

INQUIRY INTO STUDENT PATHWAYS TO IN-DEMAND INDUSTRIES

Organisation: Federation University

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Ms Alison Marchant MP

Chair

Victorian Legislative Assembly Economy & Infrastructure Committee

Via: jobpathways@parliament.vic.gov.au

Dear Chair,

Federation University Australia's Submission – Inquiry into Pathways into In-Demand Sectors

Please find attached Federation University Australia's submission to the Victorian Parliament Economy and Infrastructure Committee Inquiry into Student Pathways to In-Demand Sectors.

Federation University welcomes the Committee's inquiry into this important matter.

As Victoria's regionally headquartered university serving the Wimmera, Wimmera Southern-Mallee, Central Highlands, Southern Metropolitan and Gippsland regions, Federation University focuses on connecting local learners with local employment opportunities in the critical sectors that drive each community's economic development.

Our submission recognises that effective skills development cannot be separated from regional prosperity and community wellbeing. The interconnection between education pathways, workforce development and local economic outcomes is fundamental to ensuring that skills investment delivers genuine value for regional learners and their communities.

Federation University acknowledges the Victorian Government's strong commitment to regional pathways, evidenced by the Victorian Skills Plan's place-based approach, the exceptional outcomes of Free TAFE in regional communities, and recent infrastructure investments, including the \$6.1 million investment in Federation's TAFE infrastructure.

Our recommendations seek to build on this strong foundation. They are designed to capitalise on the unique opportunities presented by Victoria's demographic, technological and economic transformation, particularly given the concurrent reforms at state and federal levels to enhance post-secondary attainment and build a more robust TAFE sector. These solutions aim to maximise returns on existing investments by ensuring Victoria's regions are fully integrated into a skills ecosystem that drives the state's productivity and competitiveness.

I welcome the opportunity to provide any further information if it assists the Committee's inquiry into this important matter for regional Victoria.

Yours sincerely,



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Integration, Productivity and Prosperity: Strengthening Education Pathways into Critical Skills Sectors Across Regional and Outer Suburban Victoria

Submission to the Victorian Parliament Economy and Infrastructure Committee Inquiry into Pathways into In-Demand Sectors

Federation University Australia | 1 August 2025

OVERVIEW

Federation University Australia welcomes the opportunity to provide this submission to the Victorian Parliament Economy and Infrastructure Committee's Inquiry into Pathways into In-Demand Sectors.

As Australia's leading regional dual-sector university and Victoria's only regionally headquartered university, Federation plays a critical role in addressing skills shortages and supporting regional development across Victoria's outer suburban and regional communities. Through our campuses in Ballarat, Berwick, Horsham and Gippsland, we serve communities that are central to Victoria's economic transformation while facing unique challenges in developing effective education-to-employment pathways.

The Victorian Government has supported the expansion of critical pathways into key regional sectors through initiatives such as Free TAFE. Most recently, the Government recognised the vital role of modernised infrastructure through a \$6.1 million investment in Federation TAFE's Mt Helen and Ballarat CBD Campuses.

A confluence of workforce transformation, technologically driven economic opportunities and major policy reforms creates a unique moment for Victoria. The alignment of the Commonwealth Government's University Accord reforms with the Victorian Government's Economic Growth Strategy provides a foundation to better integrate skills delivery with regional development. This approach can support emerging industries and build a new technology engine for Victoria's long-term economic prosperity.

This submission outlines for the Victorian Parliament, how coordinated policy reform could strengthen Victoria's capacity to deliver industry-relevant, locally designed skills pathways that meet the needs of regional communities and critical industries. Our recommendations focus on initiatives that ensure students gain the skills and opportunities needed for meaningful careers in key sectors—including healthcare, renewable energy, advanced manufacturing, and digital technologies—through the focused development of place-based skills roadmaps and accessible regional skills precincts across Victoria.

EXECUTIVE SUMMARY

Victoria stands at a transformational moment. As identified in the Victorian Government's *Economic Growth Strategy*, significant opportunities exist across critical industries - new energy, artificial intelligence, advanced manufacturing, defence and health. These opportunities can be fully realised by developing innovative skills and industry precincts that integrate education, training, research, and industry together to serve their local communities.

