



# **A ‘whole of system’ approach to pathways to in-demand industries:**

Submission into the Legislative Assembly Economy and Infrastructure Committee inquiry into student pathways to in-demand industries

Victorian TAFE Association – August 2025

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## Executive Summary

The Victorian TAFE Association (VTA) welcomes the opportunity to provide a submission into the Legislative Assembly Economy and Infrastructure Committee's inquiry into student pathways to in-demand industries. We understand that the purpose of this inquiry is to identify how best to guide and support students into in-demand industries that are critical to Victoria's economic future. It focuses on improving pathways and support for priority cohorts – including regional students, female students wanting to work in male-dominated industries and students facing disadvantage.

The VTA is the peak body for the Victorian TAFE sector, comprising Victoria's 12 TAFE Institutes, four dual sector universities and AMES Australia. We proudly champion public vocational education and training (VET) with a focus on sustainability, quality, and outcomes for learners, industry, and community.

### **There are many causes of workforce shortages in priority industries**

Victoria is facing growing workforce shortages across in-demand industries such as health care, construction, and clean energy, among others<sup>1</sup>. These shortages are driven by a combination of factors occurring before, during, and after the learner journey through the schooling and training systems, with many drivers outside of the learner's control.

Workforce shortages can stem from potential students not being aware of, interested in, or encouraged to pursue relevant careers and their associated training pathways. Even when students enrol in priority courses, many face challenges that prevent them from completing their training, slow their progress, or lead them to transfer to a different path. Improving completion rates is complex and the reasons for withdrawal are diverse and individual<sup>2</sup>.

Moreover, completing training does not guarantee a career pathway. Some shortages are due to the 'lag' when training pathways may take a long time, and so the positive impact on workforce shortages is not seen for many years. Others arise from unsuitability and poor retention in industry due to low pay and poor working conditions.

### **TAFE sits at the centre of pathways into in-demand industries**

The Victorian TAFE Network is one of the most effective levers available to Government for developing a pipeline of skilled workers to enter priority industries. As the government-owned training provider, TAFE Institutes are wholly focused on public interest outcomes and delivering high-quality education and are centrally positioned to equip the workforce with the education and training required to meet Victoria's workforce demands.

If Victoria is to build an accessible and effective pipeline into priority industries, TAFE must be at the centre. To fulfil this role, TAFE must focus on attracting students (including those looking to upskill and reskill) and retaining them through to completion. This requires making TAFE genuinely accessible to all and ensuring students receive strong, tailored support so that TAFE is an attractive option where they feel supported to stay and succeed.

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<sup>1</sup> Victorian Skills Authority, Victorian Skills Plan for 2024 into 2025, Victorian Government, 2025, accessed 17 July 2025, <https://www.vic.gov.au/victorian-skills-plan-2024-publication>.

<sup>2</sup> [NCVER: Student support, enabling the learner journey \(2025\)](#)

## **We must take a broad definition of ‘student’ to create social opportunity and address workforce shortages**

TAFEs are well positioned to support school-to-training pathways through strong existing relationships with secondary schools, including VET delivery and TAFE-based technical colleges. These connections enable early engagement, hands-on experience, and clear pathways into further study and in-demand careers.

However, solving today’s workforce shortages requires urgent action. While school-based career advice is important, a year 10 student in 2025 is unlikely to enter the workforce before 2031 and workforce shortages cannot be met by the school-age population alone. Similarly, there is great social opportunity that can come from transitioning to a career in an in-demand industry, and this opportunity should be made as widely available as possible.

A more inclusive definition of student is essential and should actively include adults already in the workforce seeking to upskill or reskill, as well as those re-entering the workforce after time away. Encouraging these cohorts into TAFE, and careers in industry, is critical if we are to meet in-demand industry workforce needs in the immediate to short-term.

## **All parts of the system must be aligned**

The pipeline of students and workers required to meet workforce shortages in in-demand and growing industries cannot be achieved by adjusting any single element of the system. Success requires shared ownership and responsibility across schools, TAFE, Government, and industry to ensure coordinated and aligned efforts.

This submission provides evidence on attraction, retention and conversion drivers and recommendations on how to support these across the end-to-end pipeline, over short-, medium- and long-term timeframes. All stages are critical to ensuring that we support more students into in-demand industries and support them to stay there and succeed, and we must consider which interventions will help in the short term and which interventions may take many years to ease workforce shortages (e.g. careers advice in schools).

Throughout this submission, the VTA provides a series of recommendations to ensure that we have our “ducks in a row” across the whole system. These recommendations will improve outcomes for students and help meet industry demand. They align with different phases of the learner journey from pre-enrolment through to employment. Some recommendations have a broad impact and support multiple focus areas including attraction, retention, and strengthening TAFE – for example, improving public transport.

## **Recommendations to support a ‘whole of system’ approach**

| <b>Improving attraction and access – building the pipeline</b> |  |
|--|--|
| 1.   | Equip schools, parents, and career advisers with evidence-based information on TAFE pathways and labour market data to encourage TAFE enrolment. |
| 2.   | Fund TAFE visits and information sessions for high schools and their local TAFEs.  |
| 3.   | Provide funding certainty or increase funding for Skills and Jobs Centres and the Victorian Skills Gateway.                                      |

|  |   |
|--|---|
| 4.   | Encourage and train industry leaders to promote TAFE pathways by actively engaging with schools and prospective students. This should include showcasing real training experiences and helping shift perceptions on TAFE.   |
| 5.   | The Victorian Government work in partnership with industry to produce a major, multi-channel public awareness campaign focused on improving the perception of industry. This campaign must promote in-demand career pathways, the rewards of entering pathways, and how to get there with TAFE. |
| 6.   | Increase funding for Free TAFE to ensure that even more students can gain access to in-demand pathways.   |
| 7.   | Subsidise or provide additional funding to cover the cost of ancillary expenses like uniforms, materials etc. for students in in-demand courses.  |
| 8.   | Provide free public transport for TAFE students travelling to TAFE.   |
| 9.   | Establish dedicated TAFE express bus services in areas with limited or indirect public transport links, similar to school bus routes.   |
| 10.  | Prioritise the co-location of new kindergartens and schools with TAFE to enhance accessibility for students with children.  |
| 11.  | Subsidise childcare for students enrolled in in-demand courses.   |
| <b>Supporting conversion – moving between stages of the pipeline</b> |   |
| 12.  | Investigate a public admissions centre that is Government funded and allows student selections to be made for both university and TAFE pathways, in one system.   |
| 13.  | Industry to increase the number of paid placements, and earn while you learn opportunities, for TAFE students.  |
| <b>Improving retention and support – staying in the system</b>       |   |
| 14.  | Provide additional funding for TAFEs to invest in specialist support staff for students and teachers, including specialised support persons for priority learners.  |
| 15.  | Provide additional funding for TAFEs to uplift Koorie student support and the Koorie student experience.  |
| 16.  | Provide additional funding to increase and improve foundational skills delivery including courses for different skill levels and flexible delivery models.  |
| 17.  | Commit funding for the Victorian TAFE Network to conduct Gender Impact Assessments in gendered education environments.  |
| 18.  | Commit funding for the Victorian TAFE Network to improve approaches to preventing gender-based violence in TAFE settings.   |
| 19.  | Undertake a targeted investigation into the key drivers of poor retention in in-demand industries. This should include reviewing wages, job-security, working conditions for underrepresented groups and work-life balance to ensure roles are attractive and sustainable long-term.            |

## 1. Our approach to the inquiry

We understand this inquiry aims to examine how to best guide and support students into in-demand industries that are critical to Victoria's economic future. In particular, the Committee is seeking insights on pathways and the support needed to ensure equitable access and participation for priority groups such as regional and rural students, women entering male-dominated fields, and those from disadvantaged backgrounds.

Our approach is to take a broad understanding of the problem at hand – namely, workforce shortages in key industries – and consider system-wide solutions to this challenge. School students going into priority industries is only one long-term solution to building the pipeline of skilled workers. Because of the urgency required in addressing these workforce challenges, we believe it is crucial to understand the system outcomes we are seeking to drive, which 'students' we are referring to, and over which timeframes various interventions could have an impact. Focusing on school students will not meet immediate and medium-term needs.

### We must take a broad definition of 'student'

To build a strong and sustainable pipeline into in-demand industries, the definition of 'student' must be broad in scope and go beyond secondary school leavers. While school-based career advice and support remain important, they are not the solution to the immediate workforce shortages facing Victoria's in-demand industries. Even with effective guidance, a year 10 student in 2025 is unlikely to enter the workforce before 2031. School students can help future-proof our workforce, but they cannot meet today's demand.

Addressing current shortages requires a broader and more inclusive approach to student attraction. This should actively include adults already in the workforce seeking to upskill or reskill, as well as those re-entering the workforce after time away. Encouraging these cohorts into TAFE is essential if we are to meet in-demand industry demand.

