

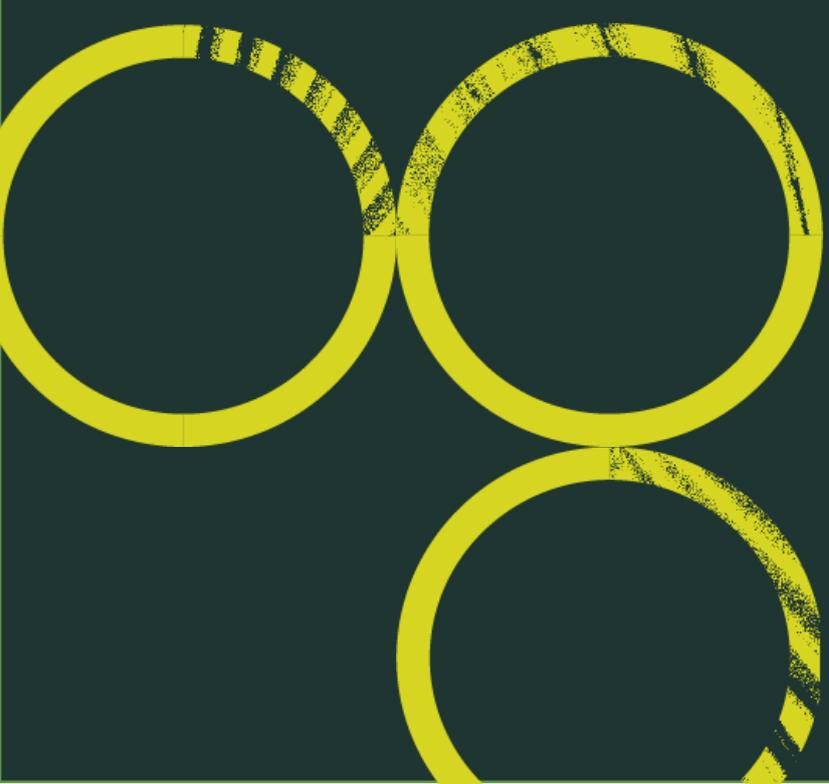


# Jobs and Skills Australia Roadmap for Regional Australia

Response to Phase 1 Report

Skills Insight Jobs and Skills  
Council

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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“Of particular concern is the prevalence of barriers that hinder the participation and skill acquisition of people living in Regional Australia in the labour market, particularly those from priority equity groups. ...

“The prevalence of barriers that hinder participation in the labour market, including the acquisition of skills through the tertiary and higher education system, as well as completion of apprenticeship and traineeships ...

“The barriers behind reduced participation in employment, education or training (including non-participation) for those that want to work more can vary and are often interconnected. They may include financial barriers, lack of digital connectivity, lack of access to childcare, transport barriers, lack of affordable housing, as well as disability and health issues (among other barriers).

“Barriers may also include insufficient foundation and employability skills in language, literacy, numeracy and digital skills ...

“In an effective jobs and skills system, there should be a focus on addressing and overcoming barriers that hinder Australians from their initial participation in education, training and/or employment and maximising their labour market participation after that.”

Key Excerpts from Jobs and Skills Australia, Roadmap for Regional Australia, Phase 1 Report (2025)

# Jobs and Skills Australia

## Roadmap for Regional Australia

### Response from Skills Insight Jobs and Skills Council

#### Summary

Jobs and Skills Australia has developed a commendable Roadmap for Regional Australia, and the approaches outlined in the Phase 1 Report are generally supported by stakeholders working with Skills Insight.