Victoria's strategic advantage lies in its regional communities. These communities can and should foster critical industries as effectively as metropolitan Melbourne. Developing a locally

accessible, knowledge-based regional workforce is a key productivity driver that can supercharge this advantage.

Rather than viewing regional characteristics as limitations, Victoria can leverage smaller, more defined communities and their distinct socioeconomic profiles to create place-based workforce development solutions that break down artificial barriers between education sectors and build integrated pathways from education to employment.

This submission sets out possible actions to build existing skills infrastructure in these communities into a greater competitive advantage for Victoria.

Taken as a whole, these recommendations seek to create comprehensive skills ecosystems where students learn within industry, employers gain direct access to emerging talent, and communities benefit from sustainable economic development that builds on local strengths rather than relying on imported capabilities from metropolitan Melbourne.

Integrated Skills Ecosystems: Powering Victoria's Regions

According to the Victorian Skills Authority's Victorian Skills Plan, key regions in Victoria will face key workforce gaps reaching up to 90,200 workers by 2035. The capacity for local communities to meet this demand is constrained by post-secondary attainment rates that continue to lag behind metropolitan levels and the sustainability of regional communities. But turning to external recruitment is not a viable alternative, as it would cost an estimated \$2.16 billion in direct premiums, creating a substantial burden on regional productivity, investment and sustainability. Importing talent can drive up local living costs and create unstable workforces, undermining long-term growth.

In response, Federation strongly supports developing local talent pools for emerging and critical sectors across regional Victoria. The *Jobs and Skills Regional Roadmap Phase 1 (Roadmap)* highlights ongoing challenges in this area: regional communities often experience labour market inefficiencies due to smaller scale, limited education infrastructure and worker retention difficulties. This aligns with Federation's own approach through its Co-operative Education Model to work with local employers and learners to align learning outcomes directly with real-world workforce needs, producing skilled local graduates who understand regional business needs from day one.

The historical development of separate vocational and higher education systems contributes to these challenges. This fragmentation creates systemic barriers that limit the effectiveness of pathways for students:

- **Secondary education** could better prepare students for regional career opportunities by crystallising in-demand job opportunities for families and learners, highlighting the benefits of engaging in local education at every stage.
- **The separation between VET and higher education** under-utilises infrastructure and limits student progression. An integrated approach can promote more mutual credit-recognition, the design of vocational degrees and greater lifelong learning in communities.
- **Geographic barriers** mean 40% of young people cannot access appropriate training within a reasonable commuting distance.
- **Significant equity gaps** persist, with only 27.8% of low-SES students accessing integrated workplace learning compared to 48.6% of high-SES students. This is compounded by many regional students facing financial and logistical barriers to accessing qualifications in priority workforce areas. Paid-to-learn opportunities through industry placements can ease financial barriers of study and make accessing a local job easier.

These challenges present clear opportunities for integrated, ecosystem-based solutions that coordinate across education sectors, government and industry within specific geographic

contexts. Federation's proposed High Growth Community Partnerships offer such a model, designed to create clear education-to-job pipelines that boost attainment and drive regional development. Rather than relying on costly recruitment, strategic investment in place-based education infrastructure and innovative policy settings can generate multiplier effects through coordinated local workforce development, enhanced regional economic capacity and improved labour market efficiency.

Delivering Education, Equity and Employment Through a Co-operative Model

Federation University's Co-operative Education Model provides a proven framework for delivering exceptional equity and employment outcomes in regional Australia. As Victoria's only dual-sector regional university, Federation proves that a place-based, integrated approach can achieve outcomes that match or exceed metropolitan alternatives. This leadership is evidenced by our performance:

- **Leading in Equity and Employment:** Federation ranks #1 in Victoria for social equity for the eighth consecutive year while also ranking #1 in Victoria for full-time postgraduate employment (95.3%) and #2 in Victoria for full-time undergraduate employment (80.8%).
- **Exceptional Access Outcomes:** Our student cohort includes 50% who are the first in their family to attend university (ranking #1 in Australia for seven consecutive years) and 50.3% from regional or remote locations. Our success in supporting these students demonstrates the power of place-based models to unlock human capital.

Federation's dual-sector model creates comprehensive and equitable pathway infrastructure.

