key outcomes of training,

including worker safety, industry risk, contribution to local economies, gender equity, opportunities for priority cohorts and state and territory industry growth strategies is needed across the skills and training system.

5. **Increased funding:** The skills and training system needs increased funding and a new approach to regional, rural and remote VET funding and delivery. For funding incentives to achieve the desired outcomes, there needs to be more equitable distribution of the funding currently supporting tertiary education.
6. **Occupational scope expansion:** The Apprenticeship Priority Lists needs to consider all relevant occupations to support the development of safe, effective and productive workers in Australia's agribusiness, fibre, furnishing, food, animal and environment care industries, and not rely on OSCA Major Groups and Skill Levels which excludes important occupations,.

## Critical methodology flaws identified

Leveraging years' of stakeholder engagement, research and analysis, we identify a range of critical methodology flaws, including:

- **Oversimplified public benefit assessment:** The discussion paper's assertion that occupations such as horse trainers, flight attendants and gymnastics coaches lack public benefit reflects cursory examination rather than evidence-based analysis, ignoring the complex economic, social, and safety contributions these occupations make.
- **Exclusion of essential government priorities:** The proposed critical sectors list systematically excludes agribusiness, fibre, furnishing, food, animal and environment care industries, despite their explicit recognition in government frameworks including the *National Skills Agreement*, *National Food Security Strategy*, Net Zero objectives, and sovereign capability priorities.
- **Inadequate regional recognition:** Despite government commitments including the *Regional Investment Framework* and appointment of the Regional Education Commissioner, RRR considerations are marginalised in the proposed methodology, threatening training access in areas where Skills Insight industries predominantly operate.
- **Inconsistent occupational scope:** The suggestion that occupations outside Major Groups 3 and 4 could be included for construction and ICT while maintaining restrictions for other sectors reveals arbitrary policy application without coherent rationale.

## Skills Insight proposals for further methodology development

Skills Insight suggests moving beyond administrative simplicity to embrace the complexity necessary for effective workforce development. This requires:

- formal JSC consultation rights in methodology development and advisory roles, drawing on deep stakeholder input
- regional viability mechanisms, addressing training market failures in RRR areas
- supply chain and sovereign capability weighting, recognising system-wide impacts
- equity targeted interventions for gender and disability barriers, and First Nations economic and social empowerment
- multi-dimensional evidence incorporating safety, risk, RRR needs and industry stewardship.

We call on the Department to embrace genuine partnership with JSCs, embed regional viability mechanisms, and recognise that food security, sovereign capability,

advanced manufacturing and environmental sustainability depend on getting apprenticeship incentives right for the industries that feed the nation, care for the environment, and sustain rural communities.

## **The benefits**

The revised Priority List methodology represents an opportunity to align apprenticeship incentives with Australia's strategic priorities: food security, environmental sustainability, regional economic resilience, and social equity. However, without the recommended changes, the methodology will perpetuate the systematic exclusion of occupations critical to Australia's economic sovereignty and social cohesion.

The stakes are too high, and the opportunities too significant, to perpetuate a methodology that disadvantages the industries fundamental to Australia's prosperity and resilience.

## **Acknowledgement of use**

This response may be published or cited by DEWR with attribution.

We agree to the DEWR guidelines and policies related to this consultation.

Skills Insight is willing to meet further with DEWR to assist with this consultation, or for any other purpose that will aid them.

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# Response from Skills Insight

## Introduction

There is a fundamental right at the heart of the *Australian Government's Employment White Paper*: to achieve the government's objective of sustained and full employment. Australians must have the opportunity to access education, training and employment. This is the path towards developing safe, effective and productive workers.

Stakeholders who guide the work of Skills Insight<sup>3</sup> have expressed concerns over many years about the availability of training for their industries, especially in regional, rural and remote Australia (RRR). They have also expressed concern over the falling rates of apprenticeships and traineeships enrolments and completions, and the lack of access to formal, supported and often subsidised training in their industries. Data and stakeholder feedback has shown that apprenticeships are the most effective and beneficial options for learners and employers.<sup>4</sup>

Barriers, including OSCA skill levels as an indicator of training priority or current enrolment levels as an indicator of both industry demand and need, have meant that the fundamental opportunity to access education, training and employment are not being equitably experienced across Australia. Stakeholders support the importance of reviewing the methodology for the Australian Apprenticeship Priority List.

## Core purpose and scope of the priority list

While Skills Insight stakeholders acknowledge resource constraints and the role of government in priority-setting, we recommend that any Priority List methodology be developed from an inclusionary perspective, particularly when decisions impact fundamental rights to education, training and employment access.

The core purpose should be creating opportunities and pathways for learners and employers to develop safe, effective and productive workers who achieve full and sustainable employment.

## Avoiding unintended consequences

The Priority List methodology must balance competing objectives carefully. While promoting occupations of national need is important, the approach should not inadvertently disincentivise learners from pursuing other occupations that remain essential to Australia's workforce. Even when identifying priority industries, it is critical to recognise the supply chains and supporting occupations that enable those

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<sup>3</sup> Various referred to in this submission as Stakeholders who guide the work of Skills Insight, Skills Insight stakeholders or stakeholders.

<sup>4</sup> MEGT (2025). Productivity Prospectus 2025: Unlocking productivity and prosperity through Australia's Apprenticeship system. Deloitte Access Economics.

industries to operate effectively. Care must be taken to ensure that prioritisation policies and incentives do not:

- pull learners into occupations unsuited to their interests and capabilities
- lead to higher non-completion rates and retention problems
- create artificial scarcity in non-priority but still essential occupations
- ignore the interconnected nature of industry value chains.

## **Moving beyond administrative simplicity**

The Australian Skills and Training system is complex, and while bringing simplicity can be effective in some circumstances, it is less effective when there are many competing environmental, economic, political and social priorities. The VET system is going to require more complex decision-making, and this submission suggests utilising the evidence-based approach that stems from the research into *Exploring Training Demand and Supply Challenges* conducted by Skills Insight and reported in 2025.

In essence, this submission encourages decision-makers to embrace the opportunities provided by big data, evidence-based decision-making, multi-dimensional decision-making and AI to make the decisions that achieve the best outcomes in an industry-led skills and training system.

Current VET decision-making and funding approaches prioritise administrative convenience over addressing system complexity and genuine workforce needs. This results in:

- narrow interpretations of "national priorities" that miss regional and sector-specific requirements
- thin-market approaches that fail to support training delivery in rural and remote areas – a perennial challenge for RRR communities and RTOs
- inconsistent state and territory delivery models that create access inequities
- reduced availability of quality, accredited training options
- weakened overall workforce development and productivity outcomes.

The revised methodology must embrace complexity rather than oversimplify it, recognising that effective workforce development requires nuanced, evidence-based approaches that consider regional variations, industry interdependencies, and learner diversity.

## Identification of Priorities

The discussion paper acknowledges that the Strategic Review recommended better alignment of apprenticeship incentives with economic priorities and social equity objectives. However, this presents significant coordination challenges across federal, state, territory and local government levels – a complexity that requires systematic rather than ad-hoc approaches.

## The broader context of skills and training

While the skills and training system is often characterised as industry-led, education and training serve multiple essential purposes beyond immediate workforce needs. Skills development impacts people's lives from early schooling through retirement, encompassing:

- economic participation: employment readiness and career progression
- social inclusion: literacy, numeracy and digital capability for daily living
- civic engagement: knowledge and skills for active citizenship
- community resilience: flexible approaches that enable local communities to adapt and prosper.

This multifaceted role requires flexible and responsive approaches that recognise diverse community circumstances and enable RRR communities to build on their unique strengths and opportunities.

