



MINERALS COUNCIL OF AUSTRALIA

SUBMISISON TO THE PRODUCTIVITY COMMISSION ISSUES PAPER ON SKILLS AND WORKFORCE DEVELOPMENT AGREEMENT

20 DECEMBER 2019

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1. EXECUTIVE SUMMARY

The Minerals Council of Australia welcomes the opportunity to contribute to the Productivity Commission's review of the National Agreement for Skills and Workforce Development.

The minerals industry supports an education vision that emphasises a mix of competencies and research learning, delivered through a range of institutional pathways; a mix of university, TAFE and private training delivered as full courses, component parts or micro-credentials – and a range of delivery means – direct and online.

This is consistent with the objectives of the NASWD and the August 2019 Council of Australian Governments shared vision for:

Vocational Education and Training that delivers high quality education and training that helps all Australians, and meets the needs of students and employers.¹

Delivering a flexible, functional and fluid tertiary education system at the post-secondary VET and higher education level is critical to meeting the skills needed of the sector and industries more broadly; especially as specialist skills associated with innovation and technology adoption increase.

It is important to cultivate broad funding, policy and regulatory settings that support lifelong attainment of relevant, portable and transferable skills.

Ensuring that the national agreement underpinning the system is clear, flexible and reflective of/aligned with contemporary tertiary education policy and practice is critical to the long-term success and sustainability of the system.

¹ Treasurer, [Terms of reference for the review of the Skills and workforce development agreement](https://www.pc.gov.au/inquiries/current/skills-workforce-agreement/terms-of-reference), Australian Government, 12 November 2019, viewed 18 November 2019. <<https://www.pc.gov.au/inquiries/current/skills-workforce-agreement/terms-of-reference>

2. BACKGROUND

The Australian resources sector

The Australian resources sector employs around 245,000 people in high-value, high-wage, high-skilled jobs, mostly in remote and regional Australia. Average weekly earnings (full-time adult) in the resources sector are \$2,659 per week, more than 65 per cent higher than the national average of \$1,606 per week.¹

Training and workforce development are a crucial mechanism to ensure a supply of skilled workers enters and remains in the industry. The Australian minerals industry makes a significant financial contribution to Australia's higher education sector to ensure a high quality supply of minerals-related graduates through the Minerals Tertiary Education Council (totalling \$65 million since 2000).

A large proportion of the minerals workforce is highly skilled, 67 per cent hold a Certificate III level qualification or higher, above the national average.² Currently apprentices and trainees make up more than four per cent of the workforce and one in five workers also hold a bachelor degree or higher.³

The changing nature of work and skills

The changes in how work is done will affect the type and mix of skills and knowledge that graduates need and how providers deliver education and training, which in turn should be reflected in the frameworks, regulation and national agreements that support funding, assurance and alignment.⁴

There is an active transformation of skill capabilities through access to technology and soft skills will be central to the skill profile of Australia's future workforce.⁵ As the nature of work changes and evolves, workers will need skills and capabilities that are adaptable, transferable, relevant to the needs of the future economy, and which are not easily replicated by technological advances.⁶

There is an expectation that these skills, competencies and qualifications are accessible through multiple pathways, are affordable, portable and increasingly delivered just-in-time.

The education and training landscape

The education experience needs to mirror real life working modes and complement the technical side of learning. Today people work within and across networks and systems, and are expected to

² Minerals Council of Australia, [Miners at Work](#), Canberra, 2018; and Australian Bureau of Statistics, 2016 Census, [Census Table Builder – Highest Level of Educational Attainment and Industry of Employment](#), viewed 30 November 2018.

³ National Centre for Vocational Education Research (NCVER) [Apprentice and trainees 2019 – March Quarter](#) (released November 2019); and Department of Education, [Industry Outlook: Mining](#), Canberra, 2014; and Australian Bureau of Statistics, 2016 Census, [Census Table Builder – Highest Level of Educational Attainment and Industry of Employment](#), viewed 30 November 2018.

