



Federation University Australia Policy Paper:

Building Stronger Education-to-Jobs Pathways for Australian Regional and Suburban High Growth Communities



13 February 2025

Federation University Australia's proposal is to establish a National Regional and Suburban High Growth Community Partnership Policy to:

- Connect regional and suburban community universities, TAFE, schools, businesses and other key organisations to work together to build education-to-jobs pipelines that meet sector specific "local graduates in local jobs" targets; and
- Establish a framework of targeted investments and incentives to each partnership to achieve their targets.

Considerations:

- 1. This policy would have a mixture of coordination, enabling policy, and place-based investments and incentives to succeed:**

Key Foundations and Components:

A Commonwealth Government Regional and Suburban High Growth Partnership Policy would:

Build on...



...existing policies:

- Managed Growth Funds
- Needs Based Funding
- Free TAFE

By Developing...



- 1. Targeted Regional and Suburban High Growth Partnerships:**
 - Leads and develops priorities aligned to national-interest with local universities, TAFEs, schools and industry in region



- 3. Partnership Enabling Placed Based Investments**
 - National Regional and Suburban Education Infrastructure Fund
 - Investment in university or other provider equity and access programs



- 2. Partnership Enabling National Policies**
 - National Paid Placement Fund
 - Priority Regional Student Skills Visa
 - Diploma of High Growth Skills

Local jobs and skills pipeline aligned to industry needs and strategic priorities

- ✓ Local Post-Secondary Attainment
- ✓ Priority Skills Gaps Addressed
- ✓ Local Employment
- ✓ Sustainable Growth



- 2. To illustrate, a partnership could commit to educating, graduating and employing a targeted number of local residents by 2035 in the following regions to meet aligned local and national objectives:**

- **Greater South East Metropolitan Region:** For example, a partnership could support local residents graduating from higher education and TAFE programs into local jobs to meet the region's aspirations to become a knowledge-based industry hub, with a focus on advanced manufacturing and logistics, while ensuring local residents have access to expanded health care services and sustainable education delivery. This would link to critical sovereign supply and production chain, defence industry, and AI and cyber security objectives. (See pages 10 to 11 for a detailed example).
- **Central Highlands Region:** For example, a partnership could support local residents graduating from higher education and TAFE programs into local jobs to meet the region's aspirations to become a knowledge based new technology and clean economy hub while improving the wider Central Highland region's liveability. This would link to critical national objectives to diversify sovereign capabilities in new technology (e.g., data centres) and energy security. (See pages 12 to 13 for a detailed example).
- **Gippsland Region:** For example, a partnership could support local residents graduating from higher education and TAFE programs into local jobs to meet the region's transition into a vital mixed energy hub spanning offshore wind, hydrogen and other emerging energy sectors while promoting industry diversity as well as expanding critical services in health and education. This would link to critical national energy security objectives. (See pages 14 to 15 for a detailed example).
- **Wimmera Southern-Mallee Region:** a partnership could support local residents graduating from higher education and TAFE programs into local jobs to expand economic pathways and promote the region's resilience by targeting the region's skills needs in the new minerals, construction, agriculture, health and

education sectors. This would link to minerals exploitation and food security national objectives. (See pages 15 to 16 for a detailed example).

DETAILED OVERVIEW:

Federation University Australia's proposed policy and budget priorities are centred on developing a Regional and Suburban High Growth Communities Partnership Policy. This would create clear education-to-job pipelines that advance key sectors and regions and maximise higher education investment in these communities.

Federation, as Victoria's principal regional dual-sector university, has campuses across Ararat, Ballarat, Berwick, Gippsland, and Horsham, supporting over 20,000 students in regional and suburban communities. Drawing on this experience, Federation has identified a critical opportunity to build on the Commonwealth Government's Universities Accord reforms to tackle the challenges of low post-secondary attainment, qualification-to-job mismatch, education affordability, regional sustainability and liveability, and driving regional development, especially where sectors are emerging in areas vital to advancing Australia's national interests.

Federation University's Co-operative Education Model:

At the heart of Federation's strategic priorities, is a recognition that highly relevant, local, skills enriching programs, are critical to serving its communities, enabling the intergenerational change only education can deliver, and meeting the skilled workforce needs of industries that are critical to sustaining and growing the economies Federation operates in.

Building on Federation's strengths in graduate employment and skills development, the University is establishing the Co-Operative Education Model (Co-Op Model) as part of every course. This model provides experiential learning, co-designed with industry, alongside excellent student support.

For example, the Co-Op Model involves a minimum of 60 days' placement for undergraduate programs – paid, wherever possible – and contributes directly to course credits. By the end of 2025, Federation will embed the Co-Op Model across its entire suite of courses at the higher education and vocational education and training levels.

Federation is seeking to address these challenges because they create deep structural issues that are problematic for Australia's long-term strategic competitiveness and the liveability of regional and suburban communities. These issues are compounded by overurbanisation and regional population flight, distorted labour markets, and the risk of stalled or unnecessarily costly regional development. Jobs and Skills Australia noted, for example, in its Towards a Regional, Rural and Remote Skills Job Map Interim Report (October 2024) that:

"A highly urbanised country creates challenges for regional, rural and remote Australia.

From Federation until just prior to the COVID-19 pandemic, Australia has become an increasingly urbanized population, with the proportion of the population living in one of 8 capital cities, growing from under 35% to over 65%.

*In land mass, Australia is the sixth largest country in the world, with a relatively small population compared with other large countries, making for a huge dichotomy in population density between metropolitan and non-metropolitan Australia. **This creates big challenges to support the wellbeing of regional, rural and remote Australia.***

Of particular relevance to this report is that rural and remote labour markets tend to be weak and inefficient compared with the labour markets in cities. [Emphasis Added]"

Under a Regional and High Growth Community Partnership Policy, the Commonwealth Government could introduce these settings to help universities and other education institutions address these challenges by:

- empowering partnerships under a legislated framework to coordinate local education providers to train the workforces needed to achieve local job aspiration targets identified with local business; and
- committing allocated funding to promote the establishment of time-limited partnerships in key communities;
- offering targeted programs, incentives, and investments to maximise the benefit of each partnership.