### We want to improve the size, diversity and 'efficiency' of the industry pipeline

This inquiry is seeking to drive the following objectives (goals or targets) and outcomes (results or impact). Clarity on these system outcomes, and the objectives that will help achieve them, provides the rationale for why we have included supporting evidence and information along these lines of enquiry in the VTA submission.

| Objective  | System outcome   |
|--|--|
| Increasing the number of people in the training pipeline through to industry | Priority industries have the workers they need to drive our economy  |
| Increasing the diversity of the pipeline                                     | All Victorians, in all their diversity, have equal access to economic opportunities and more people have the skills to enter the workforce |
| Improving retention in training  | More people stay and complete their training, increasing the likelihood they will join in-demand industries                                |
| Improving conversion from training to industry                               | More people who complete their training transfer to industry   |
| Improving retention in industry  | Skilled people want to and can stay in in-demand industries and industries have the workers required to thrive                             |

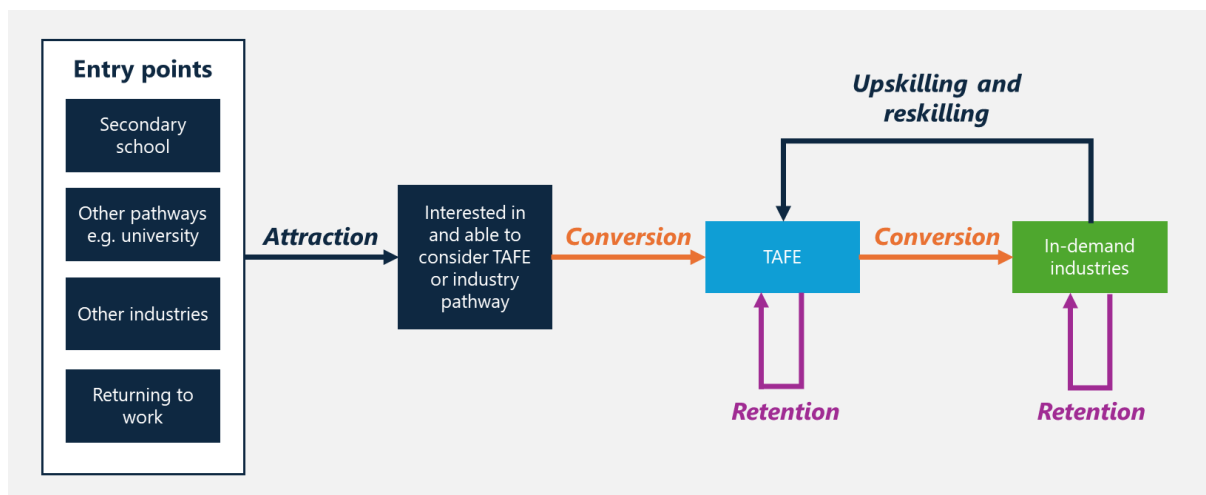
## We must consider the end-to-end learner journey

To understand how to achieve these outcomes, the Committee must consider all aspects of the end-to-end journey of a potential student, including retention in industry and future upskilling and reskilling. This has been set out in the conceptual model in Figure 1 below.

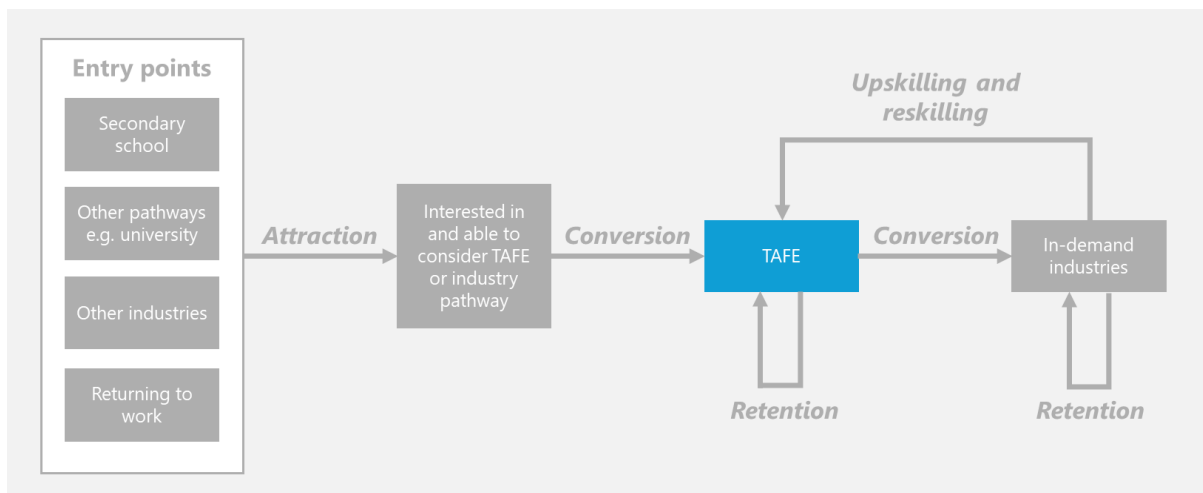
This requires consideration into the drivers of **attraction**, **retention** and **conversion** at all stages – from schooling through to TAFE and training pathways, and into industry. It also requires consideration of how to bring students into the pipeline from other industries and those looking to return to work. An efficient pipeline is one that has strong retention, where students remain engaged through training and continue onto sustained employment. This pipeline should also support continued upskilling and reskilling to maintain skills currency, or support transfer to new areas or roles within industry.

The model draws on existing research into the underlying causes of workforce shortages.

*Figure 1: End-to-end learner cycle to in-demand industries*



## 2. Background: The role and value of TAFE



As Victoria's government-owned training and skills capability, the Victorian TAFE Network is an integral part of the public education system and economy, able to make decisions driven by public benefit not profit. It is uniquely positioned to advance Victoria's economic and skills priorities while also delivering social benefits, and is a strategic and democratic public service that gives back to society.

TAFE has a substantial public infrastructure footprint across Victoria with 85 physical campus locations. This supports equitable access for all Victorians to high quality, contemporary education and training, and deep place-based connections to industries and communities. Eight of these TAFEs have a regional footprint and are significant anchor entities within their local communities, often being the largest employer and non-school education and training provider in their region.

TAFEs are well positioned and actively engaged in supporting pathways from school into training and employment through strong, established relationships with secondary schools. This includes delivering VET programs for secondary students and operating TAFE-based technical colleges. These existing connections allow TAFEs to engage students early, provide hands-on experience, and guide them toward further study and careers in in-demand industries.

### **TAFE advances Victoria's priorities and addresses key skills gaps.**

The Victorian TAFE Network is one of the most effective levers available for the Government to build a skilled workforce in priority industries. TAFE provides accessible, high-quality education and training that supports students to transition into meaningful employment in high priority industries including health, construction, clean energy, and education. TAFE also provides upskilling and reskilling opportunities, allowing existing workers to adapt to emerging industries and new technologies.

We know that by 2026, 9 in 10 new jobs will require a post-school education<sup>3</sup> and that TAFE will play a significant role in delivering this. The Victoria Skills Plan highlights that by 2026,

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<sup>3</sup> National Skills Commission, Employment outlook: Industry and occupation trends over the five years to November 2026, October 2022.



the Victorian labour force will need to replace 215,570 retiring workers and bring on 136,600 new workers to meet the economic demand of the state, equating to more than 352,000 new jobs<sup>4</sup>. By 2034, Victoria is forecasted to require over 1.4 million new jobs<sup>5</sup>. 80% of these future jobs are attainable via TAFE<sup>6</sup>, and in Victoria, 81 out of the top 100 largest growing occupations are attainable via TAFE<sup>7</sup>.

The Victorian TAFE Network gives governments greater direction over vocational education to build the skills necessary to advance Australia's priorities and address emerging challenges. As the public provider, the Government can actively incentivise enrolment in priority areas rather than relying on market forces or profit to drive supply and demand of courses.

## **TAFE embodies equity and supports priority cohorts**

It is core to TAFE's purpose, culture, and incentive structures to embody equity, and support local communities and priority cohorts. TAFE provides pathways for Victorians facing challenges to secure meaningful employment in in-demand industries.

Government-funded students from many diverse cohorts chose TAFE over other providers. In 2023 in Victoria, 69% of Aboriginal and Torres Strait Islander students, 64% of students with a disability, and 45% of female students chose TAFE over other provider types for Government-funded VET program enrolments<sup>8</sup>. This is also reflected in government-funded VET qualification completions - in 2023 in Victoria, 59% of students with a disability, 49% of Aboriginal and Torres Strait Islander students, and 48% of females received their qualifications at TAFE<sup>9</sup>.

As a public institution, TAFE is required to provide education, training, student and community support and is driven not by profit but by a commitment to public good.

## **TAFE faces funding challenges and cannot invest in all initiatives**

The current TAFE funding model in Victoria is inadequate and does not provide the funding required to sufficiently support TAFEs, or to allow them to invest in many of the additional initiatives required to strengthen student attraction and retention. Without additional, dedicated funding to support programs targeted on attracting and retaining students the Victorian TAFE Network's ability to respond to workforce shortages will remain constrained (see [Appendix A](#) for further background on the TAFE funding model).

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<sup>4</sup> [TAFE-Value-and-Perception-Challenge-Research-Report.pdf](#)

<sup>5</sup> Victorian Skills Authority, workforce summary. Employment projections for the next three and ten years by region, industry, and occupation. 2025.