Stakeholders suggest that key to the success of the Regional Roadmap will be:

- Complete restructuring of regional skills funding and investment, including increased levels of funding, noting especially that RRR funding of VET is badly structured, poorly implemented and inadequate
- A focus on the removal of barriers to ensure there is room for place-based solutions that have flexibility, accessibility and room to test, improve and fail
- Access to skills development that is vital for the specialised skills needed in modern regional industries
- Increasing the available workforce in regional Australia through attraction of people to the regions
- Focus on ensuring the regional workforce is safe, effective and productive

To build on the principles and performance evaluations developed by JSA in the creation of the Roadmap, there is a need to:

- Create opportunities for greater RRR access to funding, capital and investment
- Improve the opportunities for cross-border and national delivery of VET
- Improve the workforce and other supporting data for regional Australia
- Establish precisely where and what training is being delivered
- Remove the influence and use of OSCA skill levels from decision-making about skills and training
- Design solutions that address RTO viability

The Roadmap may provide an opportunity to improve the alignment of policies, strategies and solutions from governments, regional communities, First Nations enterprises and industry participants.

# Introduction

The Jobs and Skills Australia (JSA) Roadmap for Regional Australia (Regional Roadmap) notes that the framework and vision for regional Australia is built around five guiding principles:

- **Addressing barriers:** People with barriers in regional Australia receive timely high-quality support to move towards participating in education, training and employment.
- **Developing skills:** Everyone in regional Australia is supported to efficiently develop skills that enable them to meaningfully contribute to community, economy and culture.
- **Quality jobs:** Everyone employed in regional Australia can work in a quality job that is safe, fair, rewarding and satisfying.
- **Meeting demand:** Regional Australia and its employers can access, attract and develop sufficient suitable labour, including as skills needs change.
- **Efficient matching of labour supply and demand:** The labour market in regional Australia efficiently matches labour demand with labour supply.

The first four of these guiding principles will help Australians in Regional, Rural and Remote Australia (RRR) to have the opportunity to equitably access education, training and employment, which is fundamental to the achievement of the vision in the Australian Government Employment White Paper.

Stakeholders working with Skills Insight have long supported the aspirations expressed in the guiding principles. In particular, barriers need to be removed to allow for flexibility and place-based solutions. Applying the same VET regulatory and guidance approaches nationally hampers current RRR delivery and innovation, and fails to achieve the aim of improving quality or consumer protection.

The JSA Regional Roadmap also provides evaluative metrics and 10 policy design principles, which are approaches supported by stakeholders, but which require hard actions, and appropriate funding and investment, to follow.

Where the first four guiding principles go to fundamental opportunities, the efficient matching principle relates to systemic effectiveness. The discussion within the Paper indicates the difficulties in measuring effectiveness using any of the proposed approaches and metrics. Stakeholders are uncertain of whether this needs to be a guiding principle or part of the suite of potential indicators of progress.

**Overall, the JSA Regional Roadmap provides a good foundation from which to build place-based solutions. Stakeholders are hopeful that this will provide impetus for policy and innovative changes that achieve the outcomes described in the Roadmap.**

## Key indicators and evaluative metrics

Generally, stakeholders accept that the nominated contributing metrics and key indicators can serve a purpose in helping to describe improved experiences in RRR. However, it is critical that data used in making decisions for RRR have supporting qualitative data to prevent an urban lens being placed on data interpretation.

For example, consider the JSA analysis of underutilisation of skills in the Roadmap document. The analysis is based on qualification level and occupation levels, with a resulting evaluation that there is significant underutilisation of skills that could be useful in regional Australia. The high level of job satisfaction in RRR indicates there may be explanations that would make using the additional skills difficult. Qualitative data may provide more context to this information. Alternative avenues of analysis may potentially reveal that:

- Only a small selection of qualifications was available within a region, and learners undertook study while waiting for available work in their desired roles, for a variety of reasons (including remaining eligible for income support).
- Qualifications are not designed with regional needs in mind and that the only available training for an identified and desired job role is at a higher level than the learner needs or would prefer.
- There are more families, retirees, tree and sea changers and First Nations community members who choose RRR for lifestyle or cultural reasons and no longer wish to use their skills at higher levels as part of that decision.
- They are working across multiple occupations and there is a mismatch between the qualification and the occupation they chose for reporting.

