



Clean Energy Capacity Study

Terms of Reference

Overview

The Government has commissioned Jobs and Skills Australia to undertake a capacity study on the workforce needs for Australia's transition to a clean energy economy. The Capacity Study will provide critical evidence and insights to support workforce planning, policy development and program design, needed to build a strong and vibrant Clean Energy sector, and contribute to the Government's Powering Australia Plan.

It is expected that the Capacity Study will form the basis of further work to inform the Government's strategy for workforce planning as it pertains to delivering the energy transition and the transformation to a net zero economy by 2050.

The Capacity Study will build on existing research and deepen understanding of the clean energy sector, the skills profile of existing workforces, levels of skills transferability across industries and role types and forecasts of future supply and demand for clean energy related roles.

Scope

The Clean Energy Workforce Capacity Study will identify and analyse occupations, supply and demand factors and geographical considerations to support Australia's transition from 'brown' to 'green' energy. It will:

1. Develop an appropriate definition of the Australian clean energy workforce
2. Establish an overview of the current state of the clean energy workforce – including its demographic and geographic composition, occupation, skill level, job mobility, numbers of employers, job vacancies, sector pay and working conditions, apprenticeship numbers, reliance on international specialists, and safety and licensing standards.

3. Analyse future demand (at the national, state and regional level) for clean energy roles over 10, 20 and 30 years based on different transition scenarios, alongside the impact on demand for employment in high-emitting sectors undergoing transition.
4. Analyse the potential supply (at the national, state and regional level) of clean energy workers over the next 10, 20 and 30 years by:
 - a. identifying the skills required by job roles in the clean energy workforce.
 - b. assessing the extent to which the required skills can be met by existing workers, particularly from transitioning sectors, and explore mobility and skills transferability between different roles and sectors.
 - c. examine the education, training and professional development pathways that will support workers entering the clean energy workforce, including new entrants, workers from transitioning industries and migrants, and assess the adequacy of their scope and scale.
 - d. consider international labour supply factors, such as the impact of international initiatives on the global skilled workforce, the recognition of foreign qualifications in the sector and the impact of targeted migration programs. Consider how regional labour mobility programs and Australian VET and higher education providers can build clean energy skills within our region (particularly the Pacific).
5. Identify the enablers and barriers faced by universities, TAFEs and other education and training providers to developing and delivering courses for the clean energy workforce and supporting research, including collaboration across education sectors and the capacity of the teaching and training workforce, and explore opportunities for innovation and reform to resolve any barriers.
6. Explore sector specific enablers and barriers faced by small, medium, and large employers in employing and retaining a skilled, diverse workforce in the clean energy sector.
7. Explore opportunities for, and barriers to, full participation in the clean energy sector for priority cohorts, including women, First Nations Australians, people with a disability and culturally and linguistically diverse Australians.
8. Explore through case studies of particular regions the critical place-based factors to supporting the transition to a clean energy workforce.
9. Consider the experiences of the transition to clean energy in other countries, especially those that have also traditionally relied on high-emissions forms of energy generation.

Governance and Consultation

The Capacity Study will be underpinned by close consultation and collaboration with State and Territory governments and industry stakeholders, including peak bodies, employers, unions, Jobs and Skills Councils, universities, and TAFEs and training providers.

Jobs and Skills Australia will establish a Project Steering Group, with membership to include representatives from other key Australian Government agencies, State and Territory governments, industry peak bodies and employers, unions, universities, and training providers. The draft terms of reference will be reviewed by the Steering Group.

Jobs and Skills Australia will also provide opportunities for stakeholders to contribute to the study through submissions and stakeholder forums.

Jobs and Skills Australia will regularly brief the Australian Minister for Skills and Training on the study's progress and interim findings, so that ministerial colleagues in the Australian Government and the Skills Ministers Meeting can be kept informed.

Process

Jobs and Skills Australia will deliver an interim report by May 2023 and a final report by July 2023.

Attachment: Complementary policy settings

The Capacity Study will complement work being undertaken by other parts of the Commonwealth Government including the Australian Energy Employment Report (AEER), the National Battery Strategy and the National Energy Workforce Strategy.

In undertaking the Capacity Study, Jobs and Skills Australia should have regard to current and potential training packages, existing skills programs across the Commonwealth and States and Territories, and contemporary policy settings and labour market needs, noting:

- A. The Australian Government and states and territories have agreed to accelerate the delivery of 465,000 additional fee-free TAFE places, with 180,000 to be delivered next year.
- B. National Cabinet have endorsed the vision and principles for longer-term VET reform under a new 5-year National Skills Agreement.
- C. The Australian Government and states and territories have committed to negotiating a National Skills Agreement which provides critical and emerging industries at a national, state and local level with the skilled workers they need and secures a domestic workforce to deliver on current and future priorities.
- D. From January 2023, Jobs and Skills Councils will provide industry (employers and unions) with a stronger, more strategic voice and greater participation in the VET sector to address workforce challenges.
- E. A VET workforce blueprint is being developed by the Australian Government and states and territories to develop a comprehensive blueprint to support and grow a quality VET workforce.
- F. The introduction of 20,000 additional Commonwealth-supported university places for under-represented groups (including rural and regional Australians) in areas of skills shortages.
- G. The establishment of the Australian University Accord to drive lasting reform at Australian universities that will drive accessibility, affordability, quality, certainty, sustainability and prosperity to the higher education sector and the country.
- H. Post-study work rights – the Australian Government will allow two additional years of stay in Australia for recent international graduates with select degrees in areas of verified skills shortages.
- I. National Reconstruction Fund will provide finance for projects that diversify and transform Australia's industry and economy.
- J. The introduction of Workforce Australia in July 2022 which reformed Commonwealth employment services.