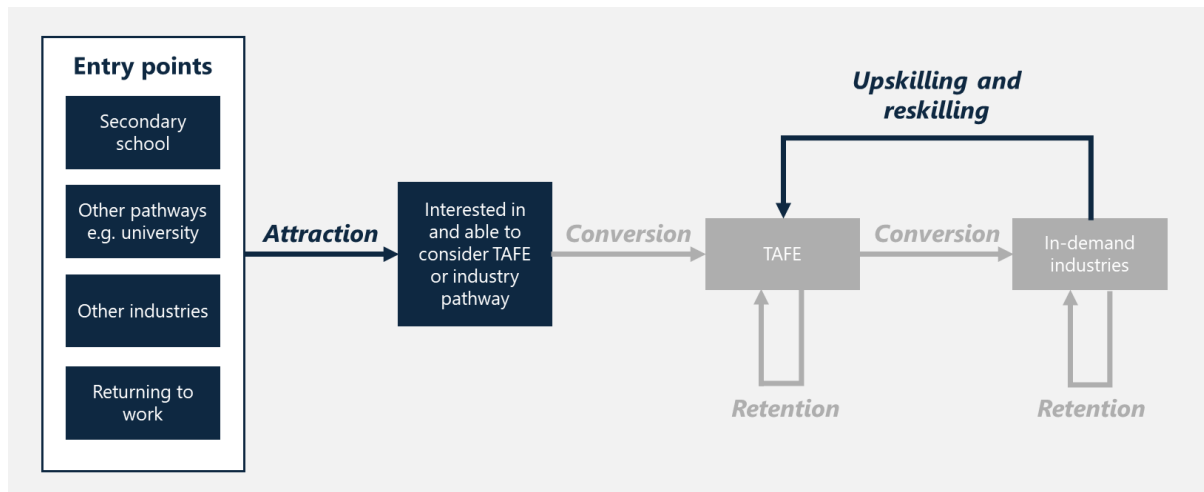
<sup>6</sup> Australian Government, Labour Market Insights, now <https://www.jobsandskills.gov.au/data/occupation-and-industry-profiles>

<sup>7</sup> Victoria Skills Authority, Employment Forecast Dashboard, October 2023.

<sup>8</sup> VOCSTATS, NCVER. (2024). Data inputs: government-funded students and courses, VET program enrolments (2003-2023), state/territory of data submitter (Victoria), provider reporting type, Indigenous status / disability status / gender. Extracted on: 09/10/24.

<sup>9</sup> VOCSTATS, NCVER. (2024). Data inputs: government-funded students and courses, VET qualification completions (2003-2023), state/territory of data submitter (Victoria), provider reporting type, disability status / Indigenous status / gender. Extracted on: 09/10/24.

### 3. Improving attraction and access – building the pipeline



Attracting potential students to TAFE is a critical first step in building a strong pipeline into in-demand industries. Whether they are school leavers or individuals already in the workforce seeking to retrain or upskill, people cannot benefit from TAFE unless they are aware of it, understand its value, and see it as a viable and desirable option.

Attracting students to TAFE pathways, and then industry pathways, requires deliberate action. Increasing TAFE attraction must be a primary consideration in any strategy to guide and support students toward in-demand industries, and we need to consider the powerful role of parents as key influencers and the fact that gendered views on career pathways can start in primary school.

TAFE must be accessible for all Victorians, regardless of their background or geographic location. Increasing accessibility for education and training at TAFE is essential if we are to meet skills shortages and increase diversity in industries where groups are underrepresented. Barriers including transport, cost, childcare responsibilities, social norms and assumptions, among others, must be addressed to ensure a range of students can participate at TAFE and enter the pipeline into in-demand industries.

#### 3.1 Change perceptions of TAFE pathways

Recommendation 1: Equip schools, parents, and career advisers with evidence-based information on TAFE pathways and labour market data to encourage TAFE enrolment.

Recommendation 2: Fund TAFE visits and information sessions for high schools and their local TAFEs.

Recommendation 3: Provide funding certainty or increase funding for Skills and Jobs Centres and the Victorian Skills Gateway.

Recommendation 4: Encourage and train industry leaders to promote TAFE pathways by actively engaging with schools and prospective students. This should include showcasing real training experiences and helping shift perceptions on TAFE.

## Negative perceptions of TAFE persist in key influencers of student choices

The pipeline to in-demand industries begins with attracting potential students (including those looking to upskill and reskill) by presenting TAFE as a high-quality, rewarding pathway that leads to well-paid employment in areas that are growing in the labour market. Despite TAFE's high-quality education and facilities, strong outcomes and its responsiveness to workforce demand, negative perceptions persist around the quality and overall student experience at TAFE and the outcomes that come from TAFE pathways. These perceptions, which are often outdated and not supported by evidence, continue to shape the decisions of potential students and persist in key influencer groups (see [Appendix B](#) for more research and evidence on TAFE's perception challenge).

TAFE is often perceived as a second-tier option and graduates are viewed as less employable than those from university. However, the reality is that TAFE graduates' employment outcomes match university graduates', with 78% and 79% securing employment post-study respectively<sup>10</sup>. Outcomes are even stronger for TAFE graduates from apprenticeships and traineeship with 94% gaining employment after training<sup>11</sup>. In terms of earnings, TAFE graduates with a Certificate IV or higher report higher median earnings than university graduates, with \$71,650 and \$68,000 annual earnings respectively<sup>12</sup>.

Addressing these negative perceptions held by students, parents, teachers, careers advisers or other key influencers is critical. If left unchallenged, they will continue to deter potential students from enrolling in TAFE courses aligned to in-demand industries. This not only limits individual opportunities but further inflames shortages in critical sectors of the Victorian economy. It is critical that evidence supporting the positive outcomes and career opportunities that come from TAFE pathways are clearly communicated and accepted by Victorians, particularly potential students, parents, and key influencers such as teachers and careers advisers.

## Leverage careers advisers and arm them with accurate information on TAFE

This perception challenge could be addressed in part by providing schools, parents, and career advisers with evidence-based information on TAFE pathways and labour market data to encourage TAFE enrolment, so that everyone has the information they need to inform and support their choices. We know that this perception challenge also persists amongst school-based careers advisers themselves<sup>13</sup>, so it is vital that they are provided with resources to counter any conscious or unconscious bias towards university pathways and can confidently provide accurate and independent advice to the benefit of the student.

The role of careers advisers could also be expanded to include *influencing the influencers* – particularly parents and teachers. Those who guide student choices must be well informed and have access to accurate resources. Careers advisers could be instrumental in assisting classroom teachers embed career information into curriculum, and by directly engaging with parents about priority and emerging occupations and the value of TAFE.

Careers advice takes many forms and doesn't just occur in schools. Existing programs like Victoria's Skills and Jobs Centres and the Victorian Skills Gateway provide independent

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<sup>10</sup> [McCrindle: The TAFE Value and Perception Challenge, 2024](#)

<sup>11</sup> Ibid

<sup>12</sup> Ibid

<sup>13</sup> Ibid

careers and pathways advice across Victoria. Skills and Jobs Centres (many of which are located at and operated by TAFEs) play a key role assisting people into the appropriate vocational learning pathways, delivering qualified career counselling and providing information on local job opportunities. The Victorian Skills Gateway provides advice to learners about priority occupations and skills in demand, as well as the educational and training opportunities offered by TAFE and other providers. We recommend that the review consider whether Skills and Jobs Centres, and the Victorian Skills Gateway, should be given future funding certainty or expanded to continue to provide independent careers advice services.

### **Increase school student engagement with TAFE and its industry advocates**

Perception challenges could also be addressed by providing additional funding so that school students can visit and engage with their local TAFE, TAFE ‘taster’ sessions, and information sessions for high schools and their local TAFEs.

There is also a role for industry in providing information and promoting TAFE pathways to schools, students, parents, and the wider community. Dispelling the uncertainty around the industries that are in demand, the priority skill areas, and the future employment and career opportunities they present must be the responsibility of industry and employers. The Government could support initiatives to encourage and train industry leaders to promote TAFE pathways by actively engaging with schools and prospective students. This should include showcasing real training experiences and helping shift perceptions on TAFE.

## **3.2 Change perceptions of industry careers**

Recommendation 5: The Victorian Government work in partnership with industry to produce a major, multi-channel public awareness campaign focused on improving the perception of industry. This campaign must promote in-demand career pathways, the rewards of entering pathways, and how to get there with TAFE.

Industry also has a role to play in challenging outdated perceptions and promoting itself as a desirable place to work. If we want Victorians to choose training aligned with workforce needs, industry must be seen as attractive. If the destination isn’t attractive the pathway won’t be taken. This requires industry to take a role in actively showcasing real career opportunities, highlighting positive workplace culture, and clearly communicating the skills and level of qualifications required for jobs. This includes showcasing workplaces as safe, inclusive, innovative and future-focused.

It must also include engaging directly with potential students, parents, and careers advisers to build understanding and confidence in available pathways. Initiatives such as industry open days, site visits, and increasing partnerships with schools and TAFEs can help students experience work environments firsthand. By breaking down stereotypes and highlighting the diversity and opportunity within their sectors, industry can help attract the workforce they urgently need.

This could be supported by a formal partnership between the Victorian Government and industry to fund a major, multi-channel public awareness campaign focused on improving the perception of certain priority industries. This could be further supported by industry directly engaging and building relationships with schools. This campaign must highlight in-demand careers, showcasing the long-term rewards such as job security, good pay, and career progression that come with pursuing such fields. It must also clearly communicate the role of

TAFE and the specific education, training, and qualifications requirements to enter these fields.

This could build on the upcoming Victorian Government campaign to promote Free TAFE and TAFE pathways.

#### **Case study: Smart, Secure & Sustainable Careers in Modern Manufacturing**

South East Melbourne Manufacturers Alliance (SEMMA) have launched a dynamic campaign aimed at transforming the perception of the manufacturing industry. The campaign aims to shift perceptions and highlights the industry's potential to provide stable and fulfilling careers for job seekers. SEMMA's focus is on raising awareness among high school students, their parents, and careers advisers by physically showcasing the innovative and exciting technologies used in modern manufacturing.

#### **Case study: Isuzu Australia diesel engine donation to TAFE<sup>14</sup>**

Isuzu Australia Limited (IAL) has donated 32 current-model diesel engines and 49 radiators to support diesel technician training across five Victorian TAFEs. The donation includes both mechanical and common rail engines that are currently in use.

This initiative reflects IAL's commitment to tackling the national shortage of skilled diesel technicians and their confidence in TAFE as the trusted training partner – which IAL describes as the lifeblood of the industry. By placing cutting-edge equipment directly into TAFE classrooms, IAL is sending a clear public message: TAFE is the pathway the industry believes in. The equipment will provide students with hands-on training on real world technology, improving workforce readiness and smooth transitions into industry.