## Skills Insight's comprehensive priority framework

Through analysis of multiple reports, reviews and reform initiatives, including the *National Skills Agreement* principles, Skills Insight has developed an integrated framework for skills system design that any Priority List methodology should address:

1. Learner and worker-centred approaches
  - develop safe, effective and productive workers with genuine employment prospects
  - ensure participants are job-ready and can compete effectively in labour markets
  - make learning accessible and comprehensible for all participants regardless of background
2. Industry-focused outcomes
  - enable effective, safe and efficient production of goods and services
  - meet local and international market demands with quality and reliability
  - support business growth and innovation through skilled workforce development

### 3. Competency-based delivery

- produce work-ready candidates who meet industry standards and expectations
- address current skills needs and emerging gaps identified through robust labour market analysis
- respond to changing skill requirements driven by technology and market evolution
- promote lifelong learning and ongoing professional development

### 4. Government policy alignment

- ensure awareness of regulatory requirements and compliance obligations
- support integrated skills, training and education policies across government
- advance broader economic, trade and employment objectives through workforce development

### 5. Risk awareness and management

Skills Insight identified a critical gap in existing frameworks, which is the need for comprehensive risk assessment. The VET system operates within complex risk environments including:

- worker safety risks: Industry-specific hazards requiring formal training and certification
- market and economic risks: Local and international conditions affecting employment prospects
- environmental and climate risks: Natural disasters, climate change impacts, and location-specific challenges
- social and technological risks: Automation, demographic change, and community resilience needs.

## **Avoiding narrow approaches and exclusionary outcomes**

A narrow focus on individual system elements creates dangerous blind spots. When developing the Priority List methodology, failure to consider the interconnected nature of these five elements risks:

- unintended consequences that undermine overall system effectiveness
- built-in biases that systematically disadvantage particular regions, industries or communities
- exclusionary outcomes that contradict fundamental principles of educational access and social equity

- implementation through integrated design.

New Priority List measures should explicitly address all five framework elements by:

- supporting learner and worker outcomes through accessible pathways that lead to sustainable employment and career progression
- enabling industry effectiveness by ensuring training produces genuinely capable workers who meet quality, safety and productivity requirements
- maintaining competency standards while remaining responsive to changing skill needs and technological developments
- advancing government priorities including regional development, social equity, and economic resilience objectives
- managing diverse risks through evidence-based assessment of safety, environmental, market and social factors affecting particular occupations and regions.

This comprehensive approach recognises that effective workforce development requires coordinated attention to system complexity rather than administrative simplification—particularly when fundamental rights to education, training and employment are at stake.

### **Considering the safe, effective and productive worker**

At the heart of the skills system lies industry and safe, effective and productive workers. In considering prioritisation, these aspects of the system should be given full focus:

- **Safe:** whether considered from the standpoint of industries, workers, consumers, communities or markets, safety is a paramount consideration for government policy in Australia. The VET and apprenticeship systems play vital roles in promoting safety culture and delivering improved worker and consumer health and safety. In any prioritisation exercise, safety will always need to be a primary consideration.
- **Effective:** workers become effective when they can safely and competently undertake tasks within an occupation to the level required for that occupation. The variation in tasks will be a factor: standard tasks related to office record keeping tend to have much less variation than the skills needed to deal with live animals and plants.
- **Productive:** workers can add to industry and Australian productivity growth when they are able to handle a variety of situations and technology to deliver outcomes and tasks, based on their existing level of knowledge and experience. A person typing on a computer can generally increase speed and efficiency more quickly than someone trying to diagnose a range of illnesses in

a variety of animals. Productivity is crucial for the Australian economy and for ensuring sovereign capability.

These are important foundations and should be considered when looking at changes to the methodology behind apprenticeship incentives. It is not just that various industries have workforce shortages and other industries are developing in new directions. Without considering these foundations, training may be inaccessible in industries where the need for safety, effectiveness and productivity can be highest, and where training can bring the greatest benefit.

## Potential decision-making data

Following on from the preceding analysis, and based on stakeholder concerns regarding decision-making in the skills and training system, Skills Insight undertook detailed research and published it in the *Exploring Training Demand and Supply Challenges Report* (2025, available at <https://skillsinsight.com.au/project/exploring-training-demand-supply-challenges/> ).

Jobs and Skills Australia has been using a “data intersectionality” approach towards analysing data and developing meaningful evidence. This approach can also be used for decision-making, known as multi-dimensional or multi-faceted decision-making.

Stakeholders suggested a range of data that could be used to help decision-making:

Data areas	Description and sources
Current enrolments, completions, conversions to jobs	Currently available standard data numbers
Qualification purpose	Requires development based on the Qualifications Reform guidance
Proportion of core v elective units	Requires development to identify internal qualification flexibility
Risk Profile of the industry sector	Evaluation of the risk profile of the sector based on insurance and similar information, if available
Safety in industry	Evaluation of sector safety based on Safe Work Australia analysis and data, and ABS, AIHW and union data
Level of regulation within industry	Identification of Australian regulatory requirements as defined by regulatory bodies

Employer and Industry characteristics	This will include size of sales, employment, types of employers, management and labour levels, relevant awards, growth opportunities, projected workforce growth and future skills (consistent with industry investment and R&D) to be compiled from multiple sources
Qualification requirement to secure a job	Identification of importance of having a qualification to be able to gain employment or meet criteria, based on the National Training Register, JSA and NCVET data and other sources
Alternative pathways to secure jobs	Analysis of the usage of pathways to employment other than formal qualifications, based on multiple existing sources, but potentially requiring additional data.
RRR delivery need or preferences	Analysis of the need for or preference for local, regional, rural, remote or on-Country delivery of training, as a result of practical, financial, regulatory or workforce attraction requirements, and to align with local markets, as identified by industry stakeholders
Criticality of role to industry	Requires development based on stakeholder consultation to identify roles without which industry cannot operate, especially those with low workforce numbers
Capital investment levels and access requirements to deliver training	Identification of levels of capital investment required to deliver training, and availability of investment funds, based on information from industry and RTO stakeholders
Niche-ness of role and trainer requirements	Training for more niche occupations can be difficult to deliver and may be more effective if delivered through industry bodies, but may also need formal training for regulatory, licensing or safety reasons. Requires development based on stakeholder consultation
Worker characteristics	Full and part time, casual and gig workers, diversity, potential for role share/communal delivery-based stakeholder engagement with unions and desktop research

Clash of peak operational and training times	Whether earners will need to be absent from workplaces to deliver training at peak operational times, for example to learn meat processing techniques when animals are available for processing. Requires development based on stakeholder consultation with employers and RTOs
Training-based competency v experience-based competency	Evaluation of the competency journey and the level to which competency can be trained, and additional level of competency that requires practical experience
Workplace/simulation/classroom delivery	Analysis of qualifications for best options for workplace, classroom (including online), virtual and augmented reality training environments
Ability to deliver to the industry rhythm/ability to recruit enrollees to the industry rhythm	Whether training can be scaffolded to align with the seasonal activities and timelines of industry. Requires development based on stakeholder consultation with educators
State/Territory Funding Support/Fee free/no support	Evaluation of State and Territory funding support based on data provided by Training authorities
Fed/State/Territory/Local government industry support strategies	Evaluation of the level and nature of strategic support for industries within JSC coverage, based on data provided by relevant governments
Priority cohort focus, including supporting economic development	Evaluation of the potential for qualifications to deliver employment opportunities and economic development for priority cohorts
Cross-border delivery/national delivery suitability	Analysis of the potential opportunities and barriers for cross-border and national delivery as identified by RTOs
Competing qualifications	Analysis of alternative qualifications which might lead to employment within the industry sector, as identified by industry stakeholders
Visibility of career progression opportunities in industry	Clarity and existence of career mapping, and whether they have been accepted and used by industry, identified through stakeholder engagement

Historical/known connection with VET	Whether the industry has been historically serviced by VET providers, or well-known through the VET system, to be identified by RTO stakeholders
LLN requirements	The LLN requirements for each qualification as identified by RTOs and specialists in LLN
Availability of trainers/ replacements/ holiday or other activity coverage	Current state of the VET Workforce, including the ability for trainers to take holidays or undertake industry or other work, as reported by educators
Potential for educator career progression and potential barriers due to expertise	Analysis of RTO career progression opportunities, and whether progression may be hampered due to the nature of expertise or the limited availability of similar specialists
Training Return on Investment - reality and visibility	Evaluation of Training Return on Investment, potentially based on the NCVET formulation (accepted internationally)

While the list may be debatable and some data unavailable, it is important to accept that the complex skills and training system needs decision-making based on that complexity, and not decision-making overly simplified to, for example, rely on enrolment volumes as the basis for demand or to prioritise industries by excluding other industries.

