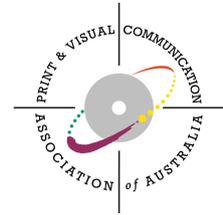




Print & Visual Communication Association

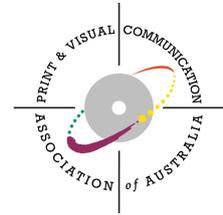
Submission for the Review of the
Australian Apprenticeships National Skills Needs List

2 October 2019



Contents

Introduction	2
Outline of Design Principles	3
Issues Identified	4
Methodology for Determining Skills Shortages	4
Design Principle One: A Single Coherent Approach	5
Design Principle Two: A Forward-Looking Methodology	5
Conclusion	5



Introduction

The *Print & Visual Communication Association (PVCA)* welcomes the opportunity to make a submission in response to the issues paper on the Review of the Australian Apprenticeships National Skills Needs List (NSNL). Our submission is not intended to provide detailed commentary on all of the discussion questions, but will cover issues most relevant to the PVCA members.

The PVCA represents businesses in the Print, Packaging, and Visual Communications sector. It is a Registered Organisation regulated under the Regulated Organisations Act and is the industrial association and peak body of industry.

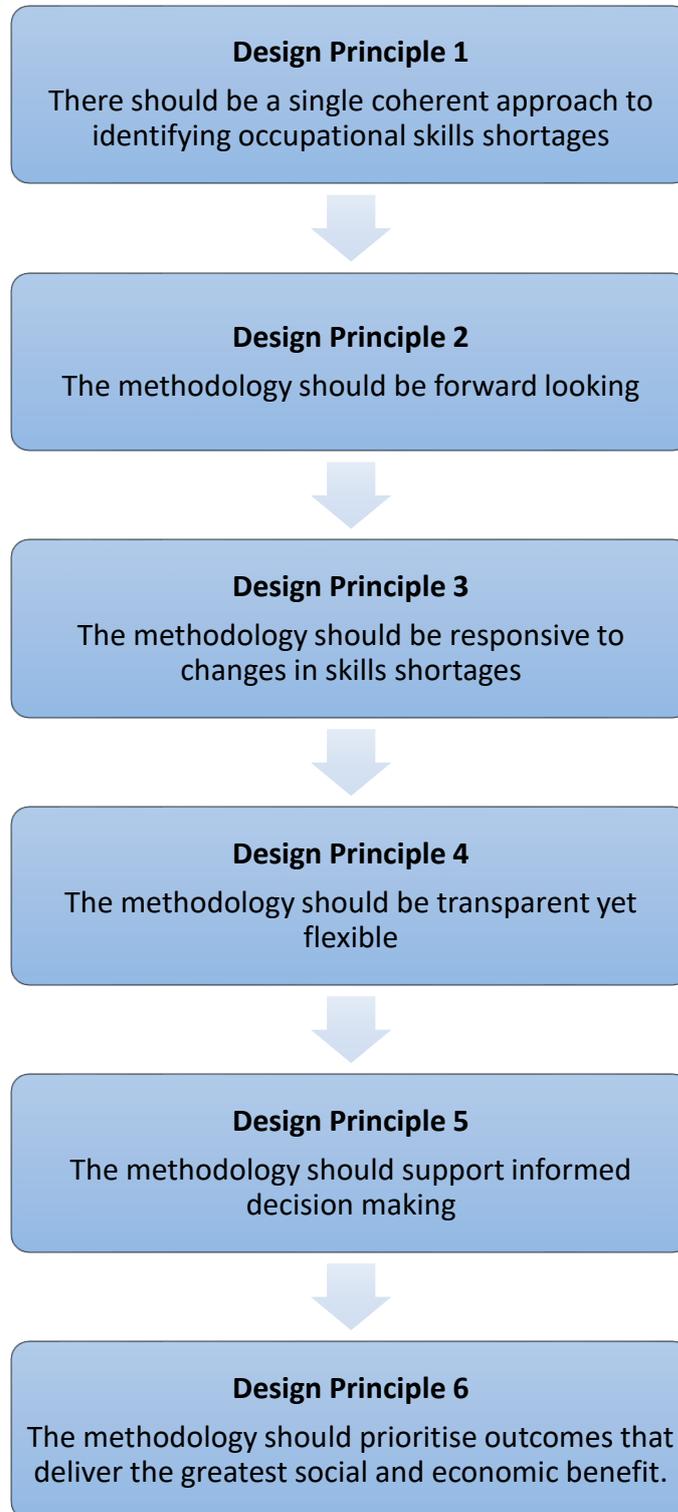
The members represented by the PVCA operate in rural centres as well as Australian capital cities, and range from SMEs to listed and international companies. Collectively they are the largest manufacturing employer in Australia, and fundamental to the promotion and delivery of commercial transactions across our economy.