### **3.3 Expand Free TAFE and reduce ancillary costs**

Recommendation 6: Increase funding for Free TAFE to ensure that even more students can gain access to in-demand pathways.

Recommendation 7: Subsidise or provide additional funding to cover the cost of ancillary expenses like uniforms, materials etc. for students in in-demand courses.

Since its establishment in 2019, Free TAFE has been a flagship policy of the Victorian Government, aimed at addressing skills shortages, expanding economic opportunity, and improving access to training for priority cohorts.

By removing most of the financial barriers to enrolment by removing tuition fees, Free TAFE plays a critical role in both attracting and retaining students at TAFE. It encourages individuals, particularly those who may have been excluded by cost, to begin training by eliminating upfront tuition fees and supports them to stay by reducing the financial stress that can contribute to attrition. While Free TAFE benefits a wide range of learners, it provides clear and accessible pathways for post-secondary students without the burden of a HECS debt. This makes pursuing a career in in-demand industries more financially viable, accessible, and attractive straight out of school.

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<sup>14</sup> [Isuzu boosts TAFE training hardware - Prime Mover Magazine](#)

Importantly, Free TAFE is a government-driven initiative that allows course offerings to be aligned with workforce needs. The Victorian Government determines which qualifications and short courses are free, ensuring that public investment is directed toward training in areas of skills shortage and future economic demand.

## Free TAFE boosts Victoria's skilled workforce to meet industry demand

Victoria offers more than 80 Free TAFE qualifications and short courses in high priority areas that are aligned with industry demand, without the cost of tuition fees. Victorian Government data indicates that almost 190,000 students have enrolled in Free TAFE priority courses since 2019. This total reflects the major investment of the Victorian Government into Free TAFE since 2019, and additional places made available through the Federal Government 'Fee- Free TAFE' funding arrangement from 2023.

Given the current and projected demand for VET-qualified workers, especially in high priority industries, areas of existing shortages like the care economy, and emerging skills areas like the clean economy, Free TAFE is an important measure to lift skills levels in crucial industries. This is particularly crucial while cost of living pressures may act as a deterrent to training.

### Data Snapshot: Free TAFE in Victoria – in-demand courses

In 2023, Free TAFE expanded to allow all Victorians to upskill for in-demand jobs regardless of their existing qualification level – and study multiple Free TAFE courses within the same priority pathway. Over 2023 and 2024, expanded eligibility enabled **more than 50,000 students** to commence government-funded training places for which they weren't otherwise eligible.

In 2023, the most popular Free TAFE courses were the Diploma of **Nursing**, Certificate IV in **Training and Assessment**, Certificate IV in **Cyber Security**, Certificate IV in **Accounting and Bookkeeping**, and Diploma of **Community Services**. Other popular courses in priority areas include the Certificate III in **Early Childhood Education and Care**, Diploma of **Building and Construction** (Building), Certificate IV in **Mental Health**, Certificate III in **Individual Support**, and Certificate IV in **Plumbing and Services**.

Since 2022, there has been a **23 per cent increase** in people starting a Free TAFE course – with Certificate IV in **Cyber Security**, Certificate IV in **Accounting and Bookkeeping**, Certificate IV in **School Based Education Support**, Certificate IV in **Training and Assessment**, and the Diploma of **Nursing** seeing the biggest spikes in enrolments.

## Free TAFE supports equity and access

Free TAFE has removed financial barriers for people experiencing economic disadvantage. Victorian Government data point to significant numbers of priority cohorts entering priority courses in particular women<sup>15</sup>, culturally and linguistically diverse students, Indigenous people and unemployed Victorians.

Free TAFE is affording these students life changing opportunities to access free training that will improve their employment outcomes and ensure Victorians have equitable access to the

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<sup>15</sup> We note that one Victorian priority area is health and aged care which are typically feminised areas of work and study, so women enrolling in this course may not represent a change in career path.



priority occupations and industries that will fuel our economic prosperity for years to come. Further data on Free TAFE is provided in the Data Snapshot below and in [Appendix C](#).

#### **Data Snapshot: Free TAFE in Victoria, equity and access**

Since the introduction of Free TAFE in Victoria, **almost 190,000 students** have had the chance to get skills they need for jobs they want – while **saving \$550 million in fees**<sup>16</sup>. Free TAFE saves students an average of **over \$10,000 in tuition fees** on a full qualification, while some students are saving **more than \$30,000**. This has included more than **54,800** culturally and linguistically diverse students and more than **45,200 unemployed Victorians**.

In the first five years of Free TAFE – of more than 157,500 students, more than 90,500 were women (57.5%), more than 44,500 were culturally and linguistically diverse (28.3%), 14,500 identified with a disability (9.2%) and 38,000 were unemployed (24.1%).<sup>17</sup>

### **Expand Free TAFE and fund expenses to improve access and outcomes**

To improve access to in-demand industries, the Government should expand TAFE and the support it provides to Free TAFE students.

We note that Free TAFE courses can still come with other costs (e.g. uniform and materials) and that tuition fees are not the only financial barrier (e.g. foregone work to study) as well as other factors that may deter potential students (e.g. lack of access to childcare, culture in profession). Additional costs have been cited as reasons for students dropping out of courses – this includes costs associated with travel to campus, being able to afford to buy food etc., or costs associated with printing their course materials.

By providing additional Government funding, Free TAFE could be expanded to also subsidise or cover the cost of ancillary expenses like uniforms, materials etc. for students in in-demand courses. This could improve student completions and further reduce barriers for students enrolling in and completing these courses.

This is one reason why comprehensive student support services are so important in supporting Free TAFE students (see Retention section). Student services and supports are crucial to Free TAFE completion rates and more broad and holistic measures of student success.

## **3.4 Subsidise and improve public transport for TAFE students**

Recommendation 8: Provide free public transport for TAFE students travelling to TAFE.

Recommendation 9: Establish dedicated TAFE express bus services in areas with limited or indirect public transport links, similar to school bus routes.

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<sup>16</sup> Victorian Government submission to the Inquiry into the Free TAFE Bill 2024 [Provisions]. Available from [Submissions – Parliament of Australia](#). Accessed 08/01/2025.

<sup>17</sup> Media release: Five Years of Free TAFE has saved students millions, [240307-Five-Years-Of-Free-TAFE-Has-Saved-Students-Millions.pdf](#), Accessed 09/01/2025.

Attraction and retention at TAFE are central to building a pipeline into priority industries. For many students, particularly those in regional, rural, and Melbourne's growth areas, public transport is a key factor influencing their ability to choose and sustain TAFE pathways.

A well-functioning Victorian TAFE system must be accessible to all, however, research conducted by Infrastructure Victoria identified long-transport times as one of the top three barriers to accessing TAFE<sup>18</sup>. Long travel times, poor public transport options, and high transport costs are significant barriers that deter potential students from enrolling and make it harder for current students to attend consistently and complete their programs.

For people likely to attend TAFE, over 40% said they would only travel up to 30 minutes. Very few people were willing to travel more than an hour<sup>19</sup>. In Melbourne, 56% of the population cannot reach a TAFE campus within half an hour by public transport<sup>20</sup>. In Melbourne's growth areas, over 90% cannot reach a TAFE campus within 30 minutes by public transport<sup>21</sup>.

The outer and middle southeast experienced the highest number of people without public transport access to TAFEs during the morning peak within 30 minutes, with 780,000 people without access out of a total of 1.2 million (66%)<sup>22</sup>. Growth areas in Melbourne's north experienced the highest proportion of people without public transport access to TAFE during the morning peak within 30 minutes (100% without access)<sup>23</sup>. Public transport access in regional Victoria is much lower than metropolitan Melbourne. On average, 87% of the population living in regional areas were unable to access TAFE campuses within 30 minutes by public transport<sup>24</sup>.

Inadequate public transport is a major barrier to both enrolment and completion at TAFE. Without reliable, affordable transport options, students are less likely to start and more likely to drop out, undermining efforts to meet workforce needs. Improving access by reducing fares, improving services, and providing services in areas that are underserved is critical to encourage enrolments and enable completions in priority areas at Victorian TAFEs.

#### **Data Snapshot: First Nations and migrant learners face access challenges**

Research conducted by the National Centre of Vocational Education and Research (NCVER) demonstrated that issues with transportation were repeatedly raised by First Nations and migrant learners and is a contributor to them not finishing their training.

Options including public transport and taxis were cited by First Nations learners as expensive, and some participants were reported as having to hitchhike to TAFE<sup>25</sup>.

For migrants, travel distance was a barrier to attendance and therefore completion and travel often involved taking more than one bus, or multiple forms of public transport. Long commute times were noted to be unsustainable<sup>26</sup>.

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<sup>18</sup> [Infrastructure Victoria: Learning for life, 2024](#)

<sup>19</sup> Ibid

<sup>20</sup> Ibid

<sup>21</sup> Ibid

<sup>22</sup> Ibid

<sup>23</sup> Ibid

<sup>24</sup> Ibid

<sup>25</sup> [NCVER: First nations and migrant learners' experiences with foundation skills courses, 2025.](#)

<sup>26</sup> Ibid



### **Case study: TAFE Gippsland's Pilot Transport Program – Expanding Access to Vocational Education in East Gippsland and Wellington**

TAFE Gippsland has implemented a pilot transport program in East Gippsland and Wellington Shires to address one of the most persistent barriers to education in regional Victoria: the lack of reliable transport for secondary school students seeking access to vocational training. This project has proven to be a highly effective model in supporting young people to access the six compulsory core offerings required under the new VCE Vocational Major (VCE VM) as part of the Victorian Senior Secondary Reform.

