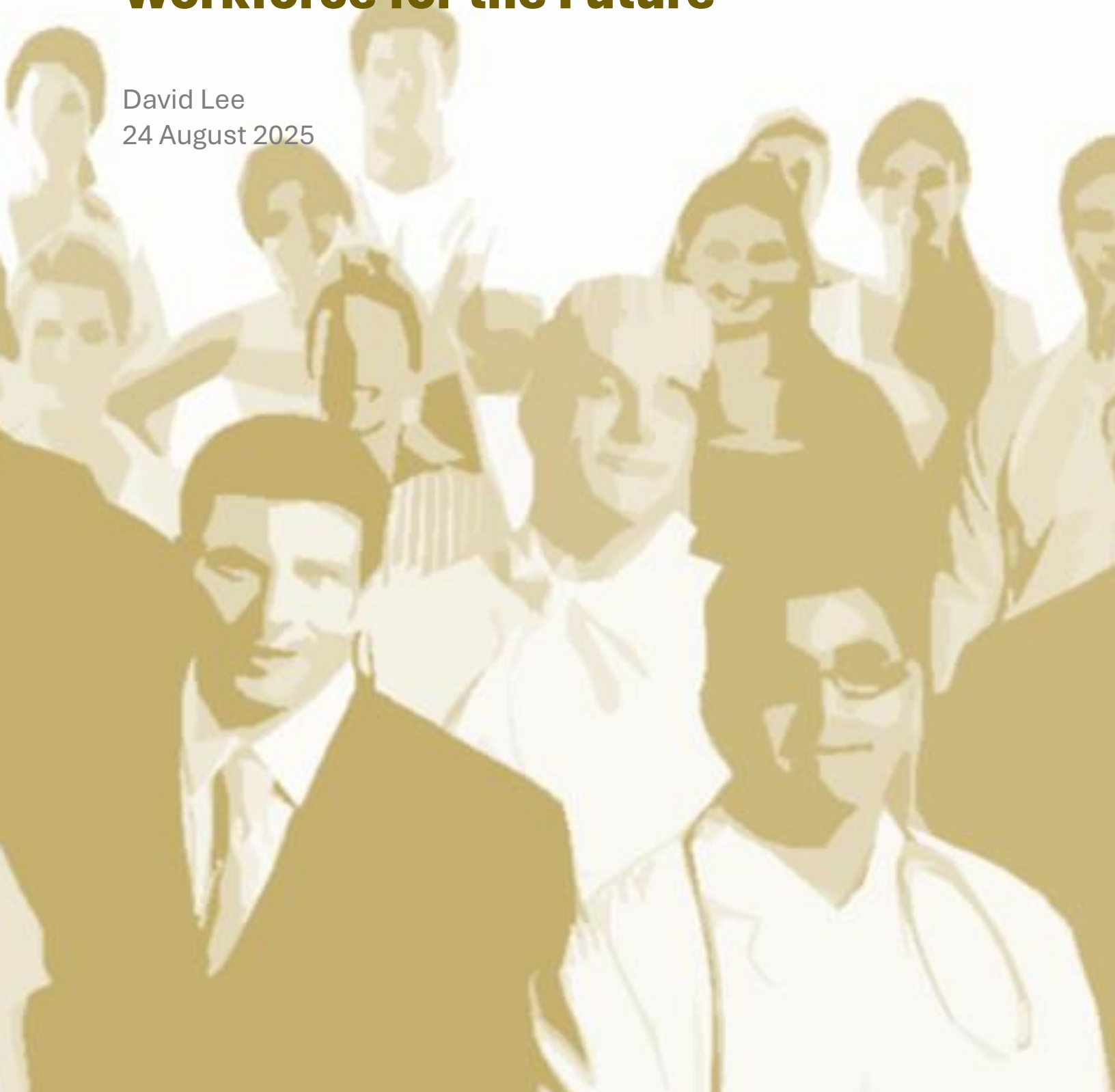


Submission to the Productivity Commission on the Inquiry into
Workforce Adaptability and Skills

Unlocking Human Potential: A Workforce for the Future

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Executive Summary

Australia's workforce is facing profound disruption. Technological change, the clean energy transition, and shifting demographics are reshaping demand for skills. Yet too many Australians attempting a mid-career pivot find that even after investing in new qualifications, there is no clear pathway into employment. At the same time, universities and training providers are rewarded for enrolments, not outcomes, which undermines alignment with labour market needs.