Federation TAFE is a critical component, aligning its delivery profile with the Victorian Skills Plan to focus on areas with immediate and emerging skills demands. This creates seamless progression between vocational and higher education, which is particularly effective for mature-age learners requiring workforce adaptation. This integrated approach positions Federation as uniquely capable of supporting the Universities Accord's target of 80% of working-aged Australians holding a tertiary qualification by 2050 by removing the artificial separation between education sectors.

Federation's transformation into Australia's first Co-operative Education University directly addresses systemic equity gaps.

By embedding paid, university-brokered placements within every program, the model provides critical industry experience to cohorts who have historically been excluded from such opportunities, including low-SES and first-in-family students. This 'paid-to-learn' approach eases the financial burden of study and creates direct pathways to local employment, reducing costs for regional employers who would otherwise need to recruit from major cities at considerable premiums.

This Co-operative Model is supported by physical innovation precincts that anchor high-value career opportunities within our regions. Federation's Technology Parks, such as the one at Mt Helen, integrate education, research and industry collaboration, providing a pipeline for student placements and local graduate employment. This approach ensures that students from our regions can access careers in emerging technology sectors without needing to relocate, supporting regional economic diversification and providing equitable access to the jobs of the future.

A Framework: Three Regional Skills-to-Jobs Productivity Principles

This submission's analysis of pathways and solutions uses three evidence-based principles that emerge from Federation's work to create integrated workforce development ecosystems:

- **Local Access Enhancement** recognises that effective regional workforce development requires policies that promote meaningful education opportunities through both admission pathways and physical accessibility. This principle supports skills precinct development by ensuring geographic location becomes an advantage rather than a barrier. It leverages the documented relationship between local education provision and workforce development - where 70% of students who study in their communities stay in their communities - while addressing the compounding costs that arise when local talent pipelines are unavailable.
- **Local Skills-to-Jobs Alignment** ensures robust connections between education providers and local employers through industry-integrated learning environments. This principle drives the development of comprehensive skills ecosystems where education is directly aligned with authentic employment opportunities. This approach dramatically increases education's economic value for the student and reduces premium labour costs and workforce instability for employers, thereby enhancing regional competitiveness.
- **Choice-Enabled Equity** creates diverse and flexible pathway options that recognise diverse regional socio-economic needs. This principle supports precinct-based solutions by providing both vocational and higher education pathways, which are critical for regional access. By strengthening university-TAFE collaboration and designing vocational degrees, this integrated approach ensures that all learners have opportunities to gain qualifications within an education-to-employment ecosystem.

Five Recommendations for Skills Ecosystem Development

This submission presents five complementary recommendations designed to drive a systematic transformation of Victoria's regional education-to-employment pipeline. They achieve this through coordinated skills and industry development aligned with precinct-based investment and supportive policy settings.

- **Recommendation 1: Place-Based Jobs and Skills Roadmaps** establishes coordinated policy frameworks that align Commonwealth and State Government investment to meet documented regional workforce needs. This creates accountability mechanisms for education-industry ecosystem development by leveraging existing regional partnership infrastructure to build comprehensive skills precincts rather than isolated education programs.
- **Recommendation 2: Strengthened Senior Secondary Pathways** builds flexible academic and vocational streams connecting secondary education directly to local post-secondary opportunities and critical sector employment. This addresses artificial barriers between education systems by creating early integration within developing skills ecosystems that prepare students for place-based career pathways.
- **Recommendation 3: A Victorian Work-Integrated Learning Incentive Program** creates robust "earn-to-learn" environments to address significant equity gaps in workplace learning access. This builds the industry-integrated learning infrastructure essential for skills precinct effectiveness, ensuring students gain authentic workplace experience within their regional communities rather than needing to relocate for opportunities.
- **Recommendation 4: Expanded Vocational Education Access Within Harmonised** removes the artificial separation between VET and higher education to provide comprehensive qualification pathways. This supports integrated skills ecosystem development by creating seamless progression routes that maximise regional education

infrastructure efficiency while addressing the complex workforce adaptation requirements of emerging industries.

- **Recommendation 5: Enhanced Regional Skills Infrastructure Investment** addresses fundamental infrastructure barriers through strategic Commonwealth-State partnerships. This enables comprehensive skills and industry precinct development, including regional centres of excellence that attract metropolitan and international students, ensuring program sustainability while creating world-class integrated learning environments that leverage regional industry advantages.