This pilot provided a scheduled bus service for students from Lakes Entrance and Yarram to access TAFE and Trade campuses within a one-hour radius of their home schools. The service enabled students undertaking VET Delivered to Secondary Students (VDSS) programs to participate in essential certificate-level training aligned to their senior secondary studies. These offerings form a mandatory part of the VCE VM and are critical to both academic completion and pathway development into skilled trades.

The pilot has highlighted the critical role that reliable transport can play in improving access to vocational education, particularly for students in remote and regional areas. Early outcomes suggest that when students are able to undertake training closer to home, they are more likely to engage, progress and remain connected to local employment pathways.

*For more information see the TAFE Gippsland submission to this inquiry.*

## **3.5 Improve childcare services for TAFE students**

Recommendation 10: Prioritise the co-location of new kindergartens and schools with TAFE to enhance accessibility for students with children.

Recommendation 11: Subsidise childcare for students enrolled in in-demand courses.

Evidence shows that childcare responsibilities, especially for parents with young children, are a significant barrier to TAFE participation and completion. Surveys conducted by Infrastructure Victoria identified childcare responsibilities as one of the most common barriers to future TAFE enrolment and attendance<sup>27</sup>, and therefore completion. Childcare disproportionately affects female, First Nations, and migrant learners.

One practical and underutilised solution is the strategic co-location of early childhood education and school facilities with existing or planned TAFE campuses. Co-location makes it easier for parents and carers to manage study and caregiving responsibilities.

The high cost of childcare is also a barrier, but the provision of free childcare does not fully solve the 'caring responsibility' problem for learners<sup>28</sup>. While it may alleviate the expense of childcare for those who access it, places are limited and there can be long waiting lists. Many students in these positions are forced to juggle study with parenting and employment, often without access to affordable or flexible childcare options.

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<sup>27</sup> [Infrastructure Victoria: Learning for life, 2024.](#)

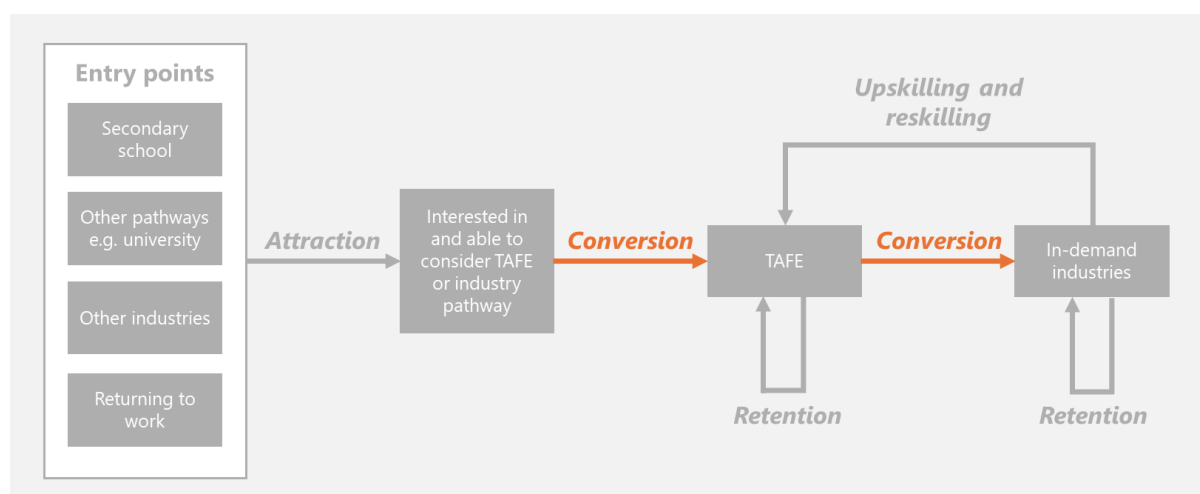
<sup>28</sup> [NCVER: First nations and migrant learners' experiences with foundation skills courses, 2025](#)

Considering this, new kindergarten and schools should be co-located with TAFEs to enhance accessibility for students with children. Additionally, targeted childcare subsidies for students enrolled in in-demand pathways including healthcare, social assistance, construction, technology, clean energy, and education among others will strengthen attraction and retention at TAFE and help grow a more diverse workforce.

#### **Data Snapshot: First Nations and migrant learners face childcare challenges.**

Research conducted by NCVET highlights that caring for children was a specific barrier to training attendance for both First Nations and migrant learners<sup>29</sup>. Finding time to study while balancing family commitments such as children's extracurricular commitments and the associated transport times was another issue raised by the two groups.

## **4. Supporting conversion – moving between stages of the pipeline**



### **4.1 Reform application and admissions pathways**

**Recommendation 12:** Investigate a public admissions centre that is Government funded and allows student selections to be made for both university and TAFE pathways, in one system.

Currently in Victoria, students generally do not have direct access to TAFE applications and admissions in the same way that they can access university admissions through the Victorian Tertiary Admissions Centre (VTAC). VTAC is not a public provider or government entity and is currently heavily weighted towards university admissions.

Students can apply for all university pathways through VTAC, but only limited TAFE pathways, and potential TAFE students are still required to apply to each TAFE directly

<sup>29</sup> [NCVER: First nations and migrant learners' experiences with foundation skills courses, 2025](#)

through a separate channel. This contributes towards the barriers in place for students to select a TAFE pathway and adds to the disparity of esteem between TAFEs and universities.

To support and encourage student access to TAFE pathways, TAFE needs to be seen as on equal footing to university pathways and applied for in the same way. We propose that the Victorian Government investigate the viability of a public admissions centre, funded by the Government. A new system could allow selections to be made for both university and TAFE pathways, with all options in the one tertiary admissions system, rather than the current tertiary admissions process that is heavily weighted towards university admissions.

## **4.2 Increase paid placements, and earn while you learn, for TAFE students**

Recommendation 13: Industry to increase the number of paid placements, and earn while you learn opportunities, for TAFE students.

Increasing paid placement, and earn while you learn, opportunities is a practical and high impact strategy to strengthen attraction and retention at TAFE with strong benefits for industry.

Research from Infrastructure Victoria identified that the time and cost required to study at TAFE is one of the top three barriers to participation<sup>30</sup>. For many students, the need to balance study with employment presents a significant challenge –one that is particularly gendered. Paid placements and earn while you learn models in partnership with industry address this issue directly by enabling students to receive income while gaining highly relevant industry experience.

Importantly, this approach addresses three of the four occupational shortage drivers identified by Jobs and Skills Australia: long training gaps, short training gaps, and suitability gaps<sup>31</sup> (see Appendix D). By embedding students in the workplace earlier and under real conditions, paid placements reduce delays caused by training periods, increase workforce readiness, and improve alignment between training and employer expectations.

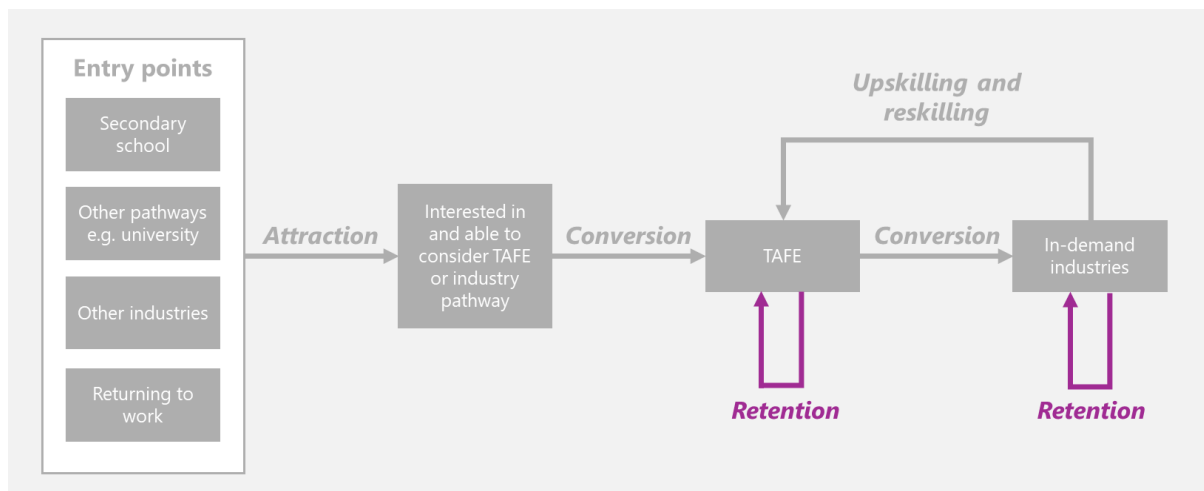
Increasing the number of paid placements deliver significant benefits for both learners and employers. Students gain meaningful, financially supported experience and industry gain access to a larger and more prepared pipeline of work-ready talent.

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<sup>30</sup> [Infrastructure Victoria: Learning for Life, 2024.](#)

<sup>31</sup> [Jobs and Skills Australia: 2024 Occupation Shortage Drivers.](#)

## 5. Improving retention and support – staying in the system



Student retention at TAFE is an essential part of strengthening the pipeline to priority industries. If students are not supported to stay and complete their training, then their chances of transitioning into priority workforces that require qualifications is significantly reduced or even impossible. While it is unrealistic to eliminate all disengagement, research provides valuable insights into what motivates students to stay and complete courses. Leaning into this evidence and addressing known barriers is critical to maximise retention.

It is also critical to consider retention in industry to ensure that students who complete their training are supported to remain in the workforce. When individuals leave industry prematurely the investment in their training is lost. This worsens workforce shortages and represents a significant cost inefficiency of the training system.