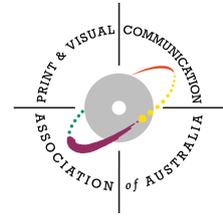
The PVCA believe that incentives play an important role in creating apprenticeships in our industry and have been calling for this review since the budget was handed down earlier this year. We welcome the Government's decision for a review of the faulty data methodology and look forward to seeing it corrected. This, coupled with continual industry consultation will assist in creating an incentive landscape that is most reflective of actual shortage issues, rather than just perceived issues.

A single coherent, forward-looking approach to skills shortage analysis is supported, and we believe that if this does not happen, it will have a detrimental effect on our industry with its ageing workforce.

Outline of Design Principles

The issue paper has outlined six proposed design principles that they are seeking comment on. These are:





Issues Identified

The PVCA strongly agree with the issues identified in the issues paper.

We have for a long time advocated that the data methodology for the NSNL was faulty and not fit for its purpose. It does not represent the current skills shortages and due to lack of industry consultation it continued to be less effective especially when it came to NSNL linked incentives.

There is an array of evidence to suggest the current methodology is faulty. Looking at the current top 10 occupations, which were then entitled to the AISS, it is clear to see there is a fault with the methodology.

Further, it would be important to note that the Department also has its own cautionary warning about the data methodology. In their document “*Skill Shortage Research Methodology*”, the Department says the following:

*“The methodology is cost effective and targeted and, although it is **not based on a statistically valid sample and does not enable the compilation of quantitative estimates of skill shortages**, the Australian Bureau of Statistics (ABS) found it was appropriate for its purpose.”*

*“Survey of Employers who have Recently Advertised (SERA) results are **not intended as a measure of the degree of shortage and are not statistically precise.**”*

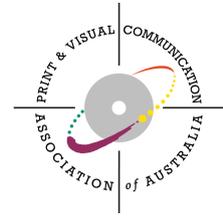
We find it very concerning that the Department places such a heavy reliance on a survey that, by the Department’s own admission, is not statistically valid or precise.

Representing the largest employer group of the manufacturing sector, we are concerned that such an emphasis is placed in faulty data and not enough emphasis on industry consultation. As the peak industry body for the print, packaging and visual communications sector, we believe more one-on-one consultation must be done with industry at large, and specifically industry associations.

Methodology for Determining Skills Shortages

The PVCA agree with the Department that the best way forward is to develop a consistent approach to determining how apprenticeship incentives are targeted to address skills shortages.

We are in agreeance, in principle, with design principles 1 through 6 as outlined in the Issue Paper, however believe design principle one and two are of most importance, and will be the focus of this submission.



Design Principle One: A Single Coherent Approach

The PVCA believe that there is a strong need for a single approach to the identification of occupational skills shortages, through the National Skills Needs List. Currently there is a number of methods to assess skills shortages and the Department has employed a combination of different methodologies to compile various skills shortages lists. The PVCA have advocated for a review of the data methodology and believe that this review of the NSNL is an opportunity to overhaul the methodology to ensure it is a robust one, with industry consultation, as well as an opportunity to consolidate these different methodologies and approaches to create one National Skills Needs List.

The PVCA recommends:

- A single robust evidence based methodology to determine skills shortages. This methodology for skills shortages should underpin all workplace skills, VET and migration decisions, as well as additional support through