Addressing the Unique Challenges of Victoria's Regional Communities

These recommendations seek to address the distinctive challenges facing regional Victoria while leveraging unique regional advantages:

- **Central Highlands:** As the economic centre for 300,000 people in Western Victoria, the region is evolving into a clean economy and technology hub, driving renewable energy and advanced manufacturing. Despite strong industry investment, skills gaps persist in construction, engineering, IT, and health, with Ballarat alone projected to need 17,500 additional jobs by 2050. Place-based roadmaps can coordinate development with education infrastructure, such as the proposed Ballarat Co-operative Education and Skills City Centre, while Co-operative Education incentives can connect students directly with opportunities in the region's emerging technology and energy precincts.
- **Southern Metropolitan:** As Australia's fastest-growing region, this corridor faces both workforce supply opportunities and significant infrastructure challenges. The region experiences high rates of youth unemployment and persistent STEM skills shortages, despite an aspiration to unlock 22,000 knowledge-worker roles for local residents. Strengthened secondary pathways can connect students to local healthcare and construction opportunities, while harmonised VET-higher education systems can accommodate diverse populations - including a significant skilled migrant community - seeking accessible qualification routes.
- **Gippsland:** The region is leading Australia's renewable energy transition, but experiences lower rates of post-secondary attainment compared to metropolitan areas and faces significant workforce challenges. The energy transition creates a unique opportunity for coordinated education policy to support just transition outcomes. Regional centres of excellence, such as the industry supported expansion of the Asia Pacific Renewable Energy Training Centre (APRETC) from Mt Helen Campus to Churchill Campus, can attract students to specialised training, while comprehensive support systems like micro-learning hubs can address geographic isolation. Targeted retraining can build on the transferable skills of existing workers to meet the growing demand for engineers, technicians and project managers in clean energy.
- **Wimmera-Southern Mallee:** As a hub for agriculture, renewable energy, and emerging industries, the region faces critical workforce shortages in engineering, construction, health, and education. Enhanced TAFE infrastructure, such as the proposed Horsham Campus Expansion, and the creation of vocational degrees can support agricultural innovation and the construction sector. Mobile support services and regional learning hubs can address significant geographic barriers. Addressing the skills pipeline locally will boost community resilience and prepare the workforce for emerging opportunities in the new energy and minerals sectors.

This place-based approach ensures that policy solutions work within rather than against regional characteristics, creating sustainable workforce development that strengthens communities while meeting Victoria's critical industry needs.

Building Sustainable Skills Ecosystems and Strengthening Community Partnerships

This place-based approach in this submission ensures policy solutions work within, rather than against, regional characteristics to create sustainable pathways into critical industries, strengthens regional communities and drive regional economies. Successful implementation will create integrated skills and industry precincts that generate multiple, complementary benefits extending far beyond immediate workforce development.

- **Economic Transformation:** This approach builds sustainable skills ecosystems that avoid costly external recruitment while creating comprehensive workforce pipelines aligned with Victoria's critical industry needs. These locally developed capabilities enhance regional competitiveness by reducing labour costs, improving workforce stability and creating knowledge-intensive employment opportunities that support broader economic diversification.
- **Innovation and Community Development:** Enhanced industry-education integration drives research and development within regional communities. This is achieved through the development of coordinated skills and industry precincts, such as the proposed Ballarat Co-Operative Education and Skills City Centre, which host world-class specialised hubs like the Asia Pacific Renewable Energy Training Centre (APRETC). This model positions Victoria's critical industries competitively by leveraging unique regional advantages while ensuring deep and authentic community connections.
- **Social Equity and Community Resilience:** This model enhances regional economic sustainability through local workforce development that builds on existing community structures. It promotes social mobility through accessible, integrated pathway systems that create meaningful career opportunities for local residents, evidenced by Federation's #1 ranking in Victoria for Social Equity and #1 in Australia for First Generation student enrolments.
- **Strengthening Social Licence:** A critical advantage of this approach is the strengthening of social licence for emerging industries. Failing to connect local residents with new opportunities risks fraying social cohesion and alienating people from local development. Conversely, when communities see their residents' gaining qualifications and securing well-paid local employment, it creates community ownership of economic transformation, building lasting support for emerging sectors.

