

The Shop, Distributive and Allied Employees' Association

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Commissioners Jonathan Coppel and Malcolm Roberts

c/- Ms Meredith Baker and Ms Ingrid Ottaway
Inquiry into the Skills and Workforce Development Agreement
Productivity Commission
GPO Box 1428
Canberra City ACT 2601, Australia

Email: skills.workforce.agreement@pc.gov.au

Dear Commissioners,

**Re: National Agreement for Skills and Workforce
Development (NASWD) Review – Interim Report**

This letter is a response to an interim report that was released on 5 June 2020 which relates to the review of the National Agreement for Skills and Workforce Development and other issues. The SDA contributed to the review in good faith and while we understand that the report provides options and is interim, it is notable that the unique purpose of vocational education and training is overlooked, that options shown to be failures are proposed, and that the role of public provision is considered only in the context of contractual obligations.

The SDA highlighted that the goals should continue to include "leading to increased workforce participation" but the report focusses on completions. The report does so despite the vocational (or occupational) focus of skills training, the relative youth and socio-economic status of those who enrol, and the need for flexibility and transferability between qualifications and education systems. The VET system is not like the higher education system, it does not have a generalist purpose of research, education and sharing of knowledge. Its purpose is to skill Australia with workers ready for jobs that will contribute to the economy.

The SDA provided an example of a skills shortage (merchandising) created by the failed market intervention in vocational education and training - despite the spectacular failure of VET FeeHelp the report proposes further market driven approaches. SDA shares the concern of the government that prices widely vary but see no evidence that vouchers would solve this concern. Indeed, it has failed in this area and in other policy areas, such as childcare where this type of payment is inflationary and

impacting on the economic contribution of women, education of children and capacity to provide respite for vulnerable families. The estimates and hourly base rates discussed in the report need to be tested as to how they compare to the cost of provision of quality training that meets the needs of the skills demands of industry and supports students transition through training to work. Doing so would support a robust discussion of funding for training, and not doing so and continuing to propose options like vouchers would be negligent as it would risk another large-scale policy failure.

The greatest concern the SDA has with the interim report is that it does not adequately address the role of public provision of training. There is a need for a strong public provider that can provide the backbone of the system; one that can operate in collaboration with private providers and industry including student, employee and employer representatives. The interim report also does not adequately discuss the need for the best possible information about where skills are needed so that these providers can support the meeting of that demand. While it discusses the community service obligations of TAFE, it does not consider its role in the system. Given the critical role in other policy areas of public schools, public hospitals, public broadcasters and public research institutes, the public good provided by meeting the future skills needs of Australia needs to be considered.

Recommendation:

- That the Productivity Commission analyse and publish the cost of provision of quality training that meets the needs of the skills demands of industry.
- That the Productivity Commission analyse and publish details of the role of TAFE in the training system in comparison to the role of other public providers in other areas of policy.

Yours sincerely,

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National Secretary/Treasurer

Date Submitted: 17 July

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