This approach is critical because local job opportunities drive greater education engagement in regional and outer suburban communities, especially from families whose support is essential to ensuring learners are engaged in the education system from the earliest stages, acquiring the foundational skills needed to be ready for tertiary education.

The priorities for each partnership could be aligned with the Commonwealth Government's policy priorities through existing policies – such as A Future Made in Australia, Defence Strategy 2024, or various energy policy initiatives – or new policies promoting targeted growth.

For example, a High Growth Community Partnership could:

Establish a pipeline for 500 university and TAFE engineering graduates from students living in the local community and employed in local jobs by 2035 to support the aspirations of becoming a hydrogen production and application centre. This will ensure the community can play a role in targeted energy industry development initiatives for that region.

Consultation To Date as of 14 February 2025:

Federation has outlined this approach to relevant Ministers and MPs. The proposal outlined below also formed the basis of Federation University's submission to the Commonwealth Government's Pre-Budget 2025/26 consultation process submitted on 31 January 2025, and consultation with key regional peak bodies across the Central Highlands, Greater South East Metropolitan and Gippsland regions.

Why is a Regional and Suburban High Growth Community Partnership Program different from existing programs and policies?

Federation supports policies such as the Universities Accord-driven Managed Growth, Needs-Based Funding, International Education Limits, and Australian Tertiary Education Commission reforms, and other policies that promote greater education accessibility and choice in regional communities. These policies are essential to expanding post-secondary access and aligning education with Australia's strategic workforce needs.

As a university deeply embedded in local regional and outer suburban communities, Federation also champions regional investment and partnership initiatives, including the Regional Precinct and Partnership Program, Building Back Better Program, Growing Regions Program, and Regional Growth Fund, alongside the skills planning efforts led by Jobs and Skills Australia.

However, this policy bundles several distinct features into a single program that enhances these existing policies by offering:

- **More community collaboration** – Strong partnerships between local schools, TAFEs, universities, local employers, small businesses, and industry groups will drive coordinated workforce pathways in high-growth sectors.
- **Skills alignment and business-led implementation:** Partnerships will deliver actions from local education providers and employers, particularly through expanded Work-Integrated Learning and tailoring education to local industry needs.

- **Demand-driven funding support** – Funding will be tied to real employer demand, ensuring efficient use of public funds and stronger industry engagement in priority sectors such as advanced manufacturing, renewable energy, healthcare, education, and digital industries.
- **Outcome-driven higher education infrastructure investment** – Collaborative planning between industry and education providers will guide higher education infrastructure investments, ensuring its use is maximised under partnership arrangement incentives and goals to deliver real regional economic growth, industry innovation, and urban renewal.

Federation's deep engagement across regional and suburban Victoria — including Ararat, Ballarat, Berwick, Gippsland, and Horsham — has identified five key opportunities that this policy could unlock for local communities:

1. Strengthening pathways from local education to local jobs to boost post-secondary attainment

- In communities with historically low post-secondary participation, clear and visible pathways from education to employment are critical. Local learners, particularly those from first-in-family backgrounds, need certainty about job outcomes to make further education a compelling choice.

2. Providing immediate education-to-work pathways as an alternative to entering the workforce early

- Many families in regional and outer suburban areas face cost-of-living pressures, making work a more attractive short-term choice than further education. This program ensures that education is a direct pathway to stable employment, removing financial disincentives for study and reinforcing Free TAFE initiatives.

3. Ensuring place-based education remains accessible for regional and suburban communities

- Commuting for further education remains a significant cost-of-living factor and a barrier to education in regional and suburban areas. While remote learning has expanded opportunities, many fields — such as healthcare, advanced manufacturing, and engineering — require hands-on learning in regional TAFE and university campuses.
- Additionally, targeted interventions are essential to improve access for First Nations learners, women, culturally diverse communities, individuals with disabilities, and those reintegrating from the criminal justice system. Locally led education programs provide the wraparound supports necessary to break cycles of intergenerational disadvantage.

4. Shaping secondary, primary, and early childhood education choices to close post-secondary attainment gaps

- Encouraging post-secondary education starts early. Learners in regional and suburban schools make education choices based on job visibility and parental perceptions. Partnerships with secondary schools, primary schools, and early childhood educators will help embed stronger career awareness programs and reinforcing pathways from Free TAFE to further education and employment.

5. Expanding locally educated and skilled workforces to enhance economic growth, sustainability, and social cohesion

- Research consistently shows that people who study locally tend to stay locally, while those who leave their communities are less likely to return. Expanding regional education opportunities strengthens local workforces, reducing reliance on fly-in-fly-out workforces, and increasing community resilience.
- Additionally, high-quality jobs in industries such as renewable energy, agribusiness, advanced manufacturing, and digital technology in regional areas, meaning a locally trained workforce is essential for sustainable economic growth.
- Poor workforce planning can increase local housing costs and impact liveability, making it even more critical to train and retain local talent rather than relying on costly workforce relocation.

Where in Australia could a Regional and Suburban High Growth Community Partnership Policy be applied?

This policy would be most effective in regional communities with emerging industries and outer suburban high-growth areas where there are low post-secondary attainment rates or significant qualification-to-jobs mismatch. For example, based on Federation's experience in regional education and workforce development, the program could be applied in the following locations:

1. Casey and Berwick (Outer Metropolitan – South East Melbourne Growth Corridors, Victoria)

- **Why?** One of Australia's fastest-growing areas with a high proportion of culturally and linguistically diverse (CALD) communities and lower-than-average post-secondary attainment.
- **Focus:** Health, education, and professional services, ensuring TAFE and university graduates align with healthcare and community services needs in this rapidly expanding region.

