FUTURE SKILLS ORGANISATION

Tomorrow's skills unlocked today

Community Colleges Australia, Six Month Snapshot

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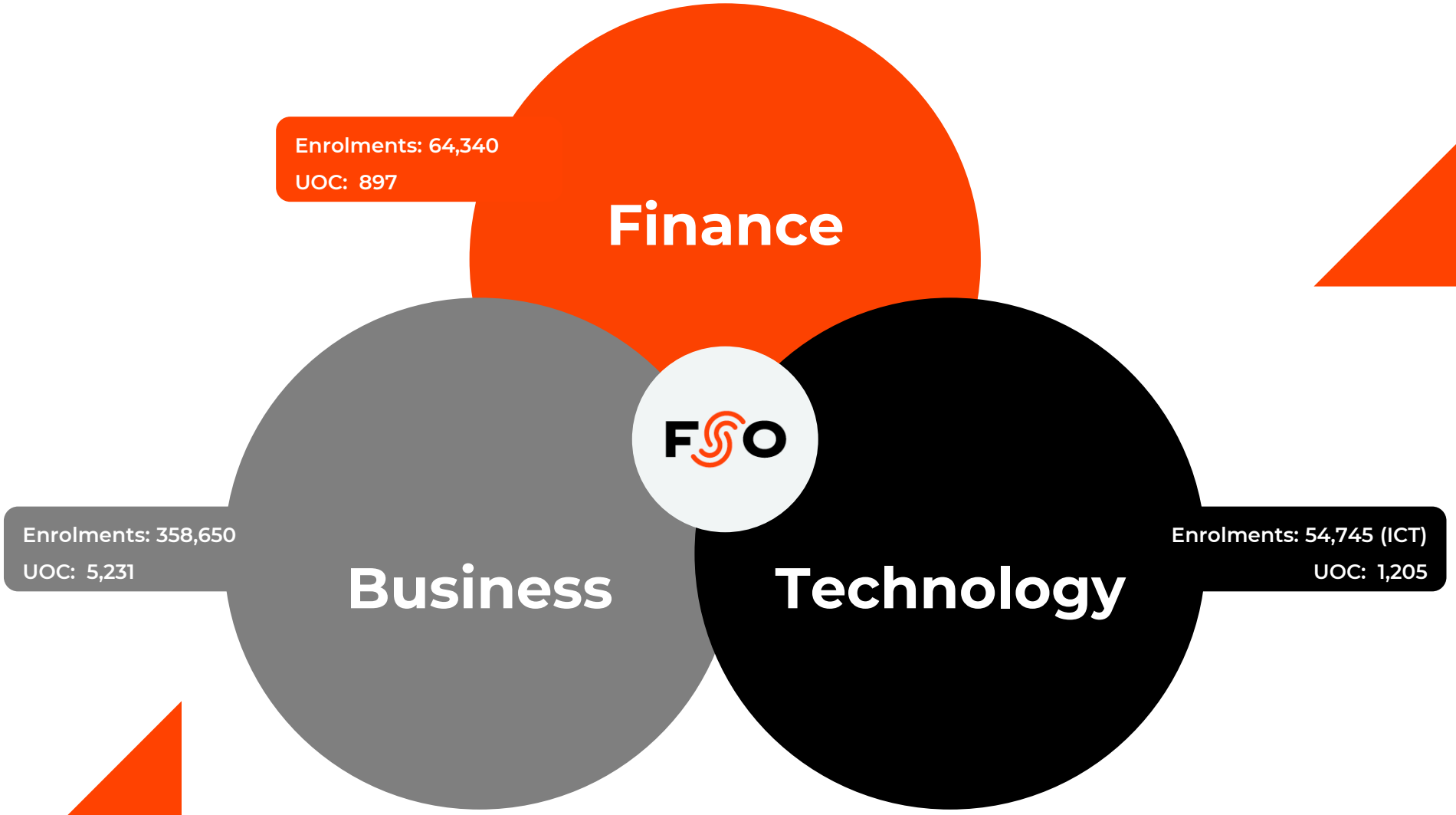
Director of Engagement & Growth

DIGITAL SKILLS ORGANISATION

FUTURE SKILLS ORGANISATION

Finance Technology Business



FTB = 17% of all VET enrolments

Finance

Technology

Business

Tripartite Stewardship

Collaborating with industry, government, unions and training providers, we actively align training packages to cater to the needs of learners and ensure their delivery and outcomes match industry requirements.