Skills Insight has no evidence to support these potential explanations. These examples are provided from individual situations we have come across, to illustrate the importance of qualitative data and ensuring that an urban lens is not used to analyse RRR data and issues.

Evaluative indicators and insights will be improved through the use of qualitative data. The intersections between the Vision Principle 1 data and the foundations that may impact that data, such as coming from long-standing RRR families, remote communities, socio-economic positions and even coming from family-run businesses will be important to understand the true meaning of the quantitative data. Similarly, the potential intersections between school non-attendance, foundation and workforce readiness skill levels, and quality of pre-tertiary schooling may lead to different solutions in individual regions.

Skills Insight suggests that enrolment rates, specifically VET, apprenticeship and trainee rates are a useful metric to be added under Developing Skills. As importantly, the locations of actual delivery and specific offerings at a local level would also be useful.

Skills Insight has previously raised with JSA the concerns of stakeholders regarding the use of vacancy rates as a key metric, particularly when reliant on online advertising. If using vacancy rates, the time taken to fill vacancies is critical and tracking unfilled jobs resulting in decisions to cease advertising would also be beneficial. Stakeholders remain concerned that there are significant hidden job markets because of employer decisions not to advertise given lack of responses and the poor quality of applicants.

## 10 Design Principles

The concept that the 10 design principles are to be considered in harmony, and as directional and supportive, is the right approach. Unfortunately, all too often, when there are options to choose from such as 10 principles, there is a tendency for those implementing policy development of plans to disregard this approach and treat them as individual rules for assessment and compliance.

The second principle discusses the “spirit of co-design”. Stakeholders have been prepared to engage in this spirit (mostly because it is the only or best available option). However, there has been concern about co-design and shared decision-making, as it involves people in making decisions when they have no direct and little indirect knowledge of the cultural, social, historical and economic realities of the people decisions are being made about. Stakeholders have suggested that it may be more advantageous to identify the level of local decision-making and the areas where co-design is needed, such as when actions require additional funding or legislative change.

In relation to the funding principles, while very supportive of the necessity to increase RRR funding, it may be worthwhile to cast these principles as funding and investment, to ensure that other avenues to obtain resources are considered.

## Data Improvements

There are important data considerations when decisions about policies, strategies and actions are being made that impact RRR. If decisions are to be evidence-led, then data will need to be improved.

### Better Workforce Data

Recommendation 41 of the JSA Report, *An Essential Ingredient: the Food Supply Workforce* is to “Establish a workforce data unit within the Australian Bureau of Agricultural and Resource Economics and Sciences”. This followed an extensive discussion in the report concerning the quality of food supply chain workforce data and the need for better and more accurate data.

Stakeholders strongly support efforts to improve workforce data, and this has particular application for RRR. Workforce data in the agribusiness, food, fibre, furnishings and animal and environmental care industries has been less reliable than for other industries, due to many issues, for example: confusion on occupation definitions; lack of identification of emerging roles; the self-reporting nature of much of the data; the misallocation of skill levels; and point in time reporting for workers who have multiple roles.

Being able to utilise existing data being held by the Australian Bureau of Statistics, Australian Tax Office, JSA, Safe Work Australia, the CSIRO and RDCs would be a step forward, but it is likely that new data sources will need to be found.

One critical aspect, identified in the JSA Food Supply Chain report is improved tracking of casual, labour hire and similar employment arrangement data. Tracking engagement in the “gig economy”, where casual workers are technically self-employed, would also be illuminative, but may be difficult to collect.

Even when data is collected, as the data becomes more granular, more and more figures become unavailable, due to issues such as de-identification or lack of local reporting.

Stakeholders are concerned about the lack of movement to examine whether Recommendation 41 would be practical and effective. In the meantime, data can be an inhibitor for decisions made about RRR issues.

## **Better RRR Skills Performance Reporting**

Stakeholders accept the report’s finding that better RRR skills performance reporting is needed but suggest that this needs to be intersectional reporting to identify the match with local industry and skills needs. Stakeholders do not want to see a return to past practices, such as those in the last century in the NT when local towns would have fully trained Cert II qualified learners, but few, if any, jobs in the relevant industries. This had a particular impact on First Nations communities.