2. Ballarat (Regional Centre – Central Highlands, Victoria)

- **Why?** An aspiring regional hub with strong manufacturing, digital technology, and clean energy opportunities but gaps in STEM-qualified professionals.
- **Focus:** Advanced manufacturing, renewable energy (including hydrogen technology), and digital skills, ensuring local job pathways support the region's transition to high-tech industries.

3. Gippsland (Energy Transformation and Region Centre – Eastern Victoria)

- **Why?** A critical region for Australia's renewable energy transition and sustainable food production, with a need to expand local education-to-job pipelines to retain skilled workers and strengthen liveability.
- **Focus:** Renewable energy (hydrogen, wind, and transmission projects), agribusiness, and health workforce development to support regional sustainability and industry growth.

4. Logan (High Growth Suburban Hub)

- **Why?** Rapid population growth but significant education-to-job misalignment, with many young residents not pursuing further education despite nearby job opportunities in health, logistics, and manufacturing.
- **Focus:** Building stronger pathways between TAFE, universities, and employers to boost participation in healthcare, construction, and advanced manufacturing sectors.

5. Ipswich (Defence and Advanced Manufacturing Growth Corridor)

- **Why?** A key location in Australia's defence sector strategy, with expanding aerospace and manufacturing industries but insufficient skilled graduates to meet demand.
- **Focus:** Defence, advanced manufacturing, engineering, and aerospace workforce pipelines, ensuring local graduates take up high-demand jobs rather than relying on interstate recruitment.

6. Blacktown / Penrith (Western Sydney Growth Region)

- **Why?** A fast-growing outer metropolitan region with low post-secondary education engagement and high youth underemployment.
- **Focus:** Health, logistics, advanced manufacturing, and early childhood education, ensuring Free TAFE and university pathways deliver clear employment outcomes for the community.

7. Whyalla (Energy and Hydrogen Industry Development)

- **Why?** A major centre for renewable energy and hydrogen production, with emerging investments under A Future Made in Australia but a critical need for skilled workers.
- **Focus:** Renewable energy (hydrogen), mining and minerals processing, and engineering to train a local workforce that sustains industry growth and prevents workforce shortages.
- This policy would build a clear education-to-jobs pipeline in communities through a mixture of structured engagement, incentives, and investments.

The Regional and Suburban High Growth Community Partnership Program would integrate national policy direction, industry co-investment, study incentives, and post-secondary education infrastructure investment through three components:

- **Component One – Priorities and Engagement:** This component focuses on identifying target regions and priority industries by working with state and local governments, industry, and education providers. It aims to align education pipelines with workforce demand, establishing High Growth Community Partnerships to develop regional workforce strategies, skills forecasts, and employment targets in key sectors such as healthcare, renewable energy, defence, and advanced manufacturing.
- **Component Two – Industry Partnership, Co-Delivery, and Workforce Advancement:** This component encourages private-sector investment and workforce alignment through three main mechanisms: a National Paid Placement Fund to scale up work-integrated learning and employer-sponsored training; a Regional Priority Skills Visa to attract and retain skilled graduates in critical industries; and the expansion of undergraduate diplomas tailored to local workforce needs, supported by flexible accreditation and regulatory settings to ensure education produces job-ready graduates.
- **Component Three – Local Education and Skills Capability, Infrastructure, and Access: This component ensures education providers can meet industry needs through targeted infrastructure investment, workforce training expansion, and improved student access:** This would also fund strategic investments in TAFE and university facilities to support enrolment growth, co-located industry training hubs, and dedicated spaces for community and employer engagement. It also strengthens teaching capability by supporting specialist educator recruitment and upskilling in areas where demand outstrips supply. To remove barriers to participation, it includes scholarships, financial assistance, and student support services tailored to the needs of each region.

National Policy Component One: Setting Priorities and Engaging Communities Through Government Supported Regional and Suburban High Growth Community Partnerships

These partnerships would be developed under a structured framework supported by the Commonwealth Government's Department of Employment and Workplace Relations and Department of Education, leveraging data on regional labour market needs to identify critical skills gaps and collaboratively develop pathways for students, including local recruitment drives, industry-sponsored scholarships, and integrated work-based learning opportunities. The objective would be to establish this partnership by December 2025 to enable funding through 2026 to 2028.

Critically, under this policy, these partnership agreements could be supported by the allocation of Commonwealth Supported Places and FreeTAFE places to ensure the partnership has the education capacity to achieve its targets.

For Example: A Greater South East Metropolitan High Growth Community Partnership

- **Target:** 2,000 local graduates from engineering and IT programs by 2035 to support the region's aspiration for 22,000 knowledge-based jobs.
- **Partnerships:** Collaborate with local secondary schools, TAFEs like Chisholm, peak bodies, such as the Greater South East Metropolitan Region (GSEM) and South East Melbourne Manufacturing Alliance, and businesses, targeting large employers as well as region-wide outcomes for SMEs within different key sectors.

- Federation University's role: As a key educational hub, it will drive enrolment growth, strengthen ties with local industry, and align programs with regional workforce needs. By embedding Federation as the cornerstone of this regional talent pipeline, the policy ensures the university can play a central role in addressing GSEM's economic and social challenges, supporting the government's aspiration for 80% of working-age Australians to have a university or TAFE qualification by 2050

National Policy Component Two: Leveraging industry partnerships and co-design to make post-secondary education more accessible, affordable and sustainable while expanding local industry in strategic sectors

This setting builds on the above by focusing on national-level policy settings and measures to ensure that education pathways identified under each partnership are well-supported and translate directly into economic benefits for their communities.