In particular, the study showed the importance of considering the real costs of VET delivery and RTO viability, particularly for RRR delivery. These are key factors in whether delivery actually occurs in accessible ways to benefit industry and learners.

Skills Insight is currently examining the potential for a feasibility study which could demonstrate whether decision-making on these data fields is practical. Ideally this would be a cross-JSC and DEWR funded activity to try to develop a proof of concept.

This discussion paper illustrates the need for a more detailed approach to decision-making, and this work may be an effective starting point.

## The Strategic Review argument rationale

The current Apprenticeship Incentive approach does not meet the needs of most of the industries within the coverage of Skills Insight, with limited delivery of apprenticeships and traineeships, particularly in RRR. This is a primary concern for Skills Insight stakeholders.

## Challenging oversimplified assessments of public benefit

The discussion paper's assertion that occupations such as "horse trainers, flight attendants and gymnastics coaches" represent poor "value for money or demonstrable public benefit" illustrates a fundamental methodological flaw: making broad policy pronouncements based on cursory examination rather than evidence-based analysis.

This statement builds on the Incentive Review's own acknowledged "cursory examination" (p92) of Priority List occupations, yet transforms tentative questions into definitive policy positions. Such oversimplification demonstrates the risks of developing methodology without comprehensive industry understanding.

### Case study analysis reveals system complexity

Examining the specific examples isolated is instructive and illustrates the issue with oversimplification or the lack of understanding of the evidence-base.

#### *Horse training*

The horse racing industry is a fully regulated industry in which horse trainers are the central licensed figures with responsibilities for all staff employed or contracted by them. The whole industry cannot operate without horse trainers.

The horse racing industry:

- contributes \$9 billion to the Australian economy and \$1.2 billion directly to federal, state and territory governments through taxes
- includes occupations within the industry that have serious safety concerns, most especially the roles of jockeys and track riders
- has significant animal welfare responsibilities
- has stringent rules around the uses of drugs and pharmaceuticals for human and animal participants
- holds events that are major cultural and economic events across regional Australia, bringing employment and tourism dollars to regions that struggle throughout the year
- is a major direct employer in RRR.

#### *Aviation safety*

Although we have no direct knowledge of the aviation industry, we understand that flights with more than 20 people cannot operate without flight attendants, and there are specific numbers of attendants required dependent on the number of passengers. This is a safety requirement. While Australia has an outstanding safety record, aviation events have the capacity to lead to catastrophic loss of life. Our understanding is that the commercial aviation industry in Australia cannot operate without flight attendants, and this is a position mirrored internationally. In a country the size of Australia, the

operation of an aviation industry would appear to be an obvious demonstrable public benefit, and well worth the money invested.

### *Child protection in sport*

Acknowledging again that this is not within our fields of expertise, Australia is a sporting country, and millions of government dollars are invested in sports each year. Australia has been achieving success across the last 20 years in gymnastics on the world stage, which seems to be an outcome celebrated by all governments. At the same time, there are responsibilities with working with children in particularly vulnerable positions, that need to be strictly controlled and enforced. Inquiries into gymnastics have uncovered serious offences that have impacted the welfare of children. The protection of children is clearly of public benefit.

## **The error of exclusionary assumptions**

These examples reveal that blanket statements about occupations lacking public benefit reflect narrow viewpoints rather than evidence-based analysis. Such approaches:

- establish an exclusionary rather than inclusionary framework
- prioritise competitive rather than collaborative workforce development
- undermine fundamental rights to education, training and employment access
- ignore system interdependencies and regional economic realities.

Appendix 1 includes a summary of the occupations identified within the Strategic Review within Skills Insight's coverage that are recommended to be removed from the Priority List along with the value for money and public benefits considerations that arise for each of them. The occupations included in this list indicates that relatively small but essential occupations, especially RRR occupations, could be unintentionally excluded. Incentives should support sustainability, safety and community employment outcomes.

## **Dimensions of public benefit**

The narrow definition of public benefit in the discussion paper (equating it primarily with direct public service or low-cost access) fundamentally misunderstands the concept's breadth in education, training and employment contexts.

'Public benefit' should be interpreted widely, and in the education, training and employment context, includes literacy, interactions for daily living, citizenship involvement and employment:

- Economic dimensions of public benefit are multifaceted and far-reaching. Regional economic sustainability represents a critical public benefit, particularly in communities with limited industry diversity where specific occupations may be essential for community survival. Fiscal returns to government through taxation, tourism and event-driven economic activity create measurable public

value that extends well beyond the direct costs of training support. Music festivals, sports carnivals and country race days have significant impacts on the annual economies of rural, regional and remote communities, generating employment and economic activity that sustains local businesses, services and infrastructure.

- Supply chain support for larger economic systems represents another crucial economic dimension. Many occupations that appear small in isolation play essential roles in supporting broader economic activities. Export earnings and sovereign capability contributions from specialised occupations may have strategic national importance that transcends their numerical workforce size.
- Social and cultural dimensions of public benefit encompass national identity and cultural preservation. As recognised in the National Food Security Strategy's observation that "food is deeply woven into our culture and economy," certain occupations play central roles in maintaining Australia's cultural fabric and social cohesion.<sup>5</sup> Community resilience in rural and regional areas often depends on the availability of specific skilled occupations that maintain local services, cultural activities and social networks.
- Safety and welfare protection represents an unambiguous public benefit that extends across multiple industries and occupations. Swimming instruction prevents accidental drowning (a leading cause of preventable death) while child protection in sport requires properly trained coaches and supervisors. These occupations deliver direct public safety outcomes that justify investment regardless of market dynamics.
- Social inclusion through accessible education and employment pathways ensures that all Australians can participate fully in economic and social life. This principle, confirmed in the *Australian Government Employment White Paper* as a fundamental right, means that Priority List methodology should consider how training access affects different communities and population groups.
- Risk mitigation benefits often justify investment in occupations that might otherwise appear marginal. The cost of not supporting essential occupations may far exceed the investment required, particularly where market failures in thin regional markets create broader economic and social risks. Safety-critical occupations prevent catastrophic consequences and liability costs that would impose far greater public expense than the training investment required.

The cumulative effect of these multiple dimensions means that occupations contributing to regional economies, national identity, fiscal returns, safety outcomes, and social inclusion deliver substantial public benefit even when individual workforce numbers appear modest. The cost of not supporting such industries and occupations

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<sup>5</sup> National Food Security Strategy Discussion Paper, August 2025, <https://haveyoursay.agriculture.gov.au/food-security-strategy> p1

could present greater risks to economic and social wellbeing than the benefits gained from disproportionately investing in others that may appear more immediately attractive based on simple shortage metrics.

## The focus on workforce shortage

While stakeholders acknowledge there are workforce shortages in a range of industries and locations that require government attention, the current shortage focused approach has limitations:

- Backward-looking data bias:
  - historical data misses emerging occupations and changing skill needs
  - regional and seasonal variations are averaged out in national statistics, missing critical need in RRR occupations and industries
- Symptom treatment vs prevention:
  - focus on "curing" diagnosed shortages rather than preventing systemic workforce risks
  - reactive rather than strategic workforce development
  - emphasis on immediate solutions over long-term system resilience
  - small but critical workforces become invisible in aggregate data.

Stakeholders are pleased about the acknowledgement of small but critical workforces, which are found in a number of the industry sectors within Skills Insight's coverage.

Stakeholders have suggested that the emphasis needs to be on the current and future. The limits to and the over-reliance on the most recently available workforce and VET data are barriers to a forward-facing system, which could be addressed by using the potential decision-making data outlined above in a multi-dimensional framework. It also focuses the Priority List on immediate solutions that "cure" diagnosed symptoms rather than *preventing* safety, welfare and sustainability risks and addressing systemic issues.

## Smaller Priority List to increase financial incentive quantum: the false economy of exclusion

A smaller, more exclusionary Priority List may increase individual incentive quantum only if savings are not redirected to other system needs such as tertiary education harmonisation initiatives, VET workforce development, higher apprenticeships and vocational degrees, and regional delivery capacity, or system infrastructure and technology upgrades.