### 5.1 Increase and expand TAFE support staff and services

**Recommendation 14:** Provide additional funding for TAFEs to invest in specialist support staff for students and teachers, including specialised support persons for priority learners.

**Recommendation 15:** Provide additional funding for TAFEs to uplift Koorie student support and the Koorie student experience.

Strong student support services correlate with high qualification-completion rates<sup>32</sup>. To enhance support, we need to increase the number of specialised staff who can respond to diverse learner needs including learning difficulties, mental health challenges, financial advice, cultural considerations, and early signs of disengagement.

Fostering student success requires a sustained, organisation-wide commitment to embedding student support across the entire learner journey, from pre-enrolment to

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<sup>32</sup> [NCVER: Student support, enabling the learner journey \(2025\)](#).

completion<sup>33</sup>. When students feel understood, supported, and connected they are more likely to succeed in their training.

Current barriers to providing effective student support include insufficient funding for services in the TAFE funding model (see [Appendix A](#)), staff shortages, and student-based challenges such as reluctance to seek help for fear of stigma.

Funding for sufficient staff capacity is not the only constraint limiting effective student support. There is growing recognition that learners' needs are complex and diverse, including a growing number identifying as neurodivergent. This requires expanding teaching staff capabilities in areas including tailored teaching, learning, and assessment approaches, and supporting the expansion of support staff capability to cater to the changing needs of students.

To address funding, capability and capacity gaps TAFEs will need increased investment in specialised support roles such as learning support staff, disability support staff, and mental health professionals who can work alongside educators, and teacher-mentor and teacher-assistant roles to work with teaching staff. Without this capability, students are at higher risk of disengagement and therefore non-completion and poor workforce outcomes, and these roles require appropriate funding.

#### **Case study: Mini teams to enhance student learning**

2025 research conducted by NCVER highlighted mini teams positively impacted retention and completion rates.

A mini team consists of two trainers and one student-experience adviser from the support team. Each team is assigned a group of learners, whom they assist from enrolment through to completion, providing continuity of support.

This approach is mutually beneficial for the staff, learners and employers. It allows the trainers and the student-support staff member to build better understanding of each other's roles and reduces potential duplication of work. The arrangement helps to establish trust with the learners and their workplaces, supporting them from commencement to completion, creating a personalised learner journey experience.

The successful RTO maintains six mini teams, with the members of each team meeting once a week for approximately half an hour to plan the week. This arrangement gives the members of each team an opportunity to have ownership over a small group of students, as opposed to trying to manage a much larger group. Participants highlighted the success of the mini-team initiative, emphasising the professional development they gain from the leadership opportunities given to the mini team to work independently.

### **Specialised support for First Nations learners**

The learner journey for First Nations students is different and complex. Overall, indigenous learners have lower VET qualification completion rates than non-indigenous learners (33% compared with 48%)<sup>34</sup>.

NCVER's research highlights the importance of finding individualised ways to assist First Nations learners to relate to their training to help in sustaining their participation. Building

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<sup>33</sup> [NCVER: Student support, enabling the learner journey \(2025\)](#)

<sup>34</sup> Ibid

relationships, even friendships, and trust through individualised engagement was emphasised as a critical success factor in supporting First Nations learners. Ongoing discussions with Aboriginal learners to identify what is important to them, in terms of their Country and family, and identifying creative ways to help them to ‘find meaning’ in their training, were seen as good practice in providing support to Aboriginal and Torres Strait Islander learners.

Importantly, this support should be informed and facilitated by First Nations staff. NCVER’s research showed that Aboriginal engagement officers and mentors, specialised in-house support service centres, and partnerships with specialised external support providers for First Nation learners were all used by RTOs with high-qualification completion rates and high student satisfaction with support services.

Further research from NCVER highlights the importance of tailored cultural induction for trainers teaching Aboriginal learners, particularly when delivering training in remote communities<sup>35</sup>. This was a consistent recommendation across all First Nations case study locations and is recommended even if trainers have prior experience.

We propose that the Government provide additional funding to TAFEs to deliver projects that uplift Koorie student support services and the Koorie student experience, similar to the project being undertaken at TAFE Gippsland (see case study below).

**Case study: TAFE Gippsland Koorie Learner Journey Mapping – A strategic framework for cultural inclusion and systemic reform**

TAFE Gippsland is undertaking a Koorie Learner Journey Mapping project in response to a clearly identified need to better understand the experiences of Koorie students across the vocational education system. This work is driven by the recognition that barriers continue to limit access, participation and success for Aboriginal and Torres Strait Islander learners, particularly in regional settings.

The project draws on the lived experiences of Koorie learners, Elders and community leaders to examine the full learner journey, from pre-enrolment through to completion and transition into employment or further study. It explores both the enablers and barriers that shape outcomes, highlighting the importance of culturally safe environments, flexible delivery models, visible representation of Koorie staff, and authentic relationships between educators and community.

The outcomes from this initiative will enable a purpose-driven framework intended to guide institutional improvement, policy alignment and cultural uplift. Once complete, the findings will guide continuous improvement within TAFE Gippsland and may offer valuable insights to inform broader thinking around policy, funding design and inclusive practice across the vocational education system.

*For more information see the TAFE Gippsland submission to this inquiry.*

## **5.2 Increase delivery of foundational skills**

**Recommendation 16:** Provide additional funding to increase and improve foundational skills delivery including courses for different skill levels and flexible delivery models.

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<sup>35</sup> [NCVER: First nations and migrant learners’ experiences with foundation skills courses \(2025\).](#)

Foundational skills are a critical enabler of strong education and employment outcomes (see Appendix E). Students who engaged in foundational skills programs were more likely to complete their training (by up to 1.8%) and more likely to gain employment (by up to 5.6%) than similar students who did not enrol in foundation skills training<sup>36</sup>. Each additional foundation skills subject successfully completed was associated with higher VET program completion rates.

Foundation skills are essential competencies that underpin workforce participation, productivity, and social inclusion. These skills include English language, literacy, numeracy, and digital literacy (LLND), as well as employability skills such as problem-solving, teamwork, and planning. Foundation skills are crucial in enabling Victorians to effectively engage in the community, workplace, and educational settings.

To maximise positive outcomes, the Government should increase its investment in foundational skills programs at TAFE. This should include investment in curriculum development, different foundational courses for different skill levels, professional development of trainers, and flexible delivery models that meet learners needs.

### **5.3 Improve retention in gendered education environments**

Recommendation 17: Commit funding for the Victorian TAFE Network to conduct Gender Impact Assessments in gendered education environments.

Recommendation 18: Commit funding for the Victorian TAFE Network to improve approaches to preventing gender-based violence in TAFE settings.

Women face unique barriers that affect their participation and retention at TAFE, particularly in courses aligned with traditionally male-dominated industries such as the trades, manufacturing, and engineering. These barriers commence long before their engagement with TAFE or industry, in the early years and in the school system. These barriers, like a lack of role models or gender stereotypes, impact on their future career choices.

These barriers include limited encouragement to pursue non-traditional pathways, gender stereotypes embedded in career guidance, exclusion and tokenism within training environments, and a lack of female role models and mentors. Within VET settings, women report being undermined by peers and instructors, assigned lower-value tasks, or subjected to sexist behaviour. These experiences contribute to stress, lower confidence, and higher attrition rates.

To achieve gender equity in VET and industry pathways, we need to dismantle systemic barriers and create inclusive learning environments for all students. This should include taking a zero-tolerance approach to inappropriate behaviour, supported by codes of conduct, mandatory training on safe and respectful workplaces, leadership accountability, and robust reporting. While there has been funding in the past for 'Respect and Equality at TAFE', this funding has not continued, and WorkSafe funding for 'Training for Respect' (which funded VET-sector training to prevent gender-based violence in VET settings) is also exhausted (see Case Studies below).

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<sup>36</sup> [Laying the foundations: how foundation skills shape VET student outcomes](#)



This should also include reforming education and training pathways to cultivate inclusive learning environments, like undertaking Gender Impact Assessments (see Case Study) and improving curriculum. We propose that the Government commits funding to these initiatives in the TAFE Network, so that TAFEs can continue to reform their learning environments.

While TAFEs have a vital role to play in creating inclusive, supportive training environments, the responsibility does not rest with the TAFE sector alone. Industry must also take action to address the broader cultural and structural issues that deter women from completing training or transitioning into the workforce. If job pathways are perceived as unsafe, discriminatory, or incompatible with women, female students will not be incentivised to stay in TAFE programs. Improving retention requires a coordinated effort across education and industry to remove barriers and make male-dominant career paths accessible and attractive to women.

#### **Case Study: Respect and Equality at TAFE (RET)<sup>37</sup>**

The RET Framework is a comprehensive guide<sup>38</sup> that supports Victorian TAFEs in fostering environments where all staff and students feel safe, respected, and valued. The Framework provides practical strategies and a clear approach to embedding respectful relationships and gender equality within the organisational culture.

This Framework offers key insights into the foundational elements needed to create safe and inclusive learning and working environments. It outlines best practices for integrating gender equality into policies, procedures, and everyday interactions, making it a vital resource for organisations delivering accredited training. By adopting the Framework, TAFEs are taking proactive steps to prevent gendered violence and harassment, ensuring a respectful and equitable educational experience for everyone involved.

#### **Case Study: Training for Respect**

The Training for Respect project, led by Women's Health in the South East (WHISE), directly addresses the issue of pervasive workplace gendered violence and its underlying drivers, aiming to create safe, inclusive, and respectful learning and work environments across Victoria's VET sector. This project was delivered in partnership with the TAFE and private RTO sectors, the Women's Health movement, Jesuit Social Services, Our Watch, and the Victorian VET ecosystem.

