

Review of the Skills and Workforce Development Agreement

Productivity Commission
GPO Box 1428
Canberra City ACT 2601

20 December 2019

Submitted via:

<https://www.pc.gov.au/inquiries/current/skills-workforce-agreement/make-submission#lodge>

Dear Sir/Madam,

Re: Response to issues paper

Thank you for the opportunity to provide feedback on your issues paper. The NSW Water Directorate is the peak industry body for 89 local government owned water utilities (LWU's) in regional NSW. Further information about us can be found at: <https://www.waterdirectorate.asn.au/AboutUs.aspx>.

The water industry in Australia is a niche sector, employing 28,000 employees¹, but provides an essential service to Australian communities in the delivery of quality drinking water and managing sewerage systems to protect public and environmental health. The National Water Package (NWP) is one of 57 packages developed within the *Australian Qualifications Framework*, which provides the structure for water industry operator qualifications.

Our opinion is that the delivery of the National Water Package through RTO's and third party trainers is experiencing market failure. This may be because the water industry is a niche sector in the VET landscape indicating a lack economy of scale. However the main issue appears to be the significant barriers new trainers and RTO's find to enter the water industry training market. Another barrier is the availability of up-to-date specialists in water industry technologies that are able to train in VET.

Regional Australian water utilities support fit-for-purpose training with a strong desire for VET training to be delivered on site, for example at water and sewage treatment plants, ensuring training is as 'hands-on' as possible. We find that purely classroom based VET training leads to less optimal outcomes for trainees. It should be acknowledged that on-site training is more expensive to deliver, particularly in regional Australia, but we feel it provides a superior outcome for training water industry operators.

Feedback from trainers and RTO's in the water industry indicates that the time and cost for trainers to comply with ASQA requirements makes their involvement commercially unviable.

If the water industry training market isn't competitive, government and industry subsidy will be required to sustain the water industry training sector. The NSW Water Directorate

¹ Water Industry Reference Committee *Skills Forecast 2019*, Available at: <https://www.australianindustrystandards.org.au/water-irc-skills-forecast-2019/>

strongly supports the continuation of Certificate II, III or IV trained water industry operators coming into employment. We don't wish to revert to non-certified training, which will detract from the goals of the *National Agreement for Skills and Workforce Development*.

We need expert assistance from training industry specialists and an explicit strategy to attract and maintain trainers in the water industry training market. We aspire to have Commonwealth and State governments collaborating to assist training markets such as the water industry where there is market failure. Government assistance is essential to ensure the training market in the water industry can be sustained and developed.

NSW Water Directorate continues to collaborate in this regard with water industry representatives via the Water Industry Reference Committee which has carriage of the National Water Training Package.

Thank you again for the opportunity to provide feedback. We look forward to participating in the development of the report to government as it progresses.

Yours sincerely,

Brendan Guiney
Executive Officer
Water Directorate