1. A National Paid Placement Fund, and Other Tax System Based Incentives, To Support Local Businesses Building Talent Pipelines with Local Universities and TAFEs

This would support local businesses under each partnership to offer paid placements in programs aligned with regional goals through targeted financial incentives to employers. These financial incentives could include, for example, a grant to offset the cost of wages for a paid placement student or the capacity to have an additional write-off or tax credit claimed against wages, training, or equipment for a paid placement student. It could also offer funding to use industry-aligned paid placements to co-recruit learners into post-secondary programs from secondary schools or Local Government Career Services.

These incentives will be targeted to align with fields of study identified by each High Growth Community partnership. For example, a local engineering business with a key skill shortage could commit to partnering with a university to take local students on paid placements and work together to promote the job opportunities that would be provided locally to secondary school students or local government services clients if they applied for an engineering program at that university.

These placements would bridge the gap between education and employment, offering students hands-on experience in critical industries while ensuring local businesses have access to a pipeline of skilled talent. By linking placements to regional goals, this initiative supports both immediate workforce needs and long-term economic development.

GSEM Region Contextual Example:

- A \$3 million investment (2025–2028) into grants that offer a mix of:
 - \$3,000 for 1,000 local students to undertake paid placements in engineering and IT, connecting local industry with potential local graduates and making this local pathway highly visible the community, or
 - base funding of \$200,000 for partnerships with local governments or secondary schools to co-recruit students or mature-age learners with employers into emerging projects.

2. Introduce Regional Priority Skills Student Visa to Attract Students to Support Critical Sectors in Regional and High Growth Communities

To address critical skills shortages and enhance regional workforce capacity, this enabling policy proposes a fast-tracked student visa framework tailored to critical skills programs supporting fields identified under each partnership:

- The visa would prioritise students enrolled in courses aligned with regional economic goals and require participation in paid placements in relevant sectors and local residency student accommodation programs to mitigate any pressure on cost-of-living.

- Industry would support these programs by offering successful students the potential to work full-time on extended work rights during non-study periods. This would enable students to gain valuable industry experience, contributing to priority sectors with skill shortages, and establish a pathway for successful migration into the region to drive sustainable long-term growth.

This policy would complement the Commonwealth Government's International Education and Skills Strategic Framework, particularly as part of the next stage of the development of Ministerial Direction 111 and international student-level legislation, by ensuring there are industry and community-defined goals for institutions to support regional or high-growth suburban community aspirations. For example, Federation would work with each of its campus communities covered by a partnership to define the role of international student programs in supporting each region's economic development aspirations and ensure its use of regional priority visas under the partnerships supports those objectives.

GSEM Region Contextual Example:

- Priority international students residing in facilities like Berwick's 120-student accommodation or participating in home-stay programs would access extended work rights during non-study periods, fostering greater integration with the GSEM's workforce where there are domestic gaps, particularly in new technology, health, and advanced manufacturing fields that are vital for the region's success.

3. Expand Undergraduate Diplomas to Rapidly Meet Immediate Skills Needs

This enabling policy focuses on leveraging undergraduate diplomas to address critical workforce gaps in high-priority industries by developing tailored programs graduates could complete sooner to progress to work. This could include inclusion in partnership plans to reach their education-to-skills targets as well as investigation into changes in accreditation frameworks or skills packages and CSP funding eligibility to promote their use. These programs would provide accessible entry points into higher education, enabling upskilling and reskilling of workers to meet the immediate needs of high-growth suburban and regional areas, and a platform to progress to more advanced qualifications as career progression occurs.

Key Features:

- Targeted Program Design: Undergraduate diplomas tailored to the needs of industries such as technology, engineering, and health, with input from local employers to ensure relevance and impact.
- Blended Learning Model: Combine higher education and vocational education and training (VET) components, integrated with paid placement opportunities.
- Accessible Pathways: Provide credit transfer opportunities for students to progress into full higher education or TAFE programs, supporting lifelong learning and career advancement.

Contextual Example:

- Developing an Undergraduate Diploma in High Growth Skills (Technology, or equivalent partnership focus) in partnership with major local employer. This two-year program would offer students the opportunity to gain foundational knowledge, hands-on experience and industry-relevant skills, and progress to work with the employer sooner to permit growth and manage costs more rapidly.
- This dual-sector undergraduate program can also be supported by regulator adjustments and CSP funding eligibility for vocational components – including adjust training packages and qualification settings – to enhance a student's employability in local opportunities while ensuring academic standards are met through competency-based learning, providing a solid foundation for further study.

4. Local Student Paid Placements in Government-Backed Businesses Operating in Critical Fields

Maximising the impact of public investment in critical industries, this initiative would require appropriately sized businesses—backed by government investment or procurement in critical fields such as defence or renewable energy—to establish paid placement opportunities for local students studying in partnership universities or TAFEs across a more range of disciplines.

This model builds on existing programs, such as the Australian Skills Guarantee, which mandates apprenticeship targets for major construction and ICT projects, and Defence-led initiatives like the Defence Industry Experience Placement, STEM Cadetship, and Summer Vacation Placement programs. By extending these initiatives, an agreed number of paid placement opportunities could be created for local students studying at local education institutions in both core and ancillary fields within government-backed businesses.

Contextual Example: Defence Contract Business in Greater South East Melbourne (GSEM)

A defence contract manufacturer in GSEM, supplying components for the Australian Defence Force's land vehicle sustainment program, could integrate local student placements as part of its government-backed procurement obligations. For instance, under this enabling policy, the business could be required to allocate a set number of paid placements for students in a range of disciplines, including both technical and ancillary roles. These placements could be structured to align with Defence's STEM Cadetship model, allowing students from Federation University and Chisholm TAFE to gain hands-on experience in key areas such as:

Core Industry Placements:

- Mechanical and Electrical Engineering – Working alongside defence engineers on sustainment and upgrade projects.
- Cybersecurity and ICT – Assisting in securing defence-grade communications and supply chain networks.
- Advanced Manufacturing – Applying Industry 4.0 technologies such as robotics and additive manufacturing in defence supply chains.
- Supply Chain and Logistics – Supporting the tracking and movement of critical defence components.