Workforce Planning

Workforce planning is the FSO's strategic centerpiece, setting the context for everything else we do. The key objective of workforce planning is to address current and future workforce challenges, including skills gaps and shortages, in the finance, technology and business sectors.

Year 1 Plan – Oct 23
Year 2 Plan – Mar 24

TPD IPM

We strive to create training products that are responsive and adaptable to the evolving needs of the workforce.

Implementation of solutions, promotion of career pathways and monitoring the impact of training delivery

Activities

Validating the effectiveness of our offerings, we conduct pilot programmes for emerging products and test innovative approaches, catering to the requirements of RTOs, industries and learners alike.

Activity Schedule 1 – Nov
Activity Schedule 2 – Jan
Activity Schedule 3 - Mar

Board

Members

Associate Members

Collaborators +700 Individuals & Organisations

Finance, technology and business occupations and skills are a significant part of Australia's economy and skills needs are changing quickly. Currently, 1 in 5 workers across Australia work in finance, technology or business occupations and are growing quickly.

- Around **841,600 people employed in finance** occupations with a **predicted shortfall of 34,300 (4%).**
- Around **749,300 in technology** occupations with a **predicted shortfall of 127,100 (14%).**
- And **1,402,200 in business** occupations with a **predicted shortfall 81,200 (5%) by 2028.**

Industry perceptions are that **graduates from the ICT, FNS and BSB training packages do not have skills suitable for entry** to relevant occupations although this may be the consequence of **industry not being aware** of the breadth of skills that can be delivered. Enhancing VET practitioner relevance and currency will assist. It was a widely held view that existing **FTB workforces do not have sufficient digital skills**. Across the FTB sector there is a preference for people from a HE background over VET. **There is a lack of diversity across the FTB workforce.**

Completion rates are declining, and the education and **training system is slow to adapt** at the pace required to ensure people are gaining the skills and competencies relevant to industry requirements.

Challenges

1. Training Suitability

There is an industry perception that the ICT training package is not meeting industry needs. It appears that the FNS and BSB training packages are meeting learner expectations, but not consistently delivering skills required by industry.

2. Digital Capability Gap

There is a gap in foundational digital capability across the workforce as it becomes a critical skill in all roles.

3. New Technologies

Technological change, including GAI, is reshaping finance, tech and business occupations, with implications for skilling and pathways.

4. Pathways

Industry and students often lack clear understanding of training and skilling pathways into occupations and careers.

5. Trainer & Teacher Capability

Fast-changing skill demands require support for trainers and teachers to deliver training.

Data limitations

Workforce intelligence needs improvement to help inform decision making. Current data gaps limit the ability to identify and track emerging skills and responses to skilling and workforce challenges. This includes the appropriateness of ANZSCO classifications as industry shifts towards defining workers by skill sets rather than increasingly outdated occupation classifications.

28% of all Australians are excluded from participating in the digital economy

Most jobs require some form of digital skills. But there is no consistent approach to defining the digital skills required.