This project created tools and strategies to promote positive workplace culture and well-being, focussing on preventing sexual harassment and gender-based violence in TAFE and RTO working environments. This included delivering training, resources, and systems change strategies to improve safety, respect, and equity in Victorian TAFEs and RTOs.

The project established a sector-wide primary prevention infrastructure to support this and offered self-paced training modules to build foundation knowledge in staff, as well as capacity-building workshops, where leaders were empowered with awareness and skills to create safer workplaces.

*For more detail, please refer to the WHISE Submission to this inquiry.*

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<sup>37</sup> Information from [Respect and Equality in TAFE \(Victoria\) — Training for Respect](#)

<sup>38</sup> Read the Victorian RET Guide here: [Respect and Equality in TAFE: Victorian guide](#)



### **Case Study: Nice Work if You Can Get It – Gender Impact Assessment in Chisholm Institute’s engineering and manufacturing pathways**

This project is a cross-sectoral partnership between WHISE, SEMMA and Chisholm Institute, applying a Gender Impact Assessment (GIA) framework to address entrenched inequities in manufacturing education and employment pathways. A GIA provides a structured approach for organisations to evaluate how their policies, programs, and services affect different genders, ensuring equitable access and outcomes for all participants.

Persistent disparities plague manufacturing and engineering apprenticeships in Victoria:

- Female participation has fluctuated without sustained upward trajectory over more than a decade<sup>39</sup>.
- Chisholm Institute’s internal data revealed local challenges, with female enrolment rates ranging from only 3.8% to 12.1%, significantly below the state-wide average of 15% to 27%. Retention rates showed peak female student attrition reaching 60% in 2022, indicating significant barriers at the very beginning of technical education journeys.
- Beyond the statistics, female students and apprentices also reported systematic exclusion and bias.

Chisholm Institute has implemented this GIA process in engineering and manufacturing, through four facilitated workshops where cross-functional teams systematically worked through each stage of the GIA process to evaluate the extent to which their policies, programs and services enable equitable access. Teams defined problems, understood contextual factors including unconscious bias and equipment design disadvantages, created intervention options, and formulated strategic recommendations for both cultural change and institutional support.

The result is that it has been established that meaningful change in manufacturing requires coordinated action across education, industry, and community health sectors. This collaborative model moves beyond individual-focused solutions toward systemic, sustainable transformation. The project has demonstrated how applying a comprehensive gender lens through structured assessment processes can identify and dismantle structural inequities within vocational training pipelines. The systematic approach ensures interventions address root causes rather than symptoms of gender segregation.

*For more detail, please refer to the WHISE Submission to this inquiry.*

## **5.4 Improve retention in industry**

**Recommendation 19:** Undertake a targeted investigation into the key drivers of poor retention in in-demand industries. This should include reviewing wages, job-security, working conditions for underrepresented groups and work-life balance to ensure roles are attractive and sustainable long-term.

There may be enough people with the requisite skills, qualifications and experience to fill vacancies in in-demand industries, but many workers in in-demand industries do not remain in the role long due to poor pay, unsafe or inflexible conditions, and limited career progression. These issues deepen shortages in critical sectors, making it hard to build a workforce where it is needed.

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<sup>39</sup> NCVER VOCSTATS, 2007-2023

According to research by Jobs and Skills Australia, industry retention challenges are the second biggest occupation shortage driver, after long training times. Industry retention issues were most acute for care workers including aged and disabled carers, child carers, and nursing support and personal care workers. Chefs, miners, and steel workers were also affected by retention issues<sup>40</sup>. Increasing the number of qualified applicants alone will not resolve these shortages if workers continue to leave due to unappealing working environments.

For women, these challenges are compounded by in-demand industries that do not support their participation. This includes lack of flexible work arrangements and childcare support protective equipment designed exclusively for men, inadequate amenities (often shared with men), and sexism and exclusion in male-dominated environments. These conditions send clear signals that women are not welcome, contributing to attrition rates among female workers.

Unlocking the potential of underrepresented groups increases productivity. For example, in 2021, women made up less than 1% of the manufacturing workforce and less than 2% of VET enrolments. Today, women make up just 2% of electrical apprentices, demonstrating little progress has been made. These figures highlight the significant untapped capacity within our population.

Although data on these barriers remain limited, evidence from industry statements, small-scale research, and stakeholder interviews strongly aligns with these comments. A targeted, evidence-based investigation into retention challenges in in-demand industries, including those impacting women, is urgently required to inform improvements.

#### **Case Study: Act on Site – finding solutions to major industry skill shortages**

Act-On-Site<sup>41</sup> is a FREE, organisation-wide program tailored to support trade industries in the Grampians region to recruit and retain more female and gender diverse apprentices and employees in non-traditional roles.

Act-on Site aims to create safe, healthy and gender-equitable workplaces and assists companies in becoming an employer of choice for a more diverse workforce.

Act on Site reflects the current nationwide push to find solutions to major industry skills shortages, meet new gender and diversity initiatives and to capitalise on the 50% of talent and capability that remains untapped in our female workforce. It aims to create safe, healthy and gender-equitable workplaces and assists companies in becoming an employer of choice for a more diverse workforce.

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<sup>40</sup> [Jobs and Skills: 2024 Occupation Shortage Drivers.](#)

<sup>41</sup> <https://whg.org.au/our-work/projects/women-in-trades/act-on-site/>

## Conclusion

Victoria's ability to guide and support students to pursue employment in in-demand industries relies on an attractive and effective training system. The Victorian TAFE Network is the most effective lever available to address current and future workforce shortages. To continue delivering on this potential, TAFE must be strengthened through targeted support that enhances its ability to attract and retain students through to successful employment.

However, the Victorian TAFE Network cannot do this in isolation. Achieving real progress requires shared responsibility across government, industry, schools, and the TAFE system itself. Schools and industry need to provide clear, accurate, and consistent information on TAFE pathways. TAFE must be genuinely accessible to all learners and learners must be incentivised to stay and complete their qualifications. Critically, industry must take an active role in ensuring that jobs in in-demand sectors are seen as safe, inclusive and rewarding, and are paid well.

## Appendix A: The current TAFE funding model

The TAFE funding model (based on course subsidy rates, the TAFE Services Fund, and ad hoc infrastructure funding/grants) is inadequate, unnecessarily complex, and overly short-term, risking the financial sustainability, quality and responsiveness of Institutes.

Combined with operating model factors that can be outside the direct control of Institutes (e.g. the industrial relations framework, whole of Government priorities and requirements), Victorian TAFEs are constantly challenged to return balanced budgets and are unable to allocate sufficient funds towards infrastructure replacement, upgrades or even best-practice maintenance of infrastructure.

There has been a consistent trend of underfunding and net deficits for the Victorian TAFE sector (when removing the impact of once-off grants or loan forgiveness). While the sector may have reported a net surplus in 2023, this was underpinned by once-off capital grants received to fund campus redevelopment. Without these once off grants, the net result would have been a \$35 million deficit for the sector<sup>42</sup>.

Victoria has the lowest Government recurrent expenditure on VET per annual teaching hour of all jurisdictions, a statistic that does not necessarily reflect improved efficiency<sup>43</sup>. Since 2013, Victoria has experienced the biggest decrease in total Government recurrent expenditure (including capital) of any jurisdiction, with a reduction of \$846.2m. Over the same period, New South Wales saw a decrease of \$136.4m while Queensland saw a decrease of \$145.6m.

The current funding model does not account for inflation, representing an annual cut to TAFE. Lack of inflation indexation for Victorian VET funding is equivalent to approximately \$4 billion across 2014-2022 and \$8.5 billion across 2013-2022<sup>44</sup> noting the large reduction in funding between 2013 and 2014 (-\$406.8m or a 17% reduction). VTA analysis of Victorian subsidy rates further supports this, with the majority of course subsidy rates not keeping pace with inflation and not reflecting the sector average cost of \$19 per contact hour (2021 dollars)<sup>45</sup>.

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<sup>42</sup> [VAGO Results of 2023 Audits: Technical and Further Education Institutes](#)

<sup>43</sup> [Productivity Commission, Report on Government Services 2024](#)

<sup>44</sup> Analysis of VAGO Results of Audits: Technical and Further Education Institutes for the years 2013-2023

<sup>45</sup> ACIL Allen 2021 VET Pricing report

## Appendix B: Misconceptions about TAFE

In 2024, the VTA commissioned research by McCrindle Research on the TAFE perception challenge, which collates data collected in an online survey, 10 in-depth interviews of Victorian careers advisers and desktop research. This appendix summarises its key points.

### **University is the preferred education pathway for key influencers**

McCrindle's surveys showed 66% of Victoria's parents are extremely or very likely to encourage their child to explore a university pathway, compared to 56% of parents who would encourage their child to explore a TAFE pathway<sup>46</sup>. Broader public perceptions reflect a similar hierarchy, seven in ten Victorians (70%) associate universities with being a reputable education provider compared to 51% with TAFE<sup>47</sup>. Victorians are more than four times as likely to associate universities with higher academic achievement than TAFE and there remains limited awareness of TAFE's diverse subject offerings beyond the trades. Compounding this, schools, aiming to differentiate themselves in a competitive landscape, often use high ATAR scores and university attendance rates as marketing tactics<sup>48</sup>.

### ***Myth: TAFE graduates are less employable and earn less than university graduates***

Only 35% of Gen Z agree (strongly/somewhat) that TAFE graduates are more employable than university graduates. Parents of Gen Z (41%) and people managers (43%) are similar in their perspective. Currently, 71% of Victorians believe TAFE graduates earn less than university graduates. Influencers of prospective students, like parents and people managers, also lean towards this belief (73% and 71% respectively, compared to 68% of Gen Z).