Ancillary Industry Placements:

- Business Administration – Assisting in contract management, compliance reporting, and operational support for defence projects.
- Accounting and Finance – Supporting financial compliance, budgeting, and procurement processes linked to government contracts.
- Human Resources and Workforce Planning – Managing workforce capability planning, security clearances, and defence recruitment pathways.
- Marketing and Communications – Developing government-mandated reporting, stakeholder engagement, and defence industry outreach programs.

Place Based Component Three: Support each partnership to ensure there are updated higher education infrastructure and community targeted programs to support equal participation in each partnership's aspiration

These components would lead to the establishment of a National Regional and Suburban Partnership Education and Skills Investment Fund to support each High Growth Community Partnership. This fund would make strategic investments to ensure higher education infrastructure is fit for purpose, driving equitable and affordable access to education that aligns with the critical education and skills needs targeted by a High Growth Community Partnership.

This would also target investment for education providers to immediately improve education accessibility to priority cohorts under each High Growth Community Partnership. This would principally occur through investment in programs to support scholarships, bursaries or other targeted access programs to ensure

priority roles targeted by each partnership are accessible to those qualify and have significant needs that could act as barriers to education.

Place based investments could occur based on agreed thresholds with government to ensure the maximum return for each partnership. For example, they could be based on securing industry co-funding, program development with industry, an agreed number of local businesses taking students on paid placement, or phasing with other policy settings to support their delivery – e.g., education hub funding to coincide with the expansion of a local health service, upgraded education facilities timed to the opening of major regional public transport infrastructure etc, release of grants to promote growth of a particular sector etc.

Set out below are four examples of how the Regional and Suburban High Growth Communities Partnership model could be applied to regions of Victoria spanning the Greater South East Metropolitan, Central Highlands, Gippsland and Wimmera Southern-Mallee Regions based on Federation’s understanding of the needs of each community.

Example One: A High Growth Community Partnership Built Around Federation's Berwick Campus for the Greater South East Metropolitan Region

'A Partnership to Build a Future of Knowledge-Based, High-Value Jobs in Victoria's Greater South East Metropolitan Region'

Context for the Partnership:

Greater South East Melbourne (GSEM) is Australia's fastest-growing region, home to more than 1.5 million residents, with projections to reach 2 million by 2036. The region is an economic powerhouse, generating \$85 billion in Gross Regional Product and housing more manufacturing jobs than Western Sydney or Greater Adelaide.

However, rapid population growth has not translated into equal opportunities for education and employment. GSEM has higher long-term unemployment than the Melbourne average and concerning levels of female and youth unemployment. The potential of a significant migrant community, with pre-existing qualifications or the skills base to acquire qualifications with currency, is also not being fully realised. GSEM's Jobs and Skills Roadmap also highlights critical shortages in STEM-related fields, where local education-to-employment pathways are not keeping pace with industry needs.

In this context, accessible tertiary education pathways for prospective learners from these communities are not being fully relied upon to the extent they should be to access the emerging jobs of the future. At the same time, advanced manufacturing is a growing sector in the region that requires access to local skilled workers to make current business investment, and future investment, a success. GSEM is positioned for major infrastructure growth, with projects such as the Suburban Rail Loop (SRL) East and West, which will transform mobility and economic access across Melbourne's south-east.

Why GSEM could benefit from a clear education to skills pipeline backed?

To realise its full economic potential, GSEM requires a structured education-to-jobs pipeline that aligns regional aspirations with industry demand. Without a coordinated education and training strategy, the region risks being left behind in securing the high-value jobs these investments will create.

The Regional and Suburban High Growth Community Partnership Program could provide a comprehensive framework to build clear workforce pathways, drive education investment, and create sustainable local jobs. This would offer an opportunity to maximise more targeted investment in education and workforce development to create locally accessible, knowledge-based jobs in advanced manufacturing, engineering, health, information technology, and logistics. The Regional and Suburban High Growth Community Partnership Program will help bridge this gap by creating structured education-to-employment pipelines that integrate national policy settings, industry co-investment, and place-based education infrastructure.

A Partnership Backed by Government Across Three Key Components:

Component One – Priorities and Engagement

This component will involve the Commonwealth Government leading community stakeholders to establish a High Growth Community Partnerships in GSEM, working with local government, industry, and education providers to align education pathways with workforce demand. The focus could be on:

- Engineering pathways to meet the needs of major infrastructure projects such as the Suburban Rail Loop and wider aspirations to be a knowledge-based industry sector advanced technology and advanced manufacturing sectors.
- Health workforce expansion to sustain and strengthen Berwick and Dandenong's growing health precincts.
- Technology-driven industries, including applied AI, renewable energy, and logistics, to prepare the region for future economic growth.

CSP and FreeTAFE places could be allocated to ensure there is sufficient capacity for education institutions to achieve these targets.

Component Two – Industry Partnership, Co-Delivery, and Workforce Flexibility

To build a skilled and sustainable workforce, this component would leverage:

- Investment from a National Paid Placement Fund to scale up work-integrated learning and employer-sponsored training in high-growth sectors with GSEM employers especially where practical paid to learn opportunities do not apply.
- A Regional Priority Skills Visa to attract and retain skilled graduates in engineering, logistics, and AI-driven industries.
- Expanded use of Undergraduate Diplomas tailored to workforce needs, supported by flexible accreditation and regulatory settings to ensure education delivers job-ready graduates faster, with the skills they need to take on further study later in their careers.
- More students on paid placements across a diverse field of study in major government backed infrastructure construction projects and other businesses in the region.