⁴ Productivity Commission, [Shifting the Dial: 5 year Productivity Review](#), Report No. 84, Canberra, 3 August 2017, p. 87; and Department of Jobs and Small Business, [Australian Jobs 2018](#), Australian Government, 2018, p. 29; as seen in Australian Qualifications Framework Review Panel, [Review of the Australian Qualifications Framework Discussion Paper](#), December 2018, Australian Government, p. 12.

⁵ Assistant Minister for Science, Jobs and Innovation, *Australia's Future Workforce, the opportunities and challenges*, Address at the [Navigating Technology and Jobs of the Future Summit](#), 2018, Australian Information Industry Association, Canberra.

⁶ DH Autor, [Why are there still so many jobs? The history and future of workplace automation](#), *Journal of Economic Perspectives*, Vol. 29 No. 3, 2015, pp. 3-30; as seen in Department of Education and Training, [Training product reform – what is the case for change?](#), Department document, Australian Government, November 2017, p. 5.

function through agile, borderless, teams or communities of practice. These are outcomes focused and may be formed in response to a specific problem, execute their response and disband.⁷

Australia's education and training ecosystem needs to cater to diverse range of learners and learning styles across a range of industries and shifting priority sectors. It is essential that the system is flexible and responsive to changes both across the labour market and within industries. In particular, the system needs to confirm that workers either have the existing skills, or ensure workers can quickly acquire new skills, to enable them to satisfy evolving job profiles or the change jobs.⁸

Providing appropriate, timely and affordable skills, training and development options and pathways for both existing and pipeline workforce whilst connecting the tertiary education landscape at the post- secondary level is crucial.⁹ The minerals industry advocates for the modernisation of VET and higher education-level courses, content and delivery to provide knowledge and skills needed in the redesigned workplaces of the future.¹⁰ This will likely require significant investment in regional learning environments and increased avenues for teachers/faculty to remain current in their skills and understanding of the modern mining sector.

The minerals industry supports use of pilot programs to test interventions and models to determine best-practice, identify the interventions and pathways that are responsive and relevant, and establish a flexible, stable and sustainable VET system.¹¹ This includes the testing of how interventions align with and are impacted by the NASWD.

⁷ Minerals Council of Australia, [Submission to the expert review of Australia's vocational education and training system](#), 25 January 2019, p. 11.

⁸ Department of Education and Training, [Training product reform – what is the case for change](#), Department document, Australian Government, November 2017, p. 7.

⁹ Minerals Council of Australia 2018 Minerals Industry Education Summit, Melbourne, 17 May 2018.

¹⁰ The Minerals Council of Australia, [The next frontier: Australian Mining Policy Priorities](#), Canberra, 2019, p. 19.

¹¹ Minerals Council of Australia, [Submission to the review of the Australian qualifications framework](#), March 2019, p. 4.

3. REVIEWS AND REFORM

The broader skills and capabilities important to the future minerals workforce include core technical skills coupled with cognitive or 'soft skills' and interpersonal skills, as well as technological literacy and specialist skills in complementary disciplines.¹²

The VET sector is well placed to facilitate the diversity of options needed to deliver these skills, for example developing a matrix of these skills through short courses, skill sets or micro-credentials and contextualising them to core content of specific qualifications.

This would require coordination across government, academia and industry to ensure that these options are funded, assessed and assured whilst also aligning with the relevant regulations, standards and frameworks.¹³

These issues have been identified by the Resources 2030 Taskforce as part of attracting and supporting the skilled minerals industry workforce, including developing a more coordinated national tertiary curriculum for earth sciences and resources sector qualifications at the higher education and VET levels.¹⁴

The industry supports the recommendations of the taskforce and the Productivity Commission for reform to generate a high-quality education system that promotes skills formation and prepares students for technology adoption, use and diffusion, including:

- Developing a more coordinated national curriculum for earth sciences and resources sector qualifications at the tertiary and VET levels
- Introducing a more graduated system of student assessment to signal to employers the level of proficiency in vocational education and training (VET)
- Developing an objective VET accreditation system that signals the quality of skills, regardless of how they are acquired and accepting new models of skills formation
- Improving student outcomes by providing affordable, high quality education with qualifications that are relevant to labour market needs.¹⁵

Implementing recommendations from the expert review of Australia's Vocational Education and Training System conducted by the Honourable Steven Joyce and the review of the Australian Qualifications Framework conducted by Professor Peter Noonan will be a major step forward in the delivery of job-ready graduates from VET and higher education providers.