## Systemic underfunding context

The real issue is overall system underfunding as well as resource redistribution. Recent JSA Regional Roadmap consultations consistently identified inadequate VET funding (particularly in rural and regional areas) as a fundamental barrier to workforce development.

The Strategic Review's cost projections for broader apprenticeship support, while significant, are much lower than federal investment in other education sectors, creating structural imbalances that may be exacerbated if higher apprenticeships and vocational degrees receive Priority List access while traditional occupations face exclusion.

## The path to adequate investment

Rather than creating competitive scarcity through exclusionary Priority Lists, we recommend that the appropriate response is adequate investment in comprehensive workforce development that:

- recognises the multi-dimensional nature of public benefit
- supports regional economic sustainability and service continuity
- addresses system complexity rather than administrative convenience
- rebalances funding across post-secondary education sectors.

True value for money comes from strategic investment in system capacity, not from rationing access to essential workforce development pathways.

## Identifying national economic priorities and social equity objectives

The challenge of identifying national economic priorities and social equity objectives reflects Australia's complex policy landscape and diverse community needs. While the Strategic Review appropriately referenced the *Australian Government Regional Investment Framework* (July 2023) and identified specific cohorts facing pronounced apprenticeship challenges (including women in male-dominated trades, First Nations apprentices, apprentices with disability, those from remote and regional areas, and culturally and linguistically diverse backgrounds), the discussion paper fails to build systematically on this foundation.

Skills Insight is concerned that RRR Australia and the *Regional Investment Framework* receive minimal attention in the discussion paper, despite their significance to national and local prosperity, inclusion and security. This represents a significant policy inconsistency given ongoing government commitments, including the appointment of the Regional Education Commissioner and dedicated efforts to

address RRR disadvantage. Many Skills Insight industries are predominantly located in RRR areas where training access is most constrained, yet regional economic sustainability and community resilience are marginalised in the proposed methodology.

The discussion paper's identification of "critical sectors and national priorities" systematically excludes industries central to Australia's strategic objectives. Missing sectors include:

- agribusiness, fibre, furnishing, food, animal and environment care industries
- sovereign capability and advanced manufacturing (beyond construction and ICT)
- food security and agricultural innovation sectors.

### **Environmental management and climate adaptation industries**

This exclusion contradicts explicit government commitments including the *National Food Security Strategy*, net zero objectives, and sovereign capability priorities identified across multiple policy frameworks.

Similarly, the social equity framework overlooks significant vulnerable populations beyond the identified priority cohorts:

- RRR Australians facing geographic disadvantage in training access
- vulnerable young people in communities with limited economic opportunities
- workers experiencing large-scale redundancy or retrenchment, particularly from government policy changes (such as old growth forest operations transitions)
- indigenous communities requiring place-based training delivery for Country-based occupations.

The discussion paper's inconsistent approach to occupational scope reveals arbitrary policy application. While suggesting that occupations outside major groups 3 and 4 could be included for construction and ICT industries, it maintains restrictions for other sectors without coherent rationale. Skills Insight stakeholders have advocated for years for recognition that many essential occupations in agribusiness, environmental management, and food production require apprenticeship pathways but fall outside these classifications. When these industries seek appropriate recognition, it should not be categorised as "stakeholder pressure" but recognised as evidence-based advocacy for sectors that contribute substantially to economic sovereignty, regional sustainability, export earnings, and infrastructure capability. The goal should be evidence-based inclusion rather than competitive exclusion, ensuring that national priorities are comprehensively supported through consistent criteria across all industries.

## **Aligning the Priority List with the government's agenda**

The discussion paper appropriately identifies the *National Skills Agreement* as guidance for Priority List alignment, yet fails to fully embrace its comprehensive scope. The *National Skills Agreement* explicitly highlights Australia's sovereign capability and food security as national priorities, while RRR considerations are woven throughout the agreement as fundamental to national economic resilience. These are not peripheral considerations but central commitments that should drive Priority List methodology, particularly for industries like those represented by Skills Insight that are essential to food security and predominantly operate in RRR locations.

Similarly, while the discussion paper references the *Employment White Paper's* priority areas, it presents a fragmented reading that misses the document's integrated approach to economic development. A comprehensive analysis of the *Employment White Paper* demonstrates that emerging priority areas (including digital transformation, clean energy transition, and advanced manufacturing) depend fundamentally on critical ongoing industries such as health, education, construction, and agriculture. The White Paper explicitly recognises that new economy opportunities must be built on strong foundations of essential services and productive industries, not developed in isolation from them. Further, the *Employment White Paper* places strong emphasis on RRR employment as central to national economic strategy and social equity, recognising that regional communities require targeted support to participate fully in Australia's economic future.

This interconnected vision requires Priority List methodology that recognises industry interdependencies rather than creating artificial hierarchies between "emerging" and "traditional" sectors. The challenge is not choosing between innovation and foundation industries, but ensuring that apprenticeship incentives support the integrated workforce development necessary for comprehensive economic strength and regional sustainability.

## **Beyond narrow frameworks: comprehensive government priorities and industry strategies**

Social equity objectives, including Closing the Gap, have proven to be difficult to incorporate into a system that is supposed to be industry led, but where that leadership is often stifled or diminished.

There are many other indicators of government priorities. Too often, decisions about the skills and training system are made exclusively with an education and training lens, and not an industry and community lens. The VET system is supposed to be industry-led and responsive to the needs of industry. Greater attention needs to be paid to government strategies and industry strategies with government endorsement in defining national priorities.

Skills Insight is aware of other clear indicators of the Government's agenda, including:

- The National Reconstruction Fund, with an object to facilitate increased flows of finance into priority areas of the Australian economy, and priorities of Resources, transport, medical science, defence capability, renewables and low emission technologies, agriculture, forestry and fisheries and enabling capabilities.
- The Regional Investment Corporation, whose purpose is to support the growth, resilience and sustainability of Australia's agricultural economy.
- The appointment of a Regional Education Commissioner and recent reviews of RRR education and training delivery.
- The *National Farmers Federation 2030 Roadmap* which has been endorsed by Government, and which has set goals for industry growth.
- The *National Biosecurity Strategy* which aims to develop a risk-based system underpinned by science that protects Australia's people, the environment, economy and lifestyle from the biosecurity threats of today and tomorrow. It has a priority to develop and sustain a highly skilled workforce to ensure Australia has the right capability, in the right place, at the right time.
- The *Future Made in Australia Plan* which aims to drive advanced manufacturing in Australia, including the pulp and paper, furnishings, textiles, clothing and footwear sectors.
- *A Better Future for our Regions and A Future Grown in Australia* policies which will support Australia's forestry sectors.

This is a small selection, and we expect other industry sectors can also identify equivalent strategies.

## Which Government?

The discussion paper refers to the Government's agenda, but there are also 6 state and 2 territory governments, each of which also have industry growth strategies. Local and regional governments (however established) also have plans that are suited to their local needs.

For example, within Skills Insight industry sectors, Queensland alone has:

- Agriculture industry workforce plan
- Low emissions agriculture roadmap
- Primary industries 25 year blueprint
- Sustainable timber industry framework
- Wide Bay food and beverage manufacturing industry workforce development plan
- Wide Bay forest and timber industry workforce development plan

- Aquaculture strategy
- Beef processing strategy.

Given the nature of the VET system, it would be appropriate to also consider the key industry growth strategies from each state and territory, and potentially at regional levels also.

## **Priority industries or priority supply/value chains**

Another aspect impacting decision-making is the use of increasingly narrowing interpretations and literal readings of policy and strategy documents. Much government planning and funding is around national priorities, notably care services and construction. However, these priority industries rely on supply chains with small and niche activities/occupations that are often under-recognised. Funding for skills and training should focus also on preventing shortages in these areas, or challenges down the supply chain will be exacerbated.

For example, it is unlikely that decision-makers would consider saw technicians as a critical part of the construction industry. Saw technicians are a highly specialised but small occupational group within the timber, wood processing and building solutions industry. Despite their limited numbers, they are essential to the operation of sawmills, where they maintain and optimise the cutting machinery that transforms logs into timber products. Most structural timber used in residential construction is processed in Australia and requires the saw technician workforce.