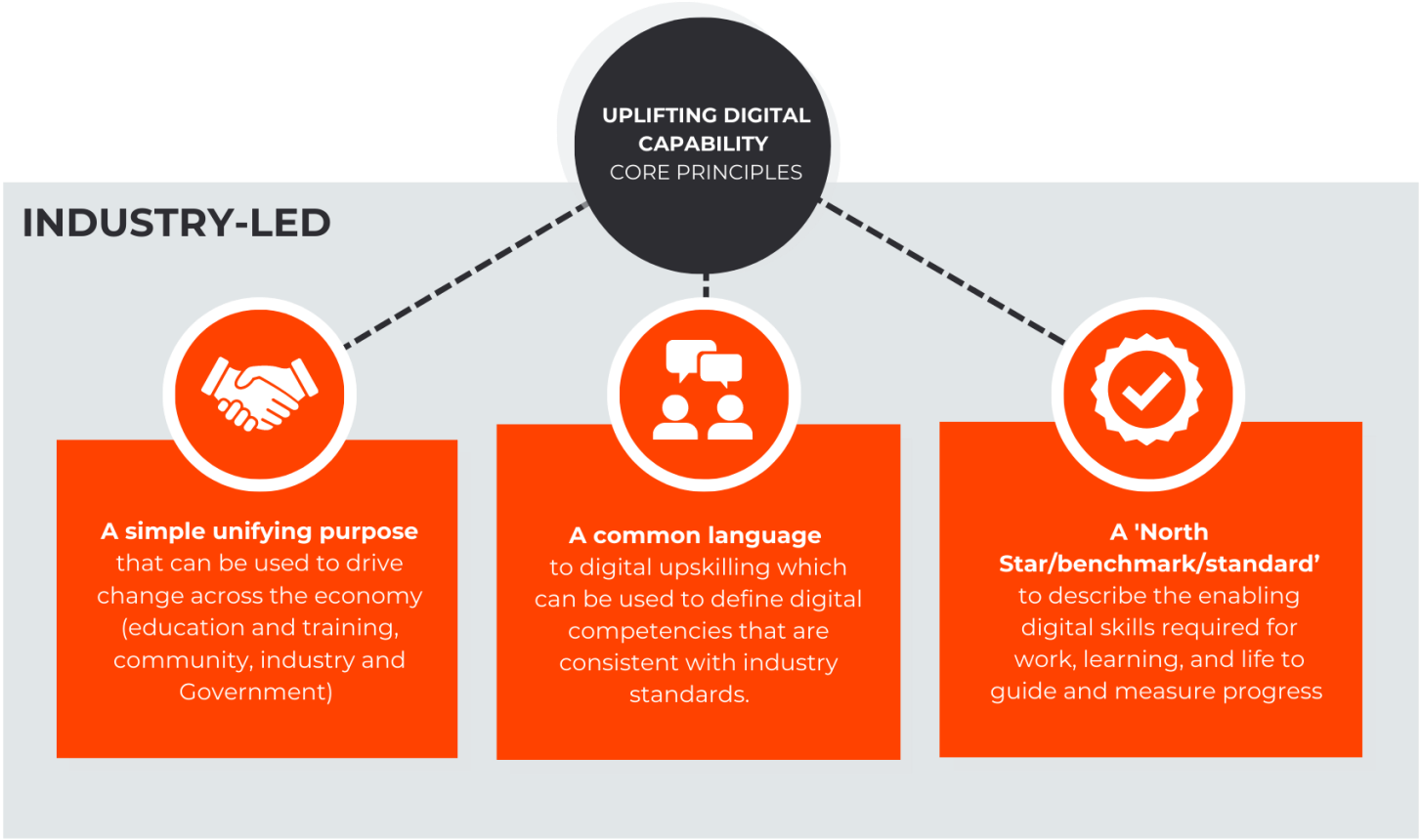
Therefore, we are unable to measure the 'digital capability' of the population.

While there are plenty of initiatives considering this problem, they do not scale and therefore lack impact. Australia does not have a strategy in place to address this significant skills gap.