These recommended solutions deliver both immediate skills pipeline solutions and sustained competitive advantages essential for regional Victoria's successful economic transformation. They position the state as a national leader in integrated skills and industry ecosystem development - a model that can be replicated across Australia to drive productivity growth and inclusive regional development.

RECOMMENDATIONS

Recommendation 1: Establish Place-Based Jobs and Skills Roadmaps to coordinate investment and policy settings, in partnership with the Commonwealth Government, to fill critical sector workforce needs.

Policy Rationale

Place-based approaches recognise that effective workforce development requires coordination across government levels, education sectors, and industry stakeholders within specific geographic contexts. A stronger articulation of regional Victoria's jobs and skills pipeline needs creates coordination opportunities with Commonwealth funding, state training investment, and industry partnerships, particularly with significant reform underway through the Commonwealth Government's landmark University Accord Reforms, the National Skills Agreement and new legislation to provide for Free TAFE.

This recommendation embodies Federation's guiding principles by delivering **Choice-Enabled Equity** through diverse local pathways. This is made possible by **Local Access Enhancement** that comes from coordinating investment in accessible, community-based education. In turn, these local programs are made effective through **Local Skills-to-Jobs Alignment**, which establishes the formal partnerships between industry and educators needed to drive genuine workforce outcomes.

Implementation Actions

To realise this recommendation, the primary action is to **establish multi-region Jobs and Skills Roadmaps**. These roadmaps would serve as the core strategic framework for aligning investment and activity. For example, a roadmap for **Western Victoria** could provide a coordinated plan to support the region's transformation into a hub for the clean economy, advanced manufacturing, and agriculture. It would guide targeted infrastructure projects - such as the proposed Ballarat Co-operative Education and Skills City Centre and the expansion of Federation TAFE in Horsham - to address documented skills gaps in areas like engineering and construction and build a resilient local workforce.

To be effective, these roadmaps must be empowered to:

- **Reinvigorate state-based regional partnership models** to deliver on the roadmaps by leveraging CSP and Free TAFE place allocations, public and private investment, course design and placement offerings, and alignment to documented workforce demands across engineering, construction, health, and education sectors.
- **Align Commonwealth Supported Places (CSPs) and Free TAFE allocations with documented regional workforce needs**, working with the Commonwealth Government and ATEC to ensure funding certainty supports long-term partnership commitments and addresses critical skills shortages through strategic investment.
- **Promote expanded placement programs** across both higher education and TAFE sectors through targeted financial support for employers, creating integrated curriculum development and direct employment pathways that build on Federation's Co-operative Education model.
- **Coordinate career services, NGOs supporting industry transition and community employment services** within the roadmap framework to provide wrap-around support for job seekers, career changers, and young people transitioning from education to employment in priority industry sectors.
- **Foster coordinated progression from primary through secondary, TAFE, and university systems** that builds industry awareness and career pathway understanding, enabling

seamless transitions through flexible pathways, mutual credit recognition systems, and systematic alignment between education sectors

Recommendation 2: Strengthen Senior Secondary School Pathways into local TAFE and University courses connected to critical sectors.

Policy Rationale

This recommendation addresses fundamental inefficiencies created by artificial barriers between secondary, vocational, and higher education systems that prevent optimal career pathway development. Research from Jobs and Skills Australia highlights labour market inefficiencies in regional economies that can be resolved through earlier harmonisation, which increases the value of local providers and promotes vocational pathways as viable and valuable options.

This recommendation applies Federation's Choice-Enabled Equity principle by recognising that better information and reduced barriers at earlier stages create comparable pathways for regional learners that are accessible and effective. It supports Local Access Enhancement by ensuring secondary students can identify and prepare for local post-secondary opportunities, while Local Skills-to-Jobs Alignment connects secondary education directly with regional employment pathways.

