



17 July 2020

Mr. Jonathan Coppel
Commissioner
The Productivity Commission
GPO Box 1428
CANBERRA ACT 2601

Dear Mr Coppel

REVIEW OF THE NATIONAL AGREEMENT FOR SKILLS AND WORKFORCE DEVELOPMENT – INTERIM REPORT

The Minerals Council of Australia (MCA) is pleased to comment on the Productivity Commission's [interim report](#) on the review of the National Agreement for Skills and Workforce Development (NASWD).

Acknowledging the interim findings in relation to the overall performance and effectiveness of the NASWD, of interest are the interim recommendations, numerous options for system and operational (i.e., funding) reform, and requests for further comment/input/evidence to inform the final report.

Noting that there are areas that may warrant further development and exploration ahead of final release, the MCA commends the commonwealth, state and territory governments on the working [draft VET Reform Roadmap](#) structured around the pandemic crisis response, economic recovery, and long-term reforms. A shared understanding and direction across jurisdictions and under the stewardship of the commonwealth paves the way to achieving this.

As highlighted in the initial [MCA submission](#) this review, in conjunction with the broader reform agenda being implemented across all aspects of the post-secondary education and training landscape, are the catalyst for delivering a cohesive, contemporary and connected system needed to deliver high quality education and training that helps all Australians, and meets the needs of students and employers.

Principles based agreement

The MCA supports the proposed principles based agreement that positions and recognises student and employer choice as key market drivers. In implementing such an agreement, a number of factors need to be considered, including:

- Streamlining accountability, transparency in data and baseline expectations
- Addressing the need for jurisdictional autonomy balanced with national cohesion to ensure improved system navigation and therefore outcomes for learners and employers
- Improving information for students and employers about career opportunities and training providers
- Facilitating flexibility to deliver a broad suite of recognised training options that are responsive to the ever changing profile of skills needs across industries.

Reforms to funding

Expanding access to VET Student Loans by relaxing loan caps and course and qualification

restrictions, coupled with using student vouchers instead of subsidy payments is the ideal option for VET funding reform as it facilitates user choice and ensures the system is demand driven, while learners have meaningful outcomes.

Acknowledging the complexities of applying national funding in a jurisdictionally divergent context, establishing greater cohesion and understanding of the methods to measure costs and determine loading can only serve to improve the experience of the learners and employers navigating the system. The industry supports recommendations that simplify the experience for students and employers.

The VET Student Loan reform options presented are beneficial as they make the VET Student Loan similar in architecture and structure to the HECS HELP Loan. This is an optical improvement; the benefit of which should not be underestimated where learner and employer choice is positioned as the key driver.

Similarly an improved system that combines incentives to employers to train apprentices coupled with other mechanisms such as mentoring and pastoral care would reap benefits for both.

Skills shortages

The mining industry is at the forefront of industries undergoing large-scale skills shifts as a result of changing technologies and future global demands. Mining continues to be one of the largest areas of economic growth for Australia and as the post-COVID-19 era dawns, the skills and training needs of both the industry and the future minerals workforce needs will require a particular focus, including retraining and reskilling entrants from other industries affected by COVID-19. The Mining Skills Organisation Pilot (MSOP) is one such vehicle to accelerate this.

The MCA welcomes the establishment of the National Skills Commission (NSC), one of the key recommendations from the [Joyce Review](#) along with [Skills Organisations](#) and the [National Careers Institute](#). The NSC is a crucial part of the skills architecture; determining skills shortages and surpluses, assessing the nature of labour market recovery, analysing structural shifts and identifying current and emerging skills needs.

In a recent [publication](#), the NSC found that data and evidence is needed to shape our recovery, and our education and training system, so Australians are prepared for the modern workplace. The mining industry will work with the NSC to provide contemporary data and materials to help inform this work. Skills forecasting that is mapped through the broad suite of modelling mechanisms implemented by the NSC and confirmed through direct industry-intel provides strong evidence base for:

- Confirming skills shortages
- Responding to skills shortages through, for example course subsidies
- Measuring the success of such interventions.