There is a need to map specific location of delivery and assessment of training from the learner perspective, and whether that training is delivered in the workplace, on country or virtually. It would be helpful if this was at unit level, not just qualification level.

## **Tracking the Seasonal Workforce**

Skills Insight stakeholders have been discussing the potential changes to seasonal workforces. This would be a very useful area for research as the current information is very inconsistent, and may have been impacted by the extensive use of visa workers.

In the past, there were many mobile workers who used their skills based on seasonal requirements across Australia. Shearers and fruit pickers are examples of industries that used travelling workers who would move with the work.

Current indications are that lifestyle choices and family considerations have resulted in more workers choosing to stay in one regional location and perform a variety of roles, depending on what work is needed at the time. They may participate in the harvest for a few weeks, and then turn to fencing, or agritourism or work in the local café.

Getting a handle on this trend may lead to changes in the ways solutions are developed.

## Cross-industry Place-based Research

The report discusses the concept of place-based research, and stakeholders would support this, including at cross-industry level. Creating data to provide a better picture of how many workers are working across industries within local areas, and the nature of occupations and industries, would be very useful in designing more flexible and adaptable training, potentially across existing Training Packages.

The Certificate II in Rural Operations is an example of a qualification that is used in some RRR areas because it can provide a range of skills to better suit local needs. Potentially extending this concept to include hospitality or tourism skills (for example) may provide greater incentives for RRR training delivery.

## OSCA Skill Level Usage

Many Skills Insight stakeholders hold the view that the use of the quaint OSCA Skill Levels is inappropriate in modern Australian workforce planning.

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

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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 p76)

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future prospects, as well as industry safety.

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.

Using the OSCA Skill levels makes RTO viability more difficult and inhibits delivery to priority cohorts. This is because 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.

## Potential Decision-Making Data

During the research for the Skills Insight Exploring Training Demand and Supply Challenges Report (2025, available at <https://skillsinsight.com.au/project/exploring-training-demand-supply-challenges/>), no stakeholders suggested that OSCA skill levels were useful for decision-making; they are seen as barriers. The report suggests 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 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 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 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, 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 enrolees 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)

## Potential emerging need for RRR strategies and supporting data

Recent discussions with stakeholders have indicated emerging concerns that may require new data to be collected or established. These are based on the potential impacts of current trends.

**Technology and AI integration** - there is widespread recognition that automation and AI are transforming industries; there is a current and future need to reconsider qualifications, support adoption, and evaluate the balance of productivity gains with

potential job losses in regional communities. This will mean investigating how technology is impacting productivity in our sectors, which may also require some new data points to understand these impacts. There will also need to be exploration of the outcomes for employee types displaced by AI/technology augmentation and the role of skills and training to support these individuals, which may call for additional data sets.

**Productivity, data, and workforce insights** – some industry participants have identified the potential need for more analysis of productivity, including granular, sector-specific data to identify drivers of productivity, effectiveness of different labour pools, and to better inform workforce strategies. The issue of Multifactor Productivity is covered later in this response.

**Training system responsiveness** – There remains a shared concern that the VET system may be too slow and inflexible to keep pace with technological and workplace change; there is a current emphasis on modernising training packages, expediting training package review processes, expanding use of skill sets, and strengthening practical, hands-on training, but there are questions as to whether this will be enough. Stakeholders have asked whether data to track the effectiveness of the current changes are being considered.

**Access, equity and funding** – there are systemic challenges for regional, rural and remote areas (connectivity, travel costs, small employer capacity). Stakeholders have called for tailored funding models, effective grant design, and stronger support for trainers, assessors and RPL, addressing limitations of state-based funding models. Current data seems to be more concerned at measuring and identifying workforce issues, without the supporting data relating to the effectiveness of the overall skills and training system.