Implementation Actions

To support the Regional Roadmaps, Federation proposes exploring a series of comprehensive secondary pathway initiatives to increase post-secondary attainment aligned with the needs of local critical industry:

- **Pilot Flexible "Third-Way" Senior Secondary Pathways:** Support the design of a pilot program that permits secondary schools to partner with a tertiary provider to offer students a VCE-equivalent course with integrated higher education and VET components. This course would be fully creditable towards a TAFE or university qualification, promoting the harmonisation of vocational and higher education principles within schools and creating more flexible pathways for students into local providers.
- **Scale Proven Vocational Taster Programs Statewide:** Expand successful vocational taster programs, such as Federation TAFE's Girls Try-a-Trade days, across all TAFE providers. These programs should target school students exploring career options, women entering male-dominated industries, First Nations communities and other disadvantaged groups, with clear progression pathways and KPIs to track formal training commencement rates.
- **Enhance Tech School Career Development in AI and Digital Technology:** Fund specific investment pilots in regional Tech Schools to provide student access to cutting-edge AI and agentic coding platforms. This enables students to engage with technologies reflecting regional industry transformation and builds digital literacy skills essential for emerging workforce demands, leveraging the established partnership between Federation and the Ballarat Tech School.
- **Strengthen Engagement with Secondary School Stakeholders:** Creating effective local skills pipelines requires deep and continuous engagement between tertiary providers, industry, and the secondary school system. Bridging the information gap between schools and the reality of the regional economy is critical to ensuring students and their families can make informed decisions that align with local employment opportunities. The following actions are designed to build these essential connections:

- **Regional Principal Skills Leaders:** Pilot the appointment of regional principal skills champions in each education region, supported by structured development days focused on regional priority skills, emerging career opportunities and the effective promotion of vocational pathway options.
- **Skills-Awareness Professional Development:** Explore comprehensive professional development pilots for teachers and careers advisors to improve their understanding of regional industry trends and vocational pathways, ensuring school-based guidance reflects current labour market realities.
- **Industry Co-Recruitment and Cadetship Programs:** Develop incentives for local industry to co-recruit students with local providers into TAFE or university programs, based on the principles of Federation's Co-operative Education Model. Introduce conditions into major government-backed projects that require contractors to offer cadetships to local students with local providers, creating guaranteed pathways from school to regional employment.
- **Enhance Early Intervention Programs:** Implement evidence-based case management models that provide individualised transition support for disengaged school leavers. This involves using dedicated case managers to address underlying barriers and connect at-risk students with appropriate education, training, or employment pathways tailored to regional opportunities, aligning with Federation's deep commitment to social equity.

Recommendation 3: Establish a Victorian Incentive Program for Industry Co-Designed Education and Earn to Learn Student Placements.

Policy Rationale

This recommendation creates stronger pathways into employment by promoting the deeper embedding of practical workplace experience within higher education and vocational training and education. Currently, only 37.4% of university students access these Workplace Integrated Learning experiences, with a significant equity gap where just 27.8% of low-SES students participate compared to 48.6% of high-SES students. This "placement poverty" is acute in sectors experiencing critical skills shortages - such as health, where a shortfall of over 200,000 workers is projected by 2030 - and where practical experience determines employment success.

This recommendation advances all three of Federation's core principles to build a more effective and equitable skills ecosystem. It begins by applying the principle of Local Access Enhancement, enabling students to gain vital practical experience within their home communities. This is then made meaningful through Local Skills-to-Jobs Alignment, which creates direct, co-designed connections between students, their curriculum and regional employers. Together, these actions deliver on the principle of Choice-Enabled Equity by addressing "placement poverty" and ensuring students from all backgrounds can access paid 'earn-to-learn' opportunities.

Implementation Actions

Moving beyond traditional, ad-hoc work experience requires a systematic approach modelled on co-operative education principles.

This involves embedding credited, university-brokered placements directly into curriculum and co-designing course content with industry partners to ensure learning outcomes are aligned with real-world workforce needs. By prioritising paid placements, this model not only addresses placement poverty but also transforms tertiary education into a powerful tool for workforce development and social equity.

The following actions are designed to build this co-operative style ecosystem across Victoria:

- **Establish a Co-operative Education Placement Incentive Program:** Design a comprehensive grant program providing financial incentives for local employers to partner with universities and TAFEs to offer paid, co-designed placements in critical sectors. This creates genuine "earn-to-learn" environments and could include:
 - Payroll tax incentives to offset the cost of hosting students on placement.
 - Performance grants for employers who hire students upon graduation.
 - Funding loads for placements offered to regional, rural, or other equity cohorts in industries aligned with the Regional Roadmaps.
- **Introduce Local Placement Requirements in Government Funded Projects:** Similar to local content policies, introduce requirements for major public investments - such as the granting of energy licenses or major project procurement - to include a local student placement quota. This would require successful contractors to partner with local providers to offer a quota of paid, industry-embedded placements for students, ensuring public investment delivers a direct community skills dividend. The local element is critical to build pathways into emerging sectors and ensure equity cohorts have the support of their local communities.
- **Develop Regional Placement Coordination Hubs:** Expand the function of existing Jobs and Skills Centres to act as comprehensive placement coordination hubs, brokering connections between students, employers, and education providers for both part-time work and formal, course-related placements. This aligns with the University Accord's recommendation to establish job broker services to support students. These enhanced centres would:
 - Establish dedicated coordination teams to manage employer relationships and streamline the placement matching process, reducing the administrative burden on individual businesses.
 - Leverage technology platforms for real-time sharing of placement opportunities.
 - Track placement outcomes and graduate employment pathways, creating valuable data to continuously improve program effectiveness.

Recommendation 4: Expand Access to Vocational Education and Strengthen VET-University Pathways

Policy Rationale

Vocational education and training (VET) is the primary pathway to qualifications that lead into critical sectors, forming a skills ecosystem that must develop in line with a rapidly transitioning economy. Currently, fragmentation between the TAFE and university sectors creates duplicated infrastructure and missed opportunities for comprehensive workforce development. For many regional communities, financial and geographic barriers also create a two-tiered system, with 40% of young people unable to access appropriate training within a reasonable commuting distance.

This recommendation advances all three of Federation's core principles to build a more effective and equitable skills ecosystem. It begins by applying the principle of Local Access Enhancement, using coordinated infrastructure and expanded delivery models to enable local training without costly relocation. This is then made meaningful through Local Skills-to-Jobs Alignment, which ensures VET pathways connect directly to regional employment opportunities and industry needs. Together, these actions deliver on the principle of Choice-Enabled Equity by removing financial barriers and creating seamless progression between qualification levels.

Implementation Actions

To expand the qualified workforce required by the Regional Roadmaps and create clearer pathways for students, Federation proposes the following actions:

- **Remove Financial Barriers to Apprenticeship Entry:** Extend Free TAFE funding to cover all first-year apprenticeship programs in skills shortage occupations, including trades, health, and renewable energy. This should cover course fees, materials and essential equipment, with enhanced funding loadings for regional delivery to maximise access.
- **Harmonise Dual-Sector Pathways:** Create coordinated TAFE-university pathways aligned to documented regional workforce shortages. This involves designing seamless progression routes that enable students to move between VET certificates, diplomas, and degree qualifications without credential loss or extended study periods.
- **Establish a Test-Bed for Vocational Degrees:** Create innovative qualification structures that integrate practical VET competencies with university theoretical knowledge, particularly in priority sectors. These "vocational degrees" would be co-designed with industry to ensure they meet employer needs while maintaining academic rigour and professional recognition.
- **Implement Comprehensive and Standardised Credit Recognition:** Establish systematic and mutual credit recognition for prior learning, enabling smooth transitions between TAFE and university qualifications. This should be supported by the development of shared campus facilities to maximise regional education delivery capacity and address accessibility barriers.
- **Extend TAFE Reach Through Regional Infrastructure:** Establish a network of regional learning "micro-hubs" and deploy mobile student support services to provide academic and career support to communities beyond 50km from a fixed TAFE campus, as proposed in Federation's regional partnership models.
- **Promote the Value of Vocational Education:** Implement findings from the *TAFE Value and Perception Challenge Research Report* to reframe vocational education as a critical pathway into essential careers. Launch coordinated campaigns showcasing graduate success stories and career progression opportunities through integrated VET-university pathways.

Strengthen Equity-Focused Student Support Systems: Increase funding for Language, Literacy, and Numeracy (LLN) programs to support foundational skills. Provide comprehensive wrap-around support, including targeted scholarships and mental health services, reflecting Federation's deep commitment to equity and its significant annual investment in supporting disadvantaged students.

Recommendation 5: Enhance Regional Infrastructure and Student Support to Maximise Post-Secondary Participation

Policy Rationale

Regional Victoria presents opportunities to leverage strategic infrastructure investment and student support systems to enhance post-secondary education participation and strengthen the skills pipeline. With 40% of young people currently unable to access appropriate training at a reasonable commuting distance, targeted infrastructure development can transform geographic challenges into competitive advantages. Strategic Commonwealth-State partnerships can

investment to support both local workforce needs and national skills priorities while positioning regional areas as centres of excellence.