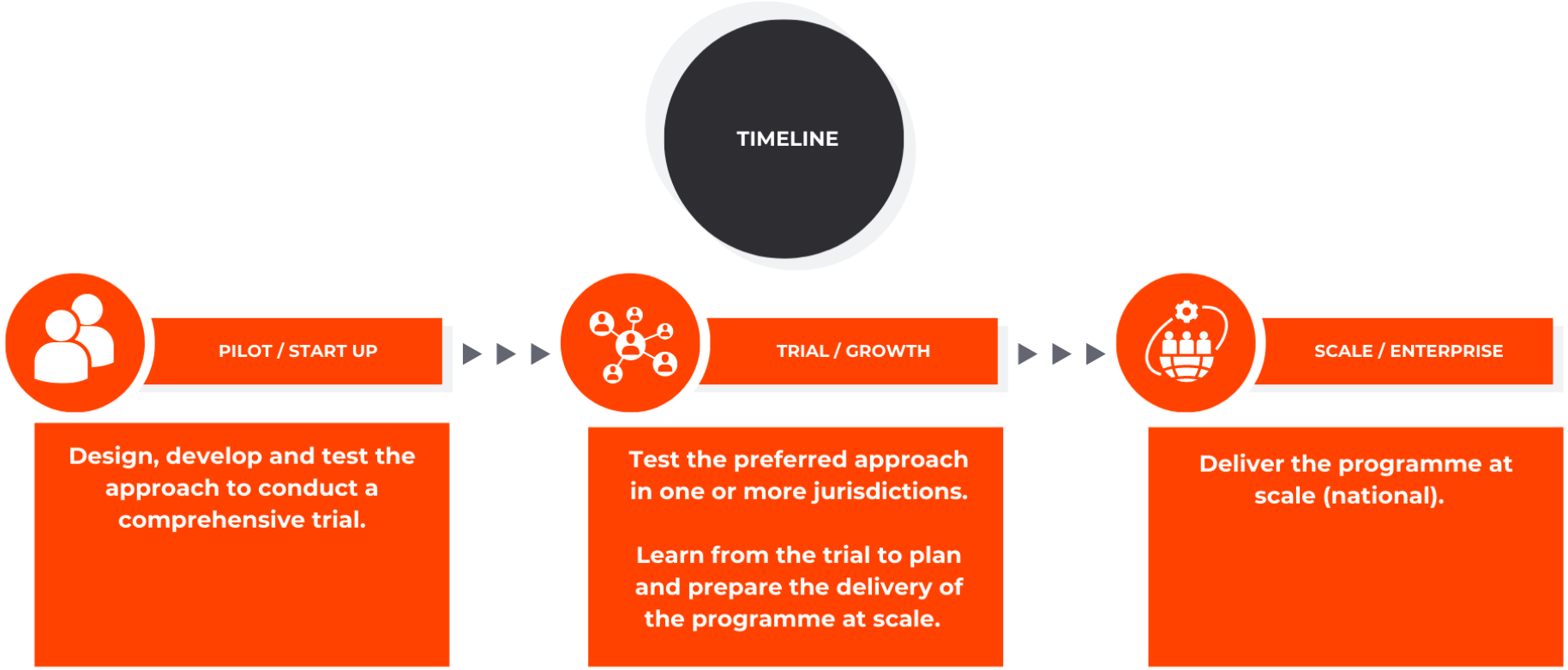
This overarching failure to upskill people with the relevant digital skills directly impacts the economy.

A scalable solution based on 3 design principles

The proposed approach is based on securing broad alignment of 3 core design principles:



Activating the plan



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Impact of generative AI on VET training products

September 2023

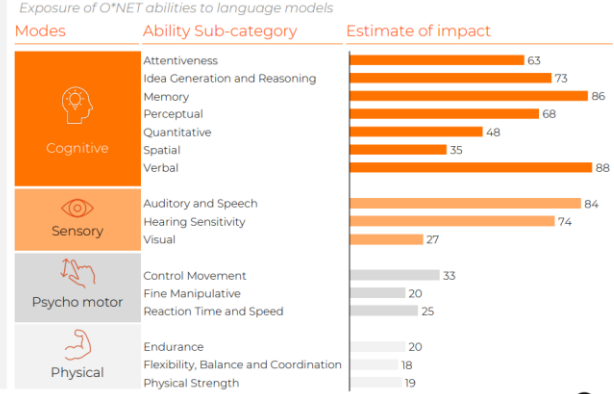
Research by Mandala Partners in partnership with the Future Skills Organisation

To determine the impact on occupations and training products we use estimates of impact on human abilities

Human abilities are the building blocks that drive our capacity to perform tasks to achieve a given goal. The US Department of Labor has developed a systematic taxonomy of these abilities which it defines as the "enduring attributes of the individual that influence performance".
For each of these abilities, economic researchers have estimated how these abilities will be impacted by various forms of artificial intelligence.
For this study, we will be concentrating on the impacts of language models, which will have their strongest impact on cognitive and sensory abilities.
With these ability level estimates, we can then estimate the impact on other variables of interest such as occupations, industries and training products.