**Attraction, retention and industry stewardship** – strategies to attract and retain young people, promote career longevity, support career transitions, and help industry understand the value of VET while fostering cross-sector collaboration and social responsibility. There is a key role for managers who require skills and training to successfully transition from technical roles to leadership. Stakeholders would like to see more data related to the effectiveness of the various approaches being used, and to identify the systemic barriers that may be impeding success.

## Developing the Roadmap further

Skills Insight stakeholders have provided guidance that should be considered by JSA in the further development of national, jurisdictional and regional roadmaps.

## Access to VET in RRR

Industry stakeholders working with Skills Insight have made every effort, over years, to find ways to convince decision-makers that RRR funding of VET is badly structured, poorly implemented and inadequate. The loading and grant systems routinely used by states and territories are not fit for purpose, and there is clear evidence to support this in ongoing workforce shortages and lack of access to VET delivery.

Within Skills Insight coverage, the differences in VET access compared to industry workforces is stark in Outer Regional and Remote Australia:

	Major Cities of Australia	Inner Regional Australia	Outer Regional Australia	Remote Australia	Very Remote Australia
<b>Industry workforce</b>	41.7%	29.9%	22.4%	4.0%	1.9%
<b>VET qualification enrolments</b>	53.1%	27.5%	14.9%	2.5%	2.1%

Sources: a) ABS, 2021, Census of population and housing; b) NCVER, 2024, VOCSTATS: Total VET activity

Barriers to training are intensified in RRR areas. RTOs face difficulties offering training in these locations due to dispersed clients and additional costs for travel and attracting trainers. Unreliable access to connectivity is an important factor, particularly for workplace-based training. In the industries covered by Skills Insight, there are often requirements for capital investment in stock, major equipment and/or land, or a reliance on employers to provide access to workplaces for training.

Working with live animals and plants is a daily business all year, which doesn't align with the standard rhythm of education delivery in Australia. In the Griffith University (2025) Report, *Training product translation: Good practices in learning resource development* (available at <https://skillsinsight.com.au/project/from-training-package-to-training-delivery/>), there is discussion about the difficulties in matching training delivery times and business peak periods – it is difficult to teach shearing when there are no sheep to shear, but when there are sheep to shear, the business will be in a peak period and want as many workers productively working on site as possible – which has implications for backfilling positions and workforce availability.

Developing operational campuses for agribusiness, food, animal and environmental care training is expensive, and may require students to be campus-based, adding to expenses related to travel, accommodation and finding available workplace experience with external employers. Advanced manufacturing training requires

continual updating of technology, adaptation to changing industry standards and responsiveness to trends (such as changing consumer tastes) and policies (such as decarbonisation). This is in addition to the significant initial capital investment costs for land, water and infrastructure.

Relying on delivery within employer workplaces adds to training expenses and minimises capacity to utilise economies of scale, as well as adding to insurance and administrative costs. It can be disruptive to training schedules because of business requirements and lack of peer-to-peer training.

The high costs of working with animals and plants are experienced in both business and training.

These issues are too often dismissed as being related to “thin markets”, rather than being identified as a denial of access to VET, which according to the NSW VET Review Final Report in June 2024 *“is critical to the future of our communities and our economy.”* The Final Report also notes that *“marketisation and competition policies within the VET system over the last decade have not delivered on the promise of a smart and skilled workforce.”*

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*“When it comes to the jobs and skills system in Regional Australia, geographic location should not hinder the ability of individuals to access education and training and develop their skills.” (JSA Regional Roadmap p54)*

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One of the barriers to improvement of access to VET in RRR is the acceptance of the excuse of “thin market”, which is a term that can be defined by decision-makers in ways that preclude delivery, and has brought no industry benefits or effective policy approaches to improved training delivery over decades. Describing the lack of RRR access as being caused by “thin markets” biases the development of potential options, creating assumptions that solutions can only be built on market-based approaches or by recruiting more learners, rather than considering access, equity and alternative delivery solutions.