This recommendation is guided by Federation's three core principles. It uses strategic infrastructure investment to improve Local Access Enhancement, turning geographic challenges into advantages. It directs this investment toward industry-integrated facilities to ensure Local Skills-to-Jobs Alignment. The result is Choice-Enabled Equity, giving all regional students the world-class support they need to succeed.

Implementation Actions

To address geographic and financial barriers, Federation proposes the following actions:

- **Partner with the Commonwealth Government on a Coordinated Refresh of Regional TAFE and University Infrastructure:** There is a critical need to revitalise the infrastructure supporting the full VET-to-higher education pathway in regional Victoria. This requires a coordinated partnership with Commonwealth Government investment aligned with national workforce priorities. Federation's *Election and Policy Priorities 2025 to 2028* outlines a blueprint for this, with proposals built around public-private partnerships, including the development of a:
 - **Ballarat Co-Operative Education and Skills City Centre** to make post-secondary education more accessible and expand the Mt Helen Technology Park.
 - **Capability uplift for the Churchill Campus in Gippsland** to support the Asia Pacific Renewable Energy Training Centre (APRETC) expansion and improve clean energy and telehealth training.
 - **Wimmera Southern Mallee enhancement of TAFE capacity** to support the agriculture and construction sectors while creating pathways for emerging energy and new minerals industries.
 - **Greater South East Metropolitan investment in a Berwick Campus Technology Precinct** and innovation hubs to support the region's transformation and goal of creating 22,000 knowledge-based jobs.
- **Implement a Structured Equity Scholarship Program Aligned with University Accord Goals:** The University Accord's ambitious attainment targets cannot be achieved without addressing the systemic disadvantages facing regional students. A structured scholarship program is critical to boosting access and participation. This could include:
 - Establishing 300 targeted scholarships annually for regional students in high-demand STEM, Education, and Health fields to address accommodation, transport, and living cost barriers.
 - Creating First Nations renewable energy negotiation scholarships to support Indigenous leadership in the energy transition and provide culturally appropriate pathway support.
- **Create a Public-Private Funding Mechanism for Critical Skills Infrastructure:** Establish a systematic approach to infrastructure development that enables TAFEs and universities to collaborate with industry in creating specialised training precincts.

A competitive business case funding mechanism would allow education providers to submit comprehensive proposals for industry-specific precincts that combine public investment with private industry co-investment and expertise. This would support clear and long-term investment requirements to support precincts that would integrate state-of-the-art training facilities, research and development capabilities. It would include direct industry partnership arrangements within dedicated geographic zones designed to maximise collaboration

between education providers and employers while also promoting the revitalisation of civic and commercial spaces to stimulate job growth.

- **Establish Comprehensive Regional Learning Micro-Hub Network to Address Geographic Access Barriers for Rural and Remote Learners:** Victoria's vast regional geography requires innovative solutions to bridge the physical distance between students and education opportunities.

Creating smaller micro-learning hubs within existing community organisations across regional areas provides a cost-effective approach to extending education reach without requiring entirely new facilities.

These hubs, equipped with high-speed internet, specialised equipment, and technology platforms, could enable remote participation in practical training that would otherwise require students to relocate or travel extensive distances. Mobile student support services become essential infrastructure for communities beyond 50km from fixed education campuses, providing academic assistance, career counselling and technical support that ensures no student's postal code determines their educational success.

- **Promoting Regional Centres to Attract Metropolitan and International Students:** Rather than viewing regional location as a disadvantage, Victoria should capitalise on the unique training opportunities that regional settings provide, creating specialised centres that actively attract students from metropolitan areas and international markets to ensure program sustainability and viability.

Regional workplaces offer authentic practical earn to learn experiences that tightly align to the skills of the future — renewable energy training facilities positioned near wind turbines can provide hands-on experience with wind farms and agricultural innovation hubs in prime farming regions connect directly with working agricultural enterprises. Underpinning this is work to advance STEM skills in the regions with industry can ensure graduates are ready to contribute to critical sectors during a period of significant technological transformation.

By positioning regional providers as centres of excellence that draw metropolitan and international students, this approach creates sustainable enrolment patterns that support ongoing program delivery while providing all students with specialised training experiences that enhance their career prospects and global competitiveness.