Saw technicians are foundational to broader national priorities and economic activity, particularly in housing and regional development

Sovereign capability, food security and advanced manufacturing directly include the whole of food value chains and are priority industries. They are also contributors to the potential success, development and growth of other priority industries (as other priority industries, such as construction and clean energy, support food value chains). It needs to be recognised that food often plays a critical or central role in the supply chains of these, and other, priority industries.

One of the key requirements of the care industry is good nutrition and pharmaceuticals. These are dependent on food, beverage and pharmaceutical manufacturing, and key ingredients often come from other areas of the supply chain. Similarly in the transition to Net Zero, current reductions in greenhouse gases since June 2025 are being led by land use, land use change and forestry, and agriculture, all of which have strong connections to the food supply chain.

Construction of infrastructure in Regional, Rural and Remote Australia (RRR) is also dependent on food being available on site at reasonable cost, and with choices to help attract a variety of potential workers. The key reason for the prioritisation of construction is the need for residential housing, which means there are direct links to furnishings and textiles.

These are just some examples of the inter-relationships between priority industries. Stakeholders would encourage broader thinking when reviewing policy positions to consider these supply and value chain dependencies.

### **The transition to Net Zero is not just clean energy**

On 23 September, the Australian Government announced \$16 million fund to continue the development of Climate Smart Agriculture. This is a clear indication that not only is agriculture a priority industry in its own right, but is also a critical part of the transition to Net Zero.

The energy sector debate has become a major political and societal issue. With the rise of technology, it is likely that energy usage will also rise (even with greater efficiencies) over coming decades. The energy system debate is not just about achieving emissions goals by target dates, but also meeting Australia's longer term energy needs.

Increasingly, the debate over the energy system and options for production of clean energy are overwhelming considerations of the other elements of Net Zero, in particular conservation and ecosystem management, land and water usage and supporting infrastructure.

Agribusiness, fibre, furnishing, food, animal and environment care stakeholders believe that there needs to be far more acknowledgement of the critical role that has been and is being played by these industries in the drive to Net Zero. While the sectors covered by Skills Insight do contribute to emissions, they are also major industries in emissions mitigation, through carbon sequestration, capture and farming, and lead research and innovation efforts to reduce emissions through climate mitigation, land use change, environmental protection and nature positivity.

The Australian Government Employment White Paper identifies sectors involved in the greenhouse gas reduction side of the Transition to Net Zero as:

- electricity and energy
- industry
- resources
- the built environment
- agriculture and land
- transport.

On the mitigation side of the Transition to Net Zero, the largest contributions have been made by:

- Land Use, Land Use Change and Forestry (LULUCF) - emissions have decreased by the largest margin of any sector since June 2005 (195.8%; 150.6 Mt CO<sub>2</sub>-e).

- Agriculture – emissions have declined by 8.0% or 7.0 Mt CO<sub>2</sub>-e since June 2005.

*Source: Quarterly Update of Australia's National Greenhouse Gas Inventory: March 2025 Incorporating preliminary emissions up to June 2025 Australia's National Greenhouse Accounts*

When one sector within a priority supply chain starts to dominate, adverse impacts will occur elsewhere in the chain. For example, in working on the need to transmit clean energy, there have been plans developed for overhead high voltage power lines across agricultural, parks and culturally significant lands. While this might be a short-term economically affordable solution for the clean energy industry, it carries very significant risks in both medium and long-term for the industries covered by Skills Insight. It impacts on land use, ecosystem management, nature positivity and the potential for major bushfire events, which are increasing in intensity due to climate change. Given the major roles of transmission lines in causing or exacerbating natural disaster damage over decades, which have cost dozens of lives and billions of dollars as identified by Commissions of Inquiries and coronial investigations, this is an important issue for our stakeholders requiring much greater depth of consideration. This is just one of many examples.

More integrated policy development which includes the broader scope of Net Zero (which will also include other industries outside of Skills Insight coverage) is going to be required if action plans that provide mutual benefits across stakeholders are to be realised.

## Considering social equity objectives

Skills Insight has a responsibility under the Jobs and Skills Program to contribute to social equity objectives. Funding that is directed to industry and learners through the Australian Apprenticeship Incentive system should consider these objectives. However, there are risks to the apprenticeship system from the complexities of meeting many objectives. Other funding sources are also available for the broad range of initiatives needed to bring effective action to address social equity issues. In considering the methodology that applies to the role of apprenticeships in addressing social equity objectives, a consideration should be the other supporting programs that impact industries and regions. The Australian Apprenticeship Incentive system does not need and should not do the work on its own, and should be focused on the provision of training to achieve sustainable employment. If more initiatives were to be incorporated into the apprenticeship and traineeship schemes, there would need to be a significant boost in the available funding.

# Closing the Gap through First Nations economic empowerment and leadership

## From consultation to partnership and leadership

JSC responsibilities include contributing to Closing the Gap targets, and Skills Insight has been building relationships with First Nations stakeholders since the JSC program's inception, building on work undertaken by our organisational predecessor. However, effective Closing the Gap outcomes require moving beyond consultation models to recognise First Nations people and communities as economic leaders and partners, not merely participants to be engaged.

The First Nations Economic Empowerment Alliance should be central to any Priority List methodology review and development, alongside the Coalition of Peaks, First Nations Workers Alliance, Indigenous Land and Sea Corporation, National Indigenous Australians Agency (NIAA) and North Australian Indigenous Land and Sea Management Alliance (NAILSMA). This requires genuine leadership roles in determining policy direction, not token consultation. Industry leadership expectations must include First Nations approaches and knowledge systems, with incentives designed to develop and recognise this expertise as fundamental to closing employment and economic gaps.

## Recognising Country-based knowledge and occupations

First Nations-specific roles built on the understanding that culture, welfare and health are inextricably linked to connection to Country represent essential occupations that current methodology overlooks. The discussion paper notes the Indigenous Health Training Package, and some roles within Skills Insight's coverage demonstrate this holistic approach. Priority List methodology must ensure incentives are inclusionary rather than exclusionary for these culturally appropriate pathways.

The highly successful Indigenous Ranger program exemplifies job roles designed to enable First Nations people to actively live on, connect to and care for Country while delivering essential services for Australia as a whole. Skills Insight has been approached by multiple sectors seeking to utilise Indigenous Rangers for roles including public health, mobile satellite repair, connectivity support and compliance enforcement. While this demonstrates recognition of the program's effectiveness and potential cost savings, any expansion of Ranger roles must be approved and supported by Ranger Groups themselves, maintaining the program's integrity and cultural foundation.

## Integrating traditional knowledge with contemporary workforce needs

First Nations people hold traditional and cultural knowledge of Country that can significantly enhance scientific, research and implementation outcomes across Skills Insight industries. This knowledge is increasingly recognised by Rural Research and

Development Corporations, CSIRO and other bodies, producing greater innovation impacts than achieved without this expertise. Such knowledge and skills should be formally recognised in training pathways and, where agreed through free, prior and informed consent, shared with appropriate recognition and compensation.

## Priority List implications for First Nations economic participation

There is an opportunity for the Priority List methodology to include increased leadership roles for First Nations people in Australia's skills and training system, particularly in rural, regional and remote areas where VET access is constrained. This includes:

- Country-based occupations that integrate traditional knowledge with contemporary environmental management, food production and land care needs
- cultural preservation and sharing roles that maintain and transfer knowledge while creating economic opportunities
- regional service delivery positions that address community needs while providing sustainable employment
- cross-cultural liaison and education roles that build understanding and cooperation across community and industry sectors.

Decisions on Priority List incentives should explicitly incorporate these areas of potential First Nations economic leadership, ensuring that Closing the Gap objectives are advanced through workforce development that respects cultural values, recognises traditional knowledge, and creates genuine economic opportunities connected to Country.

The goal is not simply including First Nations people in existing frameworks, but transforming those frameworks to recognise and build on First Nations knowledge systems, economic approaches, and community-controlled development models that can benefit all Australians while advancing genuine reconciliation through economic empowerment.