Another barrier, which also has implications for attraction of workforce, is the lack of access to VET in Schools across significant areas of RRR, as outlined and discussed in the Joint Select Committee on Northern Australia, *Northern Australia Workforce Development Final Report* in November 2024. Many industry stakeholders believe that the lack of VET in Schools, taster programs and school curriculum relating to the industries covered by Skills Insight places them at a competitive disadvantage in attracting workforce, impacting on labour productivity.

Another concern is the lack of access to capital and investment, which is discussed further in the next section of the report.

This all adds up to a need for higher funding, but also improved structuring of funding and creating opportunities for investment. It is time for a modernisation of these structures which have served regional Australia very poorly over decades.

## **Access to funding, capital and investment - Impacting Issues 1**

Figure 6 of the paper provides a summary of Issues Impacting Regional Australia. While not intended to be detailed, the diagram does identify areas of importance to be considered. Skills Insight stakeholders would agree that the issues identified in Figure 6 are legitimate and important concerns.

One issue that has not been identified is access to capital and investment, which we suggest is a national issue of note. There is a lack of access to appropriate funding, investment and finance in RRR to address skills, training and productivity issues. Not only is the cost of money higher in RRR than urban areas, but the competition for the limited available funds is intensified, and training and education are not considered to be priorities for private investment outside of specific employer investment for their employee training. This does little to assist with the capital investment needed to develop facilities, equipment and other skilling requirements for agribusiness, fibre, furnishing, food, animal and environment care industries.

Compounding these issues is the flow of revenue out of RRR and into urban and international economies. Some RRR areas are among Australia's biggest contributors to GDP, yet only small percentages of these earnings remain in RRR Australia. This makes local investment very difficult.

Limited access to a diverse range of lenders and investors means fewer options for businesses seeking to expand or innovate. Financial institutions may be less willing to lend to businesses in RRR areas due to perceived higher risks, geographic distance, or a lack of local knowledge. This can force businesses to rely on self-financing or forgo investments altogether. Governments routinely rely on funding loadings and grant programs to offset these factors; however, these schemes do not bridge the gap, and do not provide a reliable basis for business planning.

## **Regional Occupations are Different - Impacting Issues 2**

In relation to Figure 6, a regional or remote issue to consider is that many of the job roles are outdoors in vastly differing terrains with natural hazards. RRR roles often require individuals or very small teams to travel extensive distances to remote area and work in isolation. Not only do these issues add to safety and welfare concerns, but they also mean that there is very significant non-productive travel time in many roles. While many RRR roles do not have this level of difficulty, there are many roles in RRR that do, which has resulted in solutions such as Fly In Fly Out, travelling seasonal workforces and training provision for skills to lead small groups working in isolation.

The divergence of an occupation across regions can be as significant as the divergence of an occupation across industries.

## **The Productivity Discussion**

Skills Insight notes that the JSA Regional Roadmap discussion and consideration of productivity is mainly limited to labour productivity. The Productivity Commission has identified Multifactor Productivity as a more valuable approach and metric.

It is important that where possible, bodies advising government and influencing policy and strategy directions align their work, to help with consistency and the development of solutions and performance measures.

This may be important in the RRR context. Based on the Productivity Commission's approach to Multifactor Productivity, it appears that the opportunities in RRR to improve Multifactor Productivity are limited. Multifactor Productivity relies on a business's ability to invest in new, more efficient capital inputs, as well as labour productivity. The barriers described earlier will impede any RRR operation's ability to create greater productivity, especially in the VET space.

These issues are compounded by higher cost of living in regions, infrastructure gaps and scale and isolation factors in RRR, making Multifactor Productivity improvement difficult to achieve.

The same thinking can be applied to First Nations communities and enterprises, with the added complication of trying to break into already established markets, or emerging markets against strong and well organised competitors.

For example, in attempting to build industries based on Australia's transformation to Net Zero, First Nations communities and enterprises start from a long way behind established competitors, especially energy companies looking to build clean energy opportunities within an existing legal framework that provides access to land and water, which doesn't integrate well with Native Title. These existing companies have been able to focus interest and policy support for Net Zero Transformation strongly on clean energy, with limited consideration of other transformation activities (in particular, ecosystem management and green industries) or the encouragement of new industry entrants from First Nations communities.