This submission argues that a more adaptable workforce requires:

- Outcome-based funding models that tie tertiary incentives to graduate employment outcomes.
- Lifelong learning entitlements that allow Australians to reskill throughout their careers.
- Stronger employer partnerships and placement pipelines to smooth the school-to-work and pivot-to-work transitions.
- International benchmarking to ensure Australia remains competitive in workforce adaptability.

The Challenge

The traditional model of education followed by a single career is no longer fit for purpose. Australians are living longer, changing industries more often, and increasingly needing to reskill in response to automation and globalisation. Yet our education and training system is still designed for linear career paths. Mid-career workers who invest in postgraduate qualifications often discover that degrees alone do not translate into employment — they graduate without the professional networks, placement experience, or direct employer links that would convert learning into work.

The current funding structure compounds the problem. Universities and TAFEs are rewarded based on student enrolments and completions, rather than whether graduates secure employment in their field. This creates weak incentives to build the employer partnerships that top global MBAs have mastered.

Finally, access to reskilling remains limited. While school and undergraduate education is subsidised, Australians do not have an integrated entitlement that follows them throughout life. This constrains adaptability and deepens inequities between those who can afford further study and those who cannot.

Lessons from Global Leaders

Other countries have already recognised the need for structural reform:

- **Singapore:** The [SkillsFuture program](#) provides every citizen with credits they can use throughout life to pay for training and reskilling.
- **Denmark:** [Flexicurity](#) policies combine labour market flexibility with strong support for retraining, ensuring workers can move between industries without long-term unemployment.
- **Germany:** The dual system integrates vocational training with paid apprenticeships, ensuring strong employer alignment and a smoother school-to-work transition.
- **United States:** Elite MBA programs demonstrate how outcome-based placement pipelines create value for both students and employers to justify their high tuition.

These examples show that funding tied to outcomes, lifelong entitlements, and stronger employer links are not theoretical — they are proven models.

Recommendations

1. Introduce outcome-based funding for universities and TAFEs, rewarding institutions not just for completions but for graduate employment outcomes within 3–6 months.
2. Establish a “National Learning Entitlement” that provides every citizen with credits usable for primary, secondary, vocational, undergraduate, and postgraduate study across their lifetime.
3. Incentivise universities and TAFEs to partner with employers to create structured placement programs, modelled on MBA recruitment pipelines.
4. Expand apprenticeships and industry-linked vocational training in emerging sectors such as clean energy, cyber security, and aged care.
5. Promote mid-career reskilling as a national priority, supported by government subsidies and employer co-investment.
6. Benchmark Australia’s performance against leaders like Singapore, Germany, and Denmark to track progress.

Benefits

Reforming workforce adaptability in this way would:

- Increase the return on public and private investment in education by ensuring skills translate into jobs.
- Reduce structural unemployment by smoothing transitions between industries and careers.
- Enhance national resilience in the face of technological disruption and global shocks.
- Improve equity by giving all Australians — not just the wealthy — the ability to reskill across their lifetimes.
- Boost productivity by ensuring human capital is deployed where it is most needed.

Conclusion

Australia’s workforce is capable, but the institutions that support it are lagging behind global best practice. By shifting incentives toward employment outcomes, creating lifelong learning entitlements, and building stronger employer partnerships, Australia can unlock the full potential of its people.

An adaptable workforce is not just an economic imperative — it is the foundation of a resilient, fair, and prosperous society.

About the Author

David Lee is an engineer and energy professional with more than a decade's experience in complex systems delivery for the Australian Department of Defence. David has since completed a Master of Sustainable Energy at the University of Queensland to focus on climate and energy transition challenges. He now works in the Australian energy industry, specialising in grid connection, system security, and policy reform to accelerate renewable integration. His work combines technical expertise with a systems-level perspective on market design, regulation, and sustainability.