## Gender equity

Jobs and Skills Australia is currently releasing research that demonstrates a link between a lack of occupational gender diversity and the lack of CALD workers with existing workforce shortages. This could impact the nature of some of the incentives within the Australian Apprenticeship system.

In other submissions, papers and communiques, Skills Insight has reported stakeholder views on key barriers to more equitable participation, including:

- **Training delivery models that fail to support flexible learning:** Many courses are structured around full-time, in-person participation, which does not align with

the realities of unpaid care responsibilities and inaccessible childcare that disproportionately impact women and women in RRR communities in particular.

- **Lack of workplace-based learning opportunities:** Many RRR businesses cite difficulties in integrating formal training into workplace settings or obtaining timely delivery by qualified trainers in workplaces and on Country, creating additional barriers for women seeking flexible models to enter male-dominated fields.
- **VET funding models that do not prioritise gender equity outcomes:** Consideration of funding should include design to support women's participation in trade-based apprenticeships and men's entry into female dominated sectors such as animal care and social services.
- **The leaky pathways in gender-segregated occupations and policy implications:** The leaky pathway phenomenon describes the gradual loss of women from certain career paths, particularly in male-dominated sectors. While initiatives have been introduced to encourage women's participation in trades and STEM, retention remains a significant challenge. Workplace discrimination, gendered training environments, limited professional networks and role models, and inadequate career development opportunities contribute to women exiting these industries at higher rates. These are all exacerbated in RRR locations.

Recent initiatives in agriculture demonstrate practical approaches to gender equity that could inform effective Priority List incentive design. The FarmHer field day in Moora provides valuable insights into strategies for increasing women's participation in agricultural occupations, offering evidence-based lessons that could be adapted for broader apprenticeship incentive schemes. Five key learnings from this program for increasing women's involvement in agriculture:

1. **Create beginner-friendly training programmes** - Develop accessible agricultural education that builds confidence regardless of farming background.
2. **Design inclusive entry points** - Welcome women from diverse routes into agriculture rather than assuming inherited farming knowledge.
3. **Encourage niche specialisation** - Help women identify expertise areas where they can build authority and leadership within agricultural businesses.
4. **Support sustainable workloads** - Leverage women's organisational strengths whilst preventing burnout through realistic expectations and mental health awareness.
5. **Build industry partnerships** - Foster collaboration between businesses, community groups, and women's networks to sustain mentorship and gender equity initiatives.

## Considering Disability and Disadvantage

There are a variety of occupations within the coverage of Skills Insight which are attractive to people with a wide range of abilities and work preferences. Given the level of disadvantage experienced across RRR, with disadvantage having a direct correlation to remoteness, industries working with Skills Insight have experience of the difficulties in attracting and retaining staff from these backgrounds.

While industry participants might support incentives to address these issues, they do see a need for incentives to be effective at achieving the aims required. Some of the cultural issues being dealt with are not going to be simply addressed just by using incentives.

As noted in the Strategic Review, the need for additional services (properly funded for long-term success) is paramount to achieving beneficial results.

### Incentivising foundation and work readiness skills

In considering social equity objectives, the roles of foundation and work readiness skills should be considered. These skills are fundamental to employment and their absence create barriers to participation. Incentives should target early intervention, pre-apprenticeship pathways and in-training LLN and work readiness support.

The *Jobs and Skills Australia Roadmap for Regional Australia Phase 1 Report* (2025) notes that in regional areas, "Barriers may also include insufficient foundation and employability skills in language, literacy, numeracy and digital skills..."

Stakeholders would view this support favourably, but would question whether there is a need to consider this as being within the Australian Apprenticeship scheme. The issues with foundation skills need to be addressed through school level systems, with greater consideration of the variety of ways in which skills can be exercised.

The availability, accessibility and teaching quality of the pre-tertiary school systems are critical to developing foundation and work readiness skills. Stakeholder feedback and the available data suggests that these systems lag well behind in RRR than in non-regional counterparts. A deep examination of these systems is required.

### Supporting small and medium enterprises (SMEs) through targeted apprenticeship access

The Strategic Review appropriately recognises the critical importance of ensuring SMEs have meaningful access to apprenticeship incentives. This is particularly significant for Skills Insight industries, where SMEs represent the majority of

*"The highest concentration of disadvantage is in remote communities and some regional areas. The five regions with the highest long-term unemployment rates make up 12 per cent of all long-term unemployed people nationally, despite only having five per cent of the working age population". (Australian Government Employment White Paper, p141)*

employers and often operate with small permanent workforces supplemented by seasonal, temporary or contracted staff to manage fluctuating production demands.

SMEs face unique barriers to apprenticeship engagement that the Priority List methodology needs to address. These businesses may experience high turnover in small staff cohorts, rely heavily on flexible employment arrangements, and lack the administrative capacity to navigate complex incentive systems. However, apprenticeship incentives can provide SMEs with the opportunity to transition from precarious staffing models to more secure and stable employment arrangements that benefit both employers and workers.

For many SME employers in agribusiness, fibre, furnishing, food, and animal and environment care industries, apprenticeship pathways represent the most viable method for developing the skilled workforce essential to their operations. Unlike larger enterprises that can afford dedicated training departments or external recruitment, SMEs depend on apprenticeship systems that are accessible, administratively simple, and aligned with their specific operational needs and seasonal patterns.

Past reviews of apprenticeship completion rates have also highlighted the importance of ensuring that incentives support genuine training partnerships rather than short-term employment arrangements. The Priority List methodology should recognise that successful apprenticeship outcomes depend on employers who are committed to providing quality training, appropriate supervision, and sustainable career pathways. Skills Insight's experience suggests that many SME employers in our industries are genuinely committed to developing their workforce and would benefit from support systems that help them navigate training requirements, workplace health and safety obligations, and completion milestones.

Linking Priority List inclusion to demonstrated commitment to apprentice outcomes (including completion rates, ongoing employment, and adherence to training standards) creates a framework that supports employers doing the right thing while ensuring public investment achieves its intended results. This approach recognises that the vast majority of employers want to provide quality training experiences, while ensuring that incentives are structured to support best practice and sustainable employment outcomes for apprentices.

The Priority List methodology should explicitly consider SME accessibility in both eligibility criteria and incentive design, ensuring that bureaucratic complexity does not exclude the very businesses that form the backbone of regional economies and essential industry sectors. This includes recognising that SME engagement may require different support models, streamlined processes, and flexible training delivery arrangements that accommodate the reality of small business operations while maintaining quality outcomes for apprentices.

# Current Methodology

## Employer resources for point in time assessments

Review of the Priority List is currently completed on an annual basis. Although this review is not based on direct public consultations, there are consultations by ABS and JSA on underlying data supporting the review. Stakeholders have suggested that providing evidence for OSCA and Occupation Shortage List reviews is very resource intensive. They also suggest that published review outcomes lack transparency and, often, credibility.

The discussion paper states that *“objectivity and a reliable evidence base are important factors in defining the methodology to ensure the Priority List is not predominantly influenced by stakeholder pressure”*. Industry stakeholders suggest that the development of a real evidence base would require significant industry consultation and the use of industry knowledge, which should not be written off as *“stakeholder pressure”*. The current consultation may be relatively ineffective because of the lack of resources that can be allocated to this apparently annual exercise. This is not a key focus of the business of the ABS as a whole (the body responsible for OSCA) or DEWR as a whole (responsible for the Priority List).

Stakeholder experience suggests that industry-developed evidence is routinely discounted as being interest-driven and self-serving. This makes it difficult for stakeholders to understand what the evidence-base actually is, and certainly there is a perception that the data used is flawed, especially data collections that use OSCA for a substantially different purpose. Stakeholders report difficulties in creating evidence-bases, which rely on reporting from employers who have very limited resources to meet these needs. The cost of developing a national evidence-base for an industry workforce is beyond the means of most industries, and not the highest priority for individual employers.

## An Australian Apprenticeship

The discussion paper notes that the majority of apprenticeship incentive payments *“are confined to apprenticeship occupations and qualifications on the priority list”* (p4). Stakeholders question how these are defined.