Component Three – Capability, Infrastructure, and Access

To ensure local education providers can meet industry demand, this component will fund strategic education infrastructure investments, in phases as the partnership grows, including, in priority:

- Mixed-Purpose STEM and Science Laboratories at Berwick Campus (\$30m) – expanding engineering education, supporting Chisholm TAFE and local secondary schools, and creating a technology precinct for industry collaboration.
- Federation Dandenong Advanced Technology and Design Education Hub (~\$5m) – increasing post-secondary STEM attainment across diverse and rapidly growing communities.
- Asia-Pacific Applied AI Training Centre (~\$5m) – delivering AI-focused education and workforce programs in collaboration with local TAFEs and industry.
- Federation Student Health Service Training Centre (~\$8m) – addressing health workforce shortages and expanding allied health training in the Berwick region.
- Expanding the Asia Pacific Renewable Energy Training Centre (APRETC) at Berwick (~\$5m) – supporting hydrogen application workforce training for domestic use, micro-energy, and logistics.
- Federation Officer South – Cooperative Placement and Innovation Hub (~\$3m) – embedding students in local business precincts to support industry growth and workforce integration.

In addition to this, there would be a targeted Scholarships to Support Local Participation (\$3m total) – targeted at 150 low SES, women, and culturally diverse communities to support taking up education in high growth fields in technology using undergraduate diplomas in high growth skills or in bachelor degrees in critical fields of study.

The Impact of this Policy in Greater South East Melbourne:

- Unlock high-value jobs in engineering, technology, and health for local residents by aligning education with industry demand.
- Expand local education capacity, ensuring residents can study and work within their own communities.
- Strengthen regional economic sustainability, reducing reliance on external workforces and increasing local employment participation.
- Provide targeted access and equity measures, removing financial and social barriers to post-secondary education.

Example Two: A High Growth Community Partnership Built Around Federation's Ballarat Campuses for the Central Highland Region

"Supporting a Clean Economy, Advanced Technology, and Sustainable Regional Growth for the Central Highland's region"

Context for the Partnership:

The Central Highlands region is evolving into a clean economy and technology-driven hub, with Ballarat at its core supporting renewable energy, advanced manufacturing, and business innovation. As the economic centre for over 300,000 people in Western Victoria, Ballarat needs a skilled workforce to sustain growth, strengthen liveability, and ensure economic resilience.

The region's Gross Regional Product has grown to \$7.7 billion, reflecting strong industry investment, yet skills gaps persist in construction, engineering, business leadership, IT, education, and health. The Regional and Suburban High Growth Community Partnership Program provides a structured plan to meet these workforce demands, ensuring education and training align with regional and national priorities.

Why could Central Highlands benefit from a clearer education to jobs pipeline?

Ballarat's future growth requires 17,500 additional jobs by 2051, alongside major investments in renewable energy, construction, and regional infrastructure. Projects such as the Ballarat West Growth Area, Circular Economy Precinct, and Western Victoria Aviation Precinct create new employment opportunities, but without clear education pipelines, regional employers will struggle to fill these roles.

The health sector is Ballarat's largest employer, yet chronic workforce shortages remain, particularly in aged care, allied health, and regional hospital services. At the same time, demand is rising for engineers, IT professionals, and skilled trades in construction and renewable energy.

To bridge these gaps, the Regional and Suburban High Growth Community Partnership Policy will scale up education delivery, attract industry investment, and provide targeted student support, ensuring that regional talent can access secure, high-quality jobs in emerging industries.

A Partnership Backed by Government Across Three Key Components:

Component One – Priorities and Engagement

This component will establish High Growth Community Partnerships to align education and workforce planning with industry needs in the Central Highland's region. The key priorities could include:

- Engineering and construction pathways to support major infrastructure and clean energy projects.
- IT and business leadership training to drive regional innovation and digital industry expansion.
- Health and education workforce development, ensuring regional employers can recruit and retain skilled professionals.

CSP and FreeTAFE places could be allocated to ensure there is sufficient capacity for education institutions to achieve these targets.

Component Two – Industry Partnership, Co-Delivery, and Workforce Flexibility

This component strengthens industry engagement and ensures graduates transition directly into regional jobs through:

- Investments from a National Paid Placement Fund, expanding work-integrated learning opportunities in engineering, advanced manufacturing, health, education, IT, and renewable energy.
- A Regional Priority Skills Visa, targeting critical workforce shortages in construction, energy, and technology.
- Promoting the expanded use of Undergraduate Diplomas, co-designed with industry partners, providing fast-tracked pathways into high-demand careers while allowing further study progression.

- More students on paid placements across a diverse field of study in major government backed infrastructure construction projects and other businesses in the region.

Component Three – Capability, Infrastructure, and Access

To ensure local education institutions can meet workforce demand, this component will fund education infrastructure and workforce support initiatives in a phased way to align with the partnership's growth, including, in priority:

- Ballarat Co-Operative Education and Skills City Centre (\$48m) – Relocating non-laboratory higher education teaching to Ballarat CBD, expanding Mt Helen for industry partnerships, and revitalising Ballarat's city centre.
- Refreshed Federation TAFE Training Facilities (\$5m) – Expanding construction and automotive trades training to support housing and infrastructure growth.
- Asia Pacific Regional Leadership and Growth Training Centre (~\$5m) – Delivering business and government leadership programs from the city centre.
- Federation Impact Career Support Service (~\$5m) – Providing career coaching and job placement support for TAFE and university graduates to ensure long-term workforce retention.
- Expanding APRETC Ballarat (~\$5m) – Offering biofuel application training and re-qualification programs for energy-efficient housing and clean energy industries.
- Community Teacher Training Program (~\$2.5m) – expanding existing programs that support community members to take on teaching qualifications to teach in local schools.