Mining Skills Organisation Pilot

The capacity to be more responsive to industry requirements and implementing the pathways necessary to facilitate skills acquisition through a speed-to-market model is more important than ever. The MCA is proud to be leading the [Mining Skills Organisation Pilot](#) (MSOP), an industry led vehicle focused on achieving this.

As part of the Australian Government's [Delivering Skills for Today and Tomorrow](#), the MCA is leading MSOP on behalf of employers and in conjunction with broader industry. In doing so, it will provide advice to the Minister for Employment, Skills, Small and Family Business as well as work with key players in the national VET governance structures to advise on and obtain agreement to changes that improve the quality and the extent of training for the sector.

Through MSOP, the mining industry will have the flexibility to develop and test innovative forecasting methods, training offerings and options across the [skills pipeline](#) to achieve the responsive pathways

and skills acquisition required in the immediate and post COVID-19 employment landscape.

Measuring success

Meaningful and accessible data, information-sharing and reporting are important components of achieving a transparent, robust and contemporary education and training landscape. In addition to the previously noted support for streamlining, improving accessibility, increasing cohesion and incentivising self-reporting, the mining industry supports incorporating measures of:

- Total VET activity
- Contribution of VET to developing the foundation skills of Australians
- Skills obtained through the VET system when students do not complete a course
- Alignment of VET investment to employment outcomes synonymous with areas of skill shortages
- Students' longer term labour market outcomes.

Such measures would provide invaluable data to the development and composition of training offerings, as well as the employers in terms of the skills acquisition pathways available.

Lifelong learning

The MCA agrees that changes are needed as part of future VET policy to provide greater recognition of the value of non-formal learning.

Lifelong learning may be defined as the ongoing pursuit of both formal and informal learning opportunities to foster the continuous development and improvement of the knowledge and skills needed for employment and personal fulfilment.

The increased representation of higher education graduates accessing informal work related training to increase skills for their current occupation (highlighted in the interim report) demonstrates the importance of part qualifications like units of competence and skills sets. Their significance in this context is the facilitation of targeted skills top-up when industry, jobs and workforce needs change and speedy acquisition of new and updated skills is required.

Now more than ever, there is a broad acknowledgment that we will need to reengage with education throughout our lives, making the notion of lifelong learning a key element of any career pathway. Being able to build a portfolio of learning (funded by government) for a lifelong learning achievement is important.

Pathways

Providing appropriate, timely and affordable skills, training and development options and pathways for both existing and pipeline workforce and improving consistency of funding and access across VET and higher education is important.

The interim report articulates the lack of broader understanding about VET pathways and highlights the importance of clear, consistent and current information on processes, requirements and credit pathways. Additionally, there is a need to better position VET as a valid pathway to learning and skills acquisition.

The MCA recognises the role of the National Careers Institute in providing high quality careers information to support learner decision making.

Regions

Mining is a leading industry in the Australian economy. It is Australia's largest source of export revenue, a key employer in regional areas and a world leader in innovation.

The minerals industry considers education and training through the lens of broader regional

development and prosperity. This recognises the minerals industry's acknowledgment of its role and responsibility to contribute to the sustainable development of host communities and regions.

The minerals industry is proud to be an active partner of communities across regional Australia. Working in partnership with host communities and regions, the industry supports shared and sustainable benefits from minerals development.

This role includes supporting the development of skills and capabilities within its own workforce that are valuable in the broader economy as well as contributions to regional education and training outcomes as part of a company's social investment program.

The national agreement

As highlighted previously, the nation's most pressing challenge is creating the education, training and workplace system that provides the skills, capability and flexibility to maintain and enhance Australia's international competitive advantage.

The impacts of the COVID-19 pandemic enhance the urgency of achieving this and ensuring that the national agreement underpinning the system is clear, flexible and aligned with contemporary tertiary education policy and practice which is critical to the long-term success and sustainability of the system.

If you have any questions about this submission please contact me [here](#).

Yours sincerely

Dr Gavin Lind

General Manager – Safety, Workforce and Innovation