An Australian Apprenticeship is defined by the Federal Government as including both apprenticeships and traineeships, which is not a definition necessarily adopted at state and territory level. There is also confusion within the discussion paper, with references to *“restrict eligible Priority List occupations to areas where an apprenticeship is a necessary condition or the preferred/dominant pathway to completing a VET qualification”* and *“occupations more reliant on apprenticeship pathways”* (p8). It is unclear if this is referring to apprenticeships as distinct from traineeships, as appears from the context, or inclusive of traineeships. It would

certainly seem to rely on workplace-based delivery of VET, which would mean there should be encouragement to undertake workplace-based delivery.

In undertaking a feasibility study for an Ag Trade Apprenticeship, Skills Insight tried to ascertain the conditions that applied to trade recognition, apprenticeship and traineeship in each Australian jurisdiction. The results of this are available in the Supplementary 3 Report, [Guide to Recognising Apprenticeships and Traineeships](#) and show that there is no easy identification of:

- The policies and processes around declaring a recognised trade apprenticeship as an occupation extending beyond the funding of qualifications to recognition of the occupation as a declared vocation.
- Clear guidelines in all jurisdictions stating the nature of the occupations which should or could be either an Apprenticeship or a Traineeship, and the requirements that would support decision-making to declare occupations as trades.

There is also a lack of consistency in approaches and requirements when comparing jurisdictions.

Given the central use of the priority list, it is important that there are clear definitions and boundaries which can be easily found and understood by stakeholders. This transparency will improve industry planning, resource allocations and system accountability. Regardless of the outcomes from the Strategic Review and this discussion paper, a joint DEWR, State and Territory Training Authority, and JSA review to harmonise definitions and data alignment would be helpful.

## The use of OSCA

Many Skills Insight stakeholders hold the view that the use of the OSCA Skill Levels is inappropriate in modern Australian workforce planning and leads to important occupations being excluded from the Priority List, despite industry need and government industry growth strategies.

The concept of using these skill levels to make decisions about priority lists, funding and VET training is confusing for stakeholders, and often clashes with and inhibits the achievement of the priorities of governments at all levels.

For decades, it has been recognised that there is no such thing as an unskilled job, and that training in work safety, teamwork, communications and basic industry-related skills will always improve a worker's productivity and future prospects, as well as industry safety.<sup>6</sup>

Achieving national priorities, such as food security, relies heavily on workforces with large proportions of workers who are in nominally "lower-skilled" roles. They perform essential functions that entire industries depend upon. Without a skilled and stable foundational workforce, productivity, safety, animal welfare standards, biosecurity, sustainability, and supply chains are all at risk. As with many nominally "higher" skill level occupations, training these workers is best done formally in the workplace - for example, through apprenticeships - due to the many positive outcomes to safety, effectiveness and productivity evidenced for this approach. The concept of a "ranking" system of higher and lower skills seems to be unhelpful and exclusionary in the modern era.

Importantly, many of these roles offer employees meaningful and secure work, with opportunities for long-term employment, skills growth, and contribution to community wellbeing. In RRR areas, such work can provide stable work opportunities,

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"The Government's White Paper on Jobs and Opportunities recognises that a safe workplace is a fundamental component of job quality. Work is not a risk-free activity and while there have been significant strides towards reducing both the frequency and severity of work-related injuries and illnesses, there still exists many opportunities for improvement ... Safety at work remains a central concern for governments, workers and employers and unsafe workplaces can pose a significant burden on individuals and their households, businesses and the economy (through reduced labour force participation and lost productivity)." (JSA Regional Roadmap, Phase 1 Report, 2025 p76)

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<sup>6</sup> Commonwealth of Australia (2023). Working Future: The Australian Government's White Paper on Jobs and Opportunities, Commonwealth of Australia. Available at: <https://treasury.gov.au/sites/default/files/2023-10/p2023-447996-working-future.pdf> (Accessed: 23 May 2025)

notably for people experiencing disadvantage and unemployment, and help retain workers in the region<sup>7</sup>.

There is a lack of alignment between industry-defined qualifications and relevant AQF levels, and the ABS skill levels. The ABS does undertake consultations on skill levels and claims that level 5 occupations are so classified because a worker does not need a qualification to undertake the occupation. While that may be true, VET qualifications describe what it takes to be a safe, effective and productive worker in those occupations, and are produced after more rigorous consultation approaches. Stakeholders would argue for, and government policy seems to be directed towards, the need to aim for safe, effective and productive workers, not just the lowest possible skill level that can complete some parts of an occupation.

Using the OSCA Skill levels makes RTO viability more difficult and inhibits delivery to priority cohorts, especially those with low foundation skills. This is because Skill Level 5 occupations, which are often industry-entry occupations, are routinely excluded from funded programs (regardless of being in priority industries), compromising the potential to build class sizes to levels where RTOs can put qualifications, skill sets and units on scope. Without having them on scope, the qualifications, skill sets and units cannot be delivered under current regulatory settings. While specific RRR and priority cohort programs can be established through grant schemes and similar approaches, these are destined to be, at best, short term fixes that will not provide longer term access to training because RTOs cannot build viable training options.

Industry stakeholders have expressed ongoing frustration with the over-reliance on the OSCA and its predecessor, the ANZSCO, as the foundation for determining skill levels and workforce priorities. These classifications depend heavily on Census data – a self-reported survey conducted every five years – in which respondents' occupations are coded according to the existing OSCA/ANZSCO structure. This circular relationship means that when occupations are poorly defined or fall into generic 'not further defined (nfd)' categories, they remain invisible in the data and, consequently, under-recognised in classification updates. The result is that industries such as animal care and management, aquaculture, and furnishings, where growth strategies rely on attracting and training skilled workers, are disadvantaged by incomplete or inaccurate occupational recognition.

Challenges for stakeholders in understanding and engaging with Australia's jobs and skills system are compounded by the lack of alignment between occupational classifications (OSCA/ANZSCO skill levels), qualification frameworks (the Australian Qualifications Framework, AQF), and incentive system structures, such as the Australian Apprenticeship Priority List (AAPL).

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<sup>7</sup> Longley, D & Clarke, K (2025). Collaborative workforce innovation: a practice guide for developing a Foundational Capabilities Pathway built on lessons from the AgFutures initiative, Brotherhood of St. Laurence, Fitzroy, Vic.

Each qualification on the National Training Register (training.gov.au) is linked to a single 'ANZSCO Identifier' that represents its *intended occupational outcome*. However, this simplification masks the reality that most qualifications lead to *multiple* occupational outcomes, particularly in industries where job roles are diverse, overlapping, and evolve in response to technology and regulation. Stakeholders have long questioned this 'one-to-one' model, noting that it serves the convenience of data management and funding allocation rather than the complexity of modern labour markets or Skills Ministers' stated priorities for skills transferability.

Structural misalignments become particularly evident when stakeholders attempt to navigate the VET apprenticeship system. The skill level assigned to an occupation under OSCA/ANZSCO may not correspond with the AQF level of its associated qualification (or the same occupational outcome may be assigned across several AQF levels, such as in the case of Arborists), leading to inconsistencies in how training is valued, funded, or prioritised. In turn, numerous qualifications on the AAPL correspond to occupations classified at different skill levels.

This complexity creates confusion among employers, RTOs, and potential apprentices about which qualifications are eligible for incentives and how these relate to actual job roles and workforce needs. It also raises questions about how effectively these systems reflect the pathways, progression, and skills transferability that underpin workforce resilience.

To address these issues, greater transparency is needed in how occupational and qualification linkages are determined, alongside clearer public guidance and formal opportunities for JSCs to contribute to classification, mapping, and funding decisions on behalf of industry.

As noted above, there are current misalignments between the levels of qualifications and the skill levels within OSCA, which then have an impact on eligibility for the Priority List under current rules. With the Skills Ministers' priorities including qualifications that are more flexible and portable, there should be the opportunity for JSCs, with the guidance of industry, to include a range of occupations (multiple OSCA Codes or alternatively using a National Taxonomy) that will also recognise that the AQF has a range within each level.