In addition to the above, in priority, this component would include targeted Scholarships and Leadership Bursaries (\$10m total):

- National Rural Local Government Leadership Accommodation Bursary (\$4m) – Supporting rural and remote council officials to complete a Diploma in Local Government Leadership, strengthening regional governance.
- 100 Science and Business Part Access Scholarships (\$3m) – Expanding access for women, First Nations students, and regional learners in STEM and business innovation related areas of study.
- 200 High-Growth Community Skills Scholarships (\$3m) – Supporting students in engineering, advanced manufacturing, education, and health, ensuring a job-ready workforce through undergraduate diplomas.

The Impact of This Policy in the Central Highlands Region

- Strengthen Ballarat's clean economy workforce, ensuring skills development aligns with renewable energy and circular economy investments.
- Expand education capacity, allowing more students to train locally and contribute to Ballarat's economy.
- Boost regional leadership and business innovation, ensuring a strong pipeline of future industry leaders.
- Increase workforce retention, creating clear job pathways that keep skilled professionals in regional Victoria.

Example Three: A High Growth Community Partnership Built Around Federation's Gippsland Campuses

'Supporting Renewable Energy, Industry Diversification, and Sustainable Regional Growth in Gippsland'

Context for the Partnership

The Gippsland region plays a critical national role in Australia's renewable energy transition, housing major energy generation assets and hosting key offshore and onshore wind, hydrogen, and energy storage projects. With six Local Government Areas and over 270,000 residents, Gippsland is the largest region in Victoria, contributing \$14 billion in Gross Regional Product (GRP).

Gippsland is rapidly transitioning from traditional coal-based energy production to a clean energy future, requiring a highly skilled workforce to support renewable energy, infrastructure, education, business, and health sectors. The Regional and Suburban High Growth Community Partnership Program provides a structured plan to develop education and workforce pipelines, ensuring Gippsland can continue leading Australia's energy transformation while enhancing liveability, workforce retention, and economic diversification.

Why could Gippsland benefit from a clearer education to jobs pipeline built with industry?

Gippsland is positioned as a leader in renewable energy and regional workforce development, yet significant challenges remain in securing a workforce with the skills needed to drive the transition. Industry forecasts show a surge in demand for engineers, technicians, and project managers in offshore wind, hydrogen, and clean energy distribution. Additionally, Gippsland requires stronger training pipelines in health, business, and education to improve workforce retention and support regional communities.

Despite its economic potential, educational access remains a challenge, with lower rates of post-secondary attainment compared to metropolitan areas. Regional students face financial and logistical barriers, limiting their ability to pursue critical workforce skills. The Regional and Suburban High Growth Community Partnership Policy will bridge these gaps through coordinated education delivery, industry investment, and targeted student support, ensuring regional talent is trained for high-demand local jobs.

A Partnership Backed by Government Across Three Key Components:

Component One – Priorities and Engagement

This component will establish High Growth Community Partnerships to align education and workforce planning with industry needs in the Gippsland region. Key priorities include:

- Engineering, science, and construction pathways to support renewable energy projects, clean infrastructure, and sustainable housing.
- Business and leadership training to develop regional governance, commercial innovation, and entrepreneurship capacity.
- Health and education workforce development, ensuring Gippsland can recruit and retain skilled professionals in critical service sectors.

CSP and FreeTAFE places could be allocated to ensure there is sufficient capacity for education institutions to achieve these targets.

Component Two – Industry Partnership, Co-Delivery, and Workforce Flexibility

This component strengthens industry engagement and ensures graduates transition directly into regional jobs through:

- The proposed National Paid Placement Fund, providing work-integrated learning opportunities in engineering, clean energy, construction, education, business, and allied health.
- A Regional Priority Skills Visa, targeting critical workforce shortages in renewable energy, infrastructure, and healthcare, ensuring skilled professionals remain in Gippsland.
- Promoting the expanded use of Undergraduate Diplomas, co-designed with industry, providing fast-tracked pathways into high-demand careers while maintaining flexibility for future study progression.

- More students on paid placements across a diverse field of study in major government backed infrastructure construction projects and other businesses in the region.

Component Three – Capability, Infrastructure, and Access

To ensure local education institutions can meet workforce demand, this component will fund strategic education infrastructure and workforce support initiatives, aligning investment with regional workforce priorities. These include:

- APRETC Gippsland (\$3.9m) – Establishing teaching spaces, an offshore wind industry portal, and a clean energy research hub, co-located with industry partners to support hydrogen, solar, wind, and energy storage technologies.
- Churchill Campus Revitalisation (~\$15m) – Upgrading learning spaces to expand hydrogen education and demonstrate net-zero emission operations.
- Mixed Energy Demand and Micro-Production Hub (~\$5m) – Developing regional micro-energy production and training applications at five test sites covering rural, industrial, and commercial sectors.
- Regional and Rural Allied Health Student Telehealth Expansion (~\$5m) – Scaling up Churchill-based telehealth services to deliver digital healthcare across regional Victoria.
- Federation Healthy Lifestyle Applied Education Centre (~\$5m) – Establishing an applied research and teaching centre in Moe focused on chronic disease prevention and community well-being.
- Rural and Remote Student Access Infrastructure (~\$5.5m) – Developing regional learning micro-hubs across six Gippsland LGAs and launching two mobile rural student support centres.
- Community Teacher Training Program (~\$2.5m) – expanding existing programs that support community members to take on teaching qualifications to teach in local schools.

In addition, this component includes targeted scholarships and leadership bursaries (\$~15.75m total) to expand workforce participation:

- Rural Student Bursary Expansion (~\$3m) – Supporting 200 rural students with high-speed satellite internet access and on-campus accommodation for practical training components.
- First Nations Renewable Energy Negotiation Scholarships (~\$750k) – Developing a specialised training program for First Nations students to support land-use negotiations with renewable energy companies.
- 300 Regional STEM, Education, and Health Scholarships (~\$9m) – Expanding access for women, First Nations students, and rural learners in STEM, education, and health fields.
- 200 High Growth Community Skills Full Scholarships (~\$3m) – Ensuring that students from low SES, regional, and underrepresented backgrounds can access training in Gippsland's priority workforce sectors.