Cognitive and sensory abilities will be the most impacted by LLMs

*Exposure of O*NET abilities to language models*



4 Source: Felten et al 2023

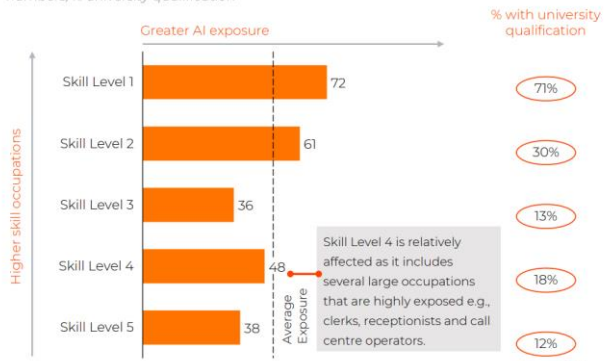
The primary impact on the training system will be at the university level

Occupation | Qualification | Unit of competency

The occupations with the highest required skill level are more likely to change as generative AI systems are implemented.
When applied to Australian occupations, occupations in skill level 1 and 2 were the most exposed to AI. Occupations in skill level 1 are those that require tertiary education while skill level 2 occupations typically require a diploma. These occupations tend to rely more heavily on cognitive skills which AI excels in. This means that qualifications from universities face the greatest need to change.
Occupations in skill level 3, 4 and 5 require Certificate 4s and below. In aggregate these occupations faced less exposure, there are still some occupations in those categories with high exposure

Occupations with the highest skill requirements have the greatest AI exposure

Index, average of AI Occupational Exposure score by skill level weighted by employee numbers, % university qualification



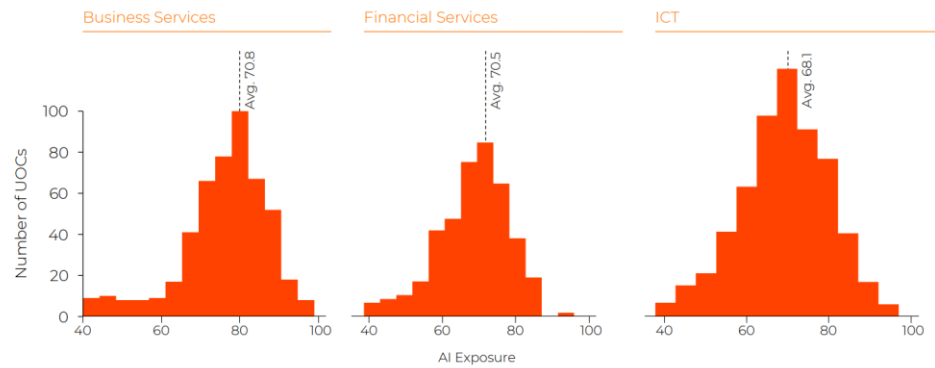
6 Source: Felten et al 2023, ABS Census 2021, Mandala analysis

There is significant variation of the AI exposure for UOCs within the FSO's training packages

Occupation | Qualification | Unit of competency

UOCs in Financial Services and Business Services have the highest average exposure

Distribution of units of competency by AI exposure score, FSO training packages



13 Source: Felten et al, NCVER VOCSTATS, O*NET, training.gov.au, Mandala analysis

1. 2023 Year 1 Workforce Plan & Activity Schedule (Now)
2. Participation in Digital Capability Working Group
3. 2014 Year 2 Workforce Plan consultation (Nov – Mar)
4. Input into Data roadmap and use cases (Jan)
5. Sign up to become a FSO Collaborator, register an Issue, provide feedback and participate in future Working (Now)

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Thank You