## **Beyond apprenticeship incentives: addressing systemic VET funding challenges**

The Strategic Review and discussion paper raise fundamental questions about the appropriate scope and boundaries of the Australian Apprenticeship Incentive System. While apprenticeship incentives serve an important function in addressing specific workforce shortages, they should not be expected to compensate for broader systemic underfunding of vocational education and training, particularly in rural, regional and remote areas.

The discussion paper appears to stretch the role of apprenticeship incentives beyond their core purpose of encouraging VET and formal learning pathways toward supporting broader industry operations. This approach risks creating unrealistic expectations for a single policy instrument while potentially overlooking more appropriate funding mechanisms available through other government departments and programs.

For Skills Insight industries, which are predominantly located in areas with constrained training infrastructure, the fundamental challenge is systemic underfunding of RRR VET delivery rather than inadequate apprenticeship incentives. The critical need is for comprehensive reform and increased investment in the skills and training system itself, including:

- training provider viability in thin regional markets where delivery costs exceed sustainable revenue
- trainer recruitment and retention in remote areas competing with metropolitan opportunities
- infrastructure and equipment necessary for hands-on learning in specialised industries
- flexible delivery models that accommodate seasonal work patterns and geographic dispersion.

Rather than expanding apprenticeship incentives to address these structural issues, government should focus incentives on their core purpose while ensuring adequate base funding for VET delivery across all regions. This includes coordination across relevant government departments (including those responsible for regional development, industry support, and infrastructure investment) to address the full spectrum of workforce development needs.

The goal should be a coherent, well-funded VET system supported by targeted apprenticeship incentives, not an over-reliance on incentive programs to substitute for comprehensive system investment. Only through adequate base funding can the system provide the accessible, quality training that Skills Insight industries and rural communities require for sustainable workforce development.

# Appendix

## Checking the potentially excluded occupations

On page 98 of the Strategic Review of the Australian Apprenticeship Incentive System, there is a list of occupations that would be removed from the incentive system, with many of those being within Skills Insight coverage. If a more evidence-based and inclusionary approach were taken, different results may be reached for these occupations.

The Strategic Review takes a “cursory” look at whether there is value for money or public benefit. The following provides our more detailed, if introductory, look at the nature of these occupations and the public benefit associated with them.

### **Veterinary nurse**

- support veterinarians to look after animal health and welfare
- fully regulated industry with legislative industry-based regulatory systems nationally and in all jurisdictions
- contributes to Australia’s food security and biosecurity, both of which are priorities for the Federal Government (see JSA Food Supply Chain Workforce Study, 2024).
- detailed health and safety issues, resulting from dealing with a wide variety of animals, and their illnesses and injuries, and dealing with the treatment and euthanising of animals
- detailed knowledge requirements, with a constantly evolving science-base requiring ongoing learning
- ongoing shortage of veterinarians, resulting in expansion of nurse responsibilities and development of veterinary technicians
- extensive staff turnover of veterinary nurses
- female dominated occupation that may benefit from greater gender diversity.

### **Arborists and Tree workers**

*Note: these have been combined given similarity of considerations.*

- look after the health and welfare of trees
- critical for industries such as transmission of power and water, parks and gardens and forestry
- occupations that are part of the supply or value chains for the Transition to Net Zero, including Clean Energy and nature positivity, and national food security

- licenses required for some aspects, such as working at heights, as well as regulatory controls such as chemical handling
- critical occupations to deal with bushfires and diseases affecting tree stocks (such as Shot Hole Borer, Myrtle Rust disease and the elm leaf beetle)
- extremely high-risk occupations, routinely among the highest rating occupations for injuries, requiring advanced training and experience to mitigate injury risk
- operate in remote and isolated situations, with highly variable terrain
- high level demand for workers, especially associated with the safe transmission of power and water.

## **Nurseryperson and Landscape gardener**

*Note: these have been combined given similarity of considerations.*

- establish, raise and care for gardens and plants used in horticulture, permaculture, landscaping, parks and gardens, and office and residential gardens
- part of the supply and value chain for Transition to Net Zero, including nature positivity, as well as in conservation and ecosystem management, and biosecurity
- important roles in creating healthy living environments for Net Zero living, including minimising water usage, utilising optimum soils and creating circular micro-environments
- important sectors for carbon capture and carbon neutral approaches for buildings and built landscapes, including urban landscapes and housing
- support major Australian industries in flowers, parks and gardens, and urban and town planning
- often operate in remote and isolated situations, with variable terrain, and in construction sites for buildings, landscaping and parks
- some regulation involving plant/seed import, pest control, building, plumbing, and chemical handling.

## **Irrigation technician**

- part of Australia's critical water management industry, predominantly for agricultural, conservation, ecosystem management, forestry, inland fisheries and cultural water appropriations and distribution
- critical sector for Australian agriculture and food security, and participants in the Transition to Net Zero
- some regulation involving water licensing, and environmental management

- often operate in remote and isolated situations, with variable terrain
- occupation working with a mixture of water, electricity and piping, with associated safety and water usage concerns.

### **Butcher or smallgoods maker**

- work to produce meat products for local and international markets
- important roles in food security and for one of Australia's most important export markets, including important contributions to Asia Pacific regional food security
- high-level risk and safety for workers using sharp knives and saws, along with slip and contamination hazards
- high-level risk and safety concerns for consumer health and safety, with compromised safety potentially impacting dozens or hundreds of consumers, with the potential for major recall events which may affect global markets (as with Bovine Spongiform Encephalopathy)
- some regulation involving food safety standards.

### **Senior piggery stockperson**

- work with and make judgements on handling, housing, feeding, routine health care and moving pigs
- important roles in the food security supply chain and in manufacturing (leather goods)
- regulations involving health and safety, animal welfare, environmental protection and biosecurity legislation
- have been responsible for dealing with the impacts of Swine Fever outbreaks and brucellosis, and to assist in the prevention of foot and mouth disease
- work with unpredictable, large living animals.

### **Wood machinist**

- works in a timber processing environment and set up, operate and maintain machines such as large automated planers/moulders and saws to cut, plane and profile timber to specifications
- central occupation to the Australian forestry industry, with expertise that is used to minimise wastage and maximise carbon capture
- important occupation to support the Australian construction industry and the building of residential housing

- important occupation in the Transition to Net Zero to ensure there is as much carbon capture and minimisation of waste as possible
- risk for worker health and safety, particularly involving the use of sharp machinery and the unpredictability of cutting the natural fibre of wood (such as difficult to spot knots, cavities and rot)
- can contribute to identifying biosecurity issues, particularly associated with tree diseases and fungus impacts.

## **Furniture maker, furniture finisher, cabinet maker, upholsterer and picture framer**

*Note: these have been combined given similarity of considerations.*

- occupations that relate to the lifestyles and capacity to live in residential housing and communities, as well as offices and specialist work buildings (hospitals, fire stations etc)
- occupations included in Sovereign Capability, advanced manufacturing and future made in Australia priorities, and potential to contribute to more climate smart housing and workplaces
- important occupation to support the Australian construction industry and the building of residential housing, and related to the forestry and fibre industries
- risks for worker health and safety through the use of machinery, including cutting and shaping equipment
- need to be able to work across a variety of fibres and other materials
- becoming increasingly important occupations for First Nations communities and business enterprises are developed, utilising First Nations culture and design skills

## **Horse trainer**

- work with horses, across a range of equine industries, notably racing and breeding, equestrian and working horse and camel occupations
- responsible for high risk occupations within the racing industry, most especially the roles of jockeys and track riders, and for ensuring horse and rider safety in areas such as tourism (such as outback riding and horse drawn carriages), equestrian sporting events and police horses
- take full regulatory responsibility for actions within the racing industry, which contributes \$9 billion to the Australian economy and \$1.2 billion directly to federal, state and territory governments through taxes

- is the responsible officer (similar to Board Chair or CEO) for integrity issues in the racing industry, which are controlled by legislative bodies responsible for regulation
- has significant animal welfare responsibilities
- has stringent rules around the uses of drugs and pharmaceuticals for human and animal participants
- major direct employer in RRR.

It should also be noted that the racing industry holds events that are major cultural and economic events across regional Australia, bringing employment and tourism dollars to regions that struggle throughout the year. The whole industry cannot operate without horse trainers.