The implementation of recommendations from these reviews feeds into the broader set of reform directions articulated in the NASWD. The MCA supports these reform directions and encourages an ongoing focus on these, with deeper links to performance measures.

Joyce review

The speed at which the Australian Government is implementing recommendations of the Joyce review is commendable and demonstrates the urgency of ensuring that Australia's post-secondary education and training ecosystem is prepared to respond to the changing nature of work and skills and the accelerating innovation across work practices and workforces.

¹² Minerals Council of Australia, *2018 Minerals Industry Education Summit*, Melbourne, 17 May 2018.

¹³ Australian Qualifications Framework Review Panel, [Review of the Australian Qualifications Framework discussion paper](#), December 2018, Australian Government, p. 19.

¹⁴ Department of Industry, Innovation and Science, [Resources 2030 Taskforce Australian resources – providing prosperity for future generations](#), Canberra, September 2018

¹⁵ Minerals Council of Australia, [Submission to the expert review of Australia's vocational education and training system](#), 25 January 2019, p. 5; and Productivity Commission, [Shifting the Dial: 5 Year Productivity Review](#), Report No. 84, Canberra, 3 August 2017, pp. 83-84.

Industry supports the introduction of the National Skills Commission, the National Careers Institute and Skills Organisations and the co-design approach being used. The MCA is confident that as skills needs forecasting, demand and supply, and training development and delivery are improved through these policy responses, the operation, reach and cohesion of the post-secondary education and training system in Australia will be enhanced.

Noonan review

The MCA welcomes the 9 December 2019 announcement that the Australian Government accepted all higher education related recommendations of the review as well as the aims of VET related recommendations contingent on further discussions with state and territory governments.¹⁶

The recommendation that micro-credentials would be recognised to allow providers to offer short, highly-targeted courses to students and employers looking to fill a skills gap without getting bogged down in red tape is an important part of a renewed and reinvigorated education and training system.

The future minerals workforce will be more diverse, geographically distributed and digitally connected. As the nature of work changes and evolves, workers will need skills and capabilities that are adaptable, transferable and relevant to the needs of the future economy.

MCA, in its submission acknowledged the significant body of work – research, reports, discussion papers and reviews – exploring the challenges of delivering a cohesive, fit-for-purpose and sustainable tertiary sector and noted that policy responses need to:

- Reflect contemporary and evolving understanding of skills needs, learning styles and the changing nature of work
- Be flexible, responsive and accessible to learners and employers/ industry
- Promote and facilitate lifelong learning, mixed-modes of teaching delivery and use of new technologies and learning platforms
- Reduce duplication or efforts for learners, employers and administrators.¹⁷

In this context, the review's recommendation that the diversity of post-secondary education be recognised and reworked and to offer clear and flexible entry and exit points, as well as pathways within and between VET and higher education, is very positive.¹⁸

¹⁶ D Teahan (Minister for Education) and M Cash (Minister for Employment, Skills, Small and Family Business), [A new future for VET and higher education](#), media release, Australian Government, Canberra, 9 December 2019.

¹⁷ Minerals Council of Australia, [Submission to the review of the Australian qualifications framework](#), March 2019, p. 5.

¹⁸ T Constable (Chief Executive Officer), [Future minerals workforce needs flexible education system](#), Canberra, 24 October 2019.

4. FUNDING

Each arm of the tertiary education landscape provides a unique value proposition for learners, employers and the broader community. Investment in and the use of offerings from both VET and higher education providers is crucial to achieving uninterrupted skills pathways, regardless of business cycle.