The Impact of This Policy in the Gippsland Region

The Regional and Suburban High Growth Community Partnership Program will:

- Strengthen Gippsland's leadership in renewable energy, ensuring the region has a locally trained and educated skilled workforce to support offshore wind, hydrogen, and energy storage industries.
- Expand regional education capacity, allowing more students to train locally and contribute to Gippsland's economic transformation.
- Improve workforce retention, creating career pathways that keep skilled professionals in Gippsland's communities.
- Enhance regional health and well-being, supporting allied health expansion, digital healthcare delivery, and chronic disease prevention.

Example Four: A High Growth Community Partnership Built Around Federation's Ararat and Horsham Campus for the Wimmera Southern-Mallee Region

'Strengthening Regional Resilience Through Renewable Energy, Agriculture, and Workforce Development in the Wimmera Southern-Mallee Region'

Context for the Partnership

The Wimmera Southern Mallee (WSM) region is undergoing a significant economic transformation, with renewable energy, advanced agriculture, and critical minerals emerging as key industries. With a population of over 22,000 people spread across five Local Government Areas, the region requires strong workforce pipelines to support its economic evolution.

The region has a deep agricultural foundation, producing high-value crops and livestock, and is now seeing growth in renewable energy transmission projects, which require new skills in engineering, construction, and energy management. However, low post-secondary attainment and a declining workforce present challenge, requiring a coordinated effort to upskill the region's workforce.

Why could the Wimmera Southern Mallee benefit from a clearer education to jobs pipeline?

As a regional hub for agriculture and emerging industries, WSM is uniquely positioned to lead Victoria's next phase of regional development. However, without targeted investment in education and workforce training, regional businesses may struggle to secure local talent, increasing reliance on external workers.

The region faces critical workforce shortages in engineering, construction, health, and education, particularly for renewable energy infrastructure, agriculture technology, and rural healthcare services. Housing shortages and workforce migration issues also impact employer capacity to retain skilled professionals.

The Regional and Suburban High Growth Community Partnership Policy will address these gaps by expanding education pathways, embedding industry partnerships, and investing in place-based infrastructure, ensuring that regional talent is developed and retained to meet local job demands.

A Partnership Backed by Government Across Three Key Components:

Component One – Priorities and Engagement

This component will establish a High Growth Community Partnerships in WSM, bringing together local governments, industry leaders, and education providers to build clear workforce pathways. The key priorities include:

- Engineering and construction training to support renewable energy projects, infrastructure development, and housing growth.
- Education workforce expansion, ensuring rural schools have the teachers and support staff needed to improve student retention.
- Healthcare workforce training, strengthening nursing, allied health, and mental health services to support rural communities.

FreeTAFE places could be allocated to ensure there is sufficient capacity for education institutions to achieve these targets.

Component Two – Industry Partnership, Co-Delivery, and Workforce Advancement

To strengthen local workforce retention and sustainable pipelines closing skills gaps, this component will introduce:

- Investments from a National Paid Placement Fund, increasing work-integrated learning opportunities in engineering, renewable energy, health, education, and agriculture technology.
- Promoting the use of Undergraduate Diplomas, providing shorter, job-focused qualifications in clean energy, agribusiness, construction, and advanced manufacturing to equip students with high-demand skills.

- More students on paid placements across a diverse field of study in major government backed infrastructure construction projects and other businesses in the region.

Component Three – Capability, Infrastructure, and Access

To expand education access and workforce training, this component will fund strategic infrastructure investments and targeted student support, ensuring that regional talent is nurtured and retained. These include:

- Federation TAFE Horsham Campus Expansion (\$6m) – Upgrading facilities for electrical, plumbing, and carpentry training, supporting local renewables, mining, and home construction sectors.
- Ararat Health Services and Nursing Clinic (\$3m) – Expanding the nursing and healthcare training pipeline to support regional health workforce needs.
- Federation Applied Learning Mental Health Clinic (~\$5m) – Providing student-led mental health services, strengthening community resilience and workforce capacity.
- Rural and Remote Student Access Infrastructure (~\$5.5m) – Developing regional learning hubs across five WSM LGAs and launching two mobile rural student support centres.
- Food Growth and Production Skills Sustainability (~\$2m) – Establishing partnerships to expand agriculture training and ensure sustainable industry skills development.

In addition, this component includes targeted scholarships and workforce bursaries (\$12m total) to increase regional education participation:

- 100 Local Engineering TAFE-to-Higher Education Scholarships (~\$6m) – Supporting TAFE engineering graduates to transition into higher education with advanced credit pathways.
- Rural Student Bursary Expansion (~\$3m) – Providing 200 rural students with high-speed satellite internet and on-campus accommodation for practical training.
- 200 High Growth Community Skills Scholarships (~\$3m) – Expanding education access for women, First Nations students, and rural learners in engineering, education, and health using shorter undergraduate diplomas.

The Impact of This Policy in Wimmera Southern Mallee Region

The Regional and Suburban High Growth Community Partnership Program will:

- Equip WSM with a locally educated and trained workforce ready for the renewable energy transition, ensuring local talent can support wind, solar, and hydrogen projects.
- Expand education and training capacity, allowing more students to study and work locally, reducing regional workforce shortages.
- Strengthen rural healthcare services, ensuring rural communities have access to trained nurses, allied health workers, and mental health professionals.
- Boost economic sustainability, ensuring regional employers can fill workforce gaps with skilled local graduates rather than relying on external recruitment.