### ***Myth: TAFE has inferior facilities and teaching***

Most Victorians associate universities with higher quality facilities (71%) and teaching staff (70%), compared to TAFE (47% and 48%, respectively).

### **Negative perceptions on TAFE are not supported by evidence**

The reality is, TAFE employment outcomes match university graduates, with 78% securing employment, compared to 79% of university graduates. Notably, TAFE graduates from apprenticeship and traineeship programs demonstrate even stronger outcomes, with 94% finding employment after training.

TAFE graduates with a Certificate IV and above earn higher median full-time incomes than Bachelor degree holders, with median salaries of \$71,650 compared to \$68,000. TAFE graduates continue to have strong earning potential throughout their careers. For example, a Certificate IV in Building and Construction can lead to a role as a Construction Manager, with an average annual salary of \$181,000. Certificate IV in Financial Services can pave the way to becoming a Financial Investment Manager, earning an average of \$177,100 annually.

These outcomes demonstrate that TAFE offers a direct route to well-paying, stable employment, often surpassing the earning potential of *some* university graduates.

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<sup>46</sup> [TAFE-Value-and-Perception-Challenge-Research-Report.pdf](#)

<sup>47</sup> Ibid

<sup>48</sup> Ibid

## Appendix C: Free TAFE data

While data on specific aspects of Free TAFE is not readily available to the public, the VTA has been supplied with information from individual Victorian TAFE Institutes and dual sector universities. While data varies across Institutes (all with different regional footprints and course profiles) certain priority cohorts are consistently enrolling in Free TAFE courses at higher levels than the broader student body. This includes:

- Institute A | Full year data for a TAFE Institute across the years 2019-2023 showed Free TAFE had much higher levels of **female students** (average per year of 58.5%, 16.9% higher than the all-student average for the same time period) and **unemployed students** (27%, 8.3% higher than the all-student average).
- Institute B | Full year data for regional TAFE Institute across years 2019-2024 showed Free TAFE had much higher levels of **female students** (average per year of 67.9%, 26.6% higher than the all-student average for the same time period), **students identifying with a disability** (12.9%, 5.4% higher than the all-student average) and **unemployed students** (19.1%, 9.9% higher than the all-student average).
- Institute C | Full year data for a TAFE Institute providing a small range of Free TAFE programs across the years 2019-2024, showed Free TAFE had higher levels of **students with a disability** (average per year of 12.1%, 5.3% higher than the all-student average for the same period).
- Institute D | Full year data for a dual sector university for the period 2022-2024 showed Free TAFE attracted a higher percentage of **female students** (62.8%, 13.2% higher than the university's 2023 VET average), **mature age students** (average per year of 69.5%, 10.3% higher than average) and a marginally higher number of **students with a disability** (10.7%, 1.6% more than the average).
- Institute E | Full year data for a metropolitan TAFE Institute across the years 2019-2024 showed Free TAFE courses had much higher levels of **female students** (average per year of 49.7%, 13.6% higher than the 2024 all student average), **students with a disability** (7.2%, 2.1% higher than average) and **unemployed students** (17.3%, 5.3% higher than average).

While NCVER data does not allow for analysis of Free TAFE data specially, we can use this data to understand the proportion of students from priority cohorts in the Government-funded Victorian TAFE student body.

When considering Government-funded program enrolments in Victorian TAFE Institutes and dual sector universities<sup>49</sup>, we can see upward trends since 2019 for students with a disability (from 10.7% of total enrolments in 2019 to 11.3% in 2023) and students who speak a language other than English at home (from 24% in 2019 to 25.3% in 2023). 2023 figures for the proportion of female students and Indigenous students are similar to 2019 levels.

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<sup>49</sup>VOCSTATS, NCVER. (2024). Data inputs: government-funded students and courses, VET program enrolments (2003-2023), state/territory of data submitter (Victoria), provider reporting type, client attributes (disability status, language other than English spoken at home, gender, Indigenous status). Extracted on: 09/01/25.

Longer-term trends also show a significant upward trend in Indigenous students within the same dataset, growing by 45% on 2010 levels and shifting from 1.8% of these enrolments to 3.78%. Students with a disability were only 7.67% of these enrolments in 2010 and now make up 11.3% of enrolments. Students speaking a language other than English at home made up 17.57% of enrolments in 2010 and now make up 25.28%.

While these increases may seem minor, the maintenance of priority cohorts in TAFE can be viewed as a success of Free TAFE when we know that in many cases the Free TAFE cohort is more diverse than the broader VET cohort. The data for Free TAFE cohorts highlight the positive contribution that Free TAFE makes to preventing or reversing previous declines in priority cohorts in VET, particularly during challenging economic conditions and a cost-of-living crisis, where people are less likely to be able to take time off to study, or be able to afford courses fees.

## Appendix D: Causes of skills shortages

Jobs and Skills Australia has developed a typology that classifies occupation shortages into four main drivers, based on the most likely underlying causes (described in Table 1)<sup>50</sup>.

The four classifications may appear mutually exclusive; however, not all unit group shortages fit neatly in one category or another. Some unit groups assigned to one category may have some issues in common with unit groups in other categories. For example, a unit group may be simultaneously experiencing a lack of qualified applicants and a large amount of turnover.

*Table 1: Occupation shortage classifications*

| Classification     | Definition  |
|--------------------|---|
| Long training gap  | <p>Few qualified applicants per vacancy and a long training pathway e.g. Certificate III or above.</p> <p>This suggests a need to increase the number of available skilled workers but with significant time lags involved in the training process. Solutions to shortages caused by a lack of qualified workers will largely come from policy and educational providers.</p> |
| Short training gap | <p>Few applicants per vacancy and a qualification less than a Certificate III is required.</p> <p>This suggests a need to increase the number of available skilled workers, with shorter time lags involved in the training process.</p>  |
| Suitability gap    | <p>There are enough qualified applicants, but they are not regarded as suitable. Reasons cited include lack of employability skills and workforce experience.</p> <p>Increasing the output of qualified people is not a good strategy. The solution is to enhance attributed of qualified applicants through investment in employability skills and work experience.</p>      |
| Retention gap      | <p>There may be enough workers, but workers do not remain due to current working conditions.</p> <p>Increasing the output of workers does not solve the problem. Ways to enhance the attractiveness to workers is through improved remuneration and working conditions.</p>   |

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<sup>50</sup> [Jobs and Skills Australia: 2024 Occupation Shortage Drivers Report](#)



## Appendix E: Evidence base for foundation skills

NCVER have conducted research that explores the relationship between foundation skill learners' characteristics and outcomes, and how foundation skills programs contribute to learners' VET outcomes, employment and further study. This Appendix provides a summary of this research.

### Learners without foundational skills struggle to gain employment

Jobs and Skills Australia has highlighted the growing impact of the *Suitability Gap*, where enough qualified applicants for roles, but employers report they are not suitable for the job. Reasons cited by employer's lack of employability skills and workforce experience<sup>51</sup>.

Data from SERA was used to calculate the threshold for the suitability gap classification where there was a high number of qualified applicants, but the suitable applicants were low<sup>52</sup>.

Increasing the number of qualified people is not an effective strategy to mitigate this issue. The solution is to enhance the attributes of qualified applicants through investing in their employability skills and work experience.

### Foundation skills learners have better outcomes

Students who study foundation skills, such as language, literacy, numeracy, and digital skills, before or alongside vocational education and training are more likely to succeed.

Research shows that students who studied foundation skills alongside their VET programs were more likely to complete their training (by up to 1.8%) and more likely to gain employment (by up to 5.6%) than similar students who did not enrol in foundation skills training<sup>53</sup>. In addition, each additional foundation skills subject successfully completed was associated with higher VET program completion rates.

The research suggests that addressing foundational skills early, either before or alongside other VET programs, helps students to succeed by better preparing them for learning and for the workforce, leading to improved completion rates and job outcomes.<sup>54</sup>

While these increases may appear modest, they represent significant system-wide gains, particularly for students from priority cohorts.

### Foundational skills courses should be tailored to different audiences

The current approach to foundational skills often applies a one-size-fits-all model, which fails to reflect student needs. A tiered, targeted approach is needed to ensure support aligns with different needs and pathways. This is also likely to encourage more students to enrol in foundational skills programs.

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<sup>51</sup> [Jobs and Skills Australia: 2024 Occupation Shortage Drivers Report](#)

<sup>52</sup> Ibid

<sup>53</sup> [Laying the foundations: how foundation skills shape VET student outcomes](#)

<sup>54</sup> Ibid

Foundation skills learners generally fall into two distinct groups with different needs and pathways. The first group consists of learners from language backgrounds other than English (LOTE), who make up just over half of all foundation skills students. They are often older, more educated, and more likely to be women, with a strong focus on improving English language proficiency. The second group includes non-LOTE learners, who are typically younger, more likely to have left school early, and more diverse in terms of disability status and regional location. Their learning goals tend to focus more on employability, digital skills, and broader skill development.

NCVER research shows LOTE learners such as migrants face barriers to foundational skills training. These include limited course availability, cancelled classes due to low enrolments, and courses that are either too basic or too advanced. Migrant learners have called for more flexible delivery, including shorter courses, evening and weekend classes, and online options. Migrants have also requested dedicated support for resume writing, completing forms, and accessing services. These changes are critical to improving participation and outcomes.

Given these differences, tailored supports models are essential. Tiered, targeted support for students who are at different levels is critical to ensure learners stay engaged, complete their courses, and gain employment. This is likely to encourage more students to enrol in foundational skills courses and increase their likelihood of program completion and employment.