This means the funding and provision of quality training throughout the cycle, supported by industry and associated education and training institutions, and reinforced by a valid policy base, for example:

- Adapting the funding system to facilitate more flexibility and relevance around skills acquisition including funding units of competence and skill sets¹⁹
- Applying greater consistency in funding and loan arrangements between the VET and higher education sectors to deliver clarity and consistency of pathways and support options for learners
- Adjusting application of funding from the *Skilling Australian's Fund levy* is proportionate to each industry's use of the temporary skilled migration visas to support skilling and upskilling for that and ancillary industries²⁰
- Accounting for and supporting funding of non-linear pathways to improved workforce development outcomes, for example making loans available for 'at-level' qualifications where they are linked to improved employment options, or funding early pathways options such as VET in schools.

¹⁹ Minerals Council of Australia 2018 Minerals Industry Education Summit, Melbourne, 17 May 2018; Australian Information Industry Association [Navigating Technology and Jobs of the Future Summit](#), 2018, Canberra; and, Australian Government, [Review of the Australian Qualifications Framework Discussion Paper](#), December 2018, viewed 19 January 2019.

²⁰ Minerals Council of Australia, [Submission to the expert review of Australia's vocational education and training system](#), 25 January 2019, p. 1

5. FUTURE STRUCTURE

Future agreement

Given the breadth of the education landscape and the split allocation of roles and responsibilities across commonwealth state and territory governments, maintaining a formal overarching structure is an essential signal to learners, employers and providers of the importance of skills and workforce development.

Whatever mechanism is in place, it needs to support the ongoing stewardship of the commonwealth and ensure that states and territories are able to respond to their jurisdictional workforce development challenges, planning and needs.

Roles and responsibilities

The MCA supports clarity in the roles and responsibilities of commonwealth, state and territory governments in relation to skills and workforce development and would welcome inclusion of how the state and territory remit to allocate resources is linked to workforce development requirements and the NASWD.

Performance framework

As the recommendations from the various reviews are implemented and coalesce to deliver a more cohesive and connected tertiary education landscape, the performance framework needs to be broad enough to capture achievement across the whole landscape and flexible enough to evolve as the system matures.

Performance and funding measures and targets should be focused on the right skills at the right time with benchmarks for comparison, greater frequency of collections and explicit links to employment and workforce development outcomes.

Data

Meaningful and accessible data, information-sharing and reporting are an important component of achieving a transparent, robust and contemporary education and training landscape. The MCA supports:

- Streamlining data points and collections to minimise reporting lines, simplify links to performance measures and capture compliance
- Improving accessibility of data and increasing information-sharing opportunities to facilitate assessment of system and provider effectiveness as well as identifying and acknowledging best-practice linked to employment and workforce development outcomes
- Identifying opportunities for cohesion across vocational and higher education collections, for example expanding the remit of the National Centre for Vocational Education Research to consider and capture pathways to and from higher education
- Incentivising self-reporting of data - through a secure process - by learners and employers in relation to employment and workforce development outcomes directly linked to completions.

6. CONCLUSION

One of the nation's most pressing challenges is creating the education, training and workplace system that provides the skills, capability and flexibility to maintain and enhance Australia's international competitive advantage.²¹

Australia needs a skills formation system that ensures people are work ready for the jobs on offer, and that the education and training system not only develops the required skills efficiently and cost-effectively, but has a system of qualifications that are meaningful to employers when people seek work.²²

In this context, the MCA commends the alignment review and reform efforts across all aspects of the post-secondary education and training landscape and looks forward to contributing to system that delivers high quality education and training that helps all Australians, and meets the needs of students and employers.

²¹ Minerals Council of Australia, [Submission to the expert review of Australia's vocational education and training system](#), 25 January 2019, p. 1; and Minerals Council of Australia, [Submission to the review of the Australian qualifications framework](#) March 2019, p. 4.

²² Productivity Commission, [Shifting the Dial: 5 Year Productivity Review](#), Report No. 84, Canberra, 3 August 2017, p. 89.