There needs to be more effective recognition that in achieving Net Zero, and in clean energy, First Nations people and communities should be economic leaders and partners, and this will require opportunities to build both labour and capital productivity.

Stakeholders have suggested to the Productivity Commission that they should examine the inequality and multifactor productivity implications that can arise from the potential exclusion or limited participation of First Nations communities and enterprises in RRR economic development, skills and training. This may also need to

be a consideration for the JSA Regional Roadmap. Skills Insight would suggest that consultation between the two bodies on this should take place to ensure consistent and integrated approaches can be developed.

## **Tertiary Harmonisation and the need for VET Harmonisation**

Australia needs strategic approaches to attraction, training, skilling, retention, re-attraction and training supported pathways - this will not happen without the willingness of and incentivisation for many actors in the system to take on additional responsibilities and drive changes to cultural attitudes towards formal learning, and particularly to VET.

The reputation and cultural profile of VET remains a concern, and the 2024 *Shared Vision, Equal Pathways, Inquiry into the perceptions and status of VET* by the Parliamentary House of Representatives Standing Committee on Employment, Education and Training, provides detailed information and recommendations which are very relevant to RRR.

Both JSA and the Productivity Commission have made numerous references to tertiary harmonisation, however industry stakeholders face the more immediate issue of inconsistent access to VET from State to State and the difficulties RTOs face in being able to deliver services across state and territory borders. Stakeholders remain unconvinced that tertiary harmonisation can be achieved when VET harmonisation seems a distant goal.

Differences in regional priorities is understandable and supported. Place-based solutions tend to work more effectively, while not unduly inhibiting skills portability.

However, stakeholders remain frustrated by the difficulties experienced in obtaining cross-border VET, particularly for emerging industries in one state or territory which already have existing training available in another state or territory, or for small and emerging industries which should be able to share delivery from a small number (even one) of RTOs nationally, to assist RTO viability and service industry need.

The differences in tertiary education funding levels and approaches have been highlighted previously and remain a cause of stakeholder frustration. The structure of the funding approaches is also a consideration, with numerous reports highlighting the need for improved information flows to those making choices about learning, skills and careers, yet funding mostly directed towards institutions which leads to greater competitive marketing rather than useful and accessible information.

It will also be difficult to achieve any form of harmonisation with Higher Education when the imbalance in finances, infrastructure, regulatory environment and political influence remain. While the *JSA Opportunity and Productivity: Towards and tertiary harmonisation roadmap (2025)* notes that it does not recommend or intend for there to be mergers between the sectors, it is difficult to see how VET is able to continue to

differentiate itself and exist independently with the current systemic imbalance and inequality.

While JSA could see little rationale for Higher Education bodies moving into the VET space, the reality is that they have clearly moved into short course training and micro-credentialling, with considerable success. The avoidance of VET may be more to do with the avoidance of regulatory burden and the ability to sidestep existing requirements by offering informal but credentialled short courses. As Higher Education bodies move to diversify revenue streams in light of recent restrictions affecting income, VET and informal credentialled delivery may be options that they consider, and which have already been tried and tested by dual sector institutions and short course offerings.

It is noted in numerous reports that as technology develops and expands, there will be a corresponding need for higher-level skills and digital literacy. JSA has again cited the research provided by a city-based participant in the Higher Education sector suggesting the need for more workers with qualifications. However, technology also has the effect of making other roles simpler and requiring less training and skill: while fixing a car has become more complex, driving a car is becoming easier and safer.

Modern precision agriculture requires workers to operate drones, manage automated irrigation systems, or analyse data from sensors and satellite imagery. This demands digital literacy, data analysis, and higher-level technical skills that were not traditionally part of farm work. At the same time, some routine farm tasks are becoming simpler. GPS-guided machinery, automatic feeders, and robotic milking systems reduce the training needed for basic operations, as machines take over much of the complexity.

There needs to be recognition that technological augmentation will not always result in the need for higher level qualifications, but will still require the fundamental training needed to be a safe, effective and productive worker, potentially in a greater range of work environments. If these issues are not carefully looked at, some current workers will be left behind, and this can be a particularly difficult hurdle to overcome in RRR where opportunities are not as readily available.

There are many references to skills requirement moving up the AQF ladder (in its current hierarchical state), but there will surely be job roles that will also be better suited to VET delivery than Higher Education in the future. The current Higher Education qualifications that could be more effectively and productively trained through the VET system will be an important consideration for tertiary harmonisation.

There have been a number of recent reports, including the Universities Accord, encouraging Australian Universities to look at work-integrated learning. The basis for VET has been training-integrated work (or workplace-based training), but this has been diminished over time as decision-makers, funders and RTOs look to improve

budgets and viability by using classroom based delivery: this has reached the point where inclusion of mandatory work placements for learning and experience has been questioned as potentially being outside of the current Training Package Operating Framework . At the very least, any proposals need to be justified and accepted by relevant authorities before being included in Training Package qualifications.

It is easier to deliver non-work integrated learning, which opens up many classroom and virtual options. The occupations that are prevalent in RRR are often those requiring workplace-based training or work integrated learning.

For RRR stakeholders in agribusiness, fibre, furnishing, food, animal and environment care industries, their more immediate concern remains the lack of access to training and the barriers that prevent greater VET harmonisation, including cross-border and national delivery.

## **Additional Observations**

There is some additional feedback that stakeholders have provided intelligence on over a number of years, that probably won't result in changes to the Roadmap but may help when working on development and implementation.

### **People Shortage, not a Jobs Shortage**

The JSA Roadmap accurately describes the people shortage impacting on RRR. An additional observation is that while internal migration from urban to regional may help address shortages in some areas, many RRR skills are only practised in RRR and many skills being brought to regions through internal migration are being supplied to the major cities through remote work options.

### **Allow Room to Fail**

Stakeholders want action to improve the equity, effectiveness and efficiency of the jobs and skills system across Regional Australia, both now and into the future. However, they recognise that many initiatives have been suggested, but few tried and fewer succeed. If we already knew the right answers, the problems would have been solved by now. There needs to be fail tolerance and an acceptance of a higher risk environment for initiatives designed to achieve the aspirations of regional people.

### **Deeper Work on Regional School Systems**

While not within the JSA direct mandate, 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 non-regional counterparts. A deep examination of these systems is required.

## The Clean Energy Workforce is a subset of the Net Zero workforce

There is concern among stakeholder from agribusiness, fibre, furnishing, food, animal and environment care industries, that priority industries are being defined too narrowly, particularly in relation to the transition to Net Zero. The industries in these sectors are currently carrying the load for Australia's transition. It is recognised that Clean Energy performance is critical and must become the major contributor, but this industry is not the sole contributor to Net Zero, and the important roles of other industries must continue to be recognised.

## JSCs to incorporate RRR and First Nations considerations explicitly in their work

Skills Insight stakeholders fully support this approach, which is already our standard mode of operation. We are always trying to improve and note that the JSA is asking us to incorporate this into all of the JSC functions. We will continue to do this and to seek stakeholder feedback on our performance.

## Gender Equity

JSA's Gender Economic Equality Study and Gender Framework may help to highlight the need to understand RRR influencing factors that may both support or hinder gender equity across the country. The Study uses an intersectional approach that may provide the data to demonstrate importance of addressing systemic barriers that impact not only women but also culturally and linguistically diverse (CALD) communities, First Nations peoples, and regional, rural, and remote (RRR) Australians.

In previous submissions, Skills Insight has reported stakeholder views on key barriers to more equitable participation include:

- **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 that disproportionately impact women.
- **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 feminised 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.

### **Acknowledgement of use**

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

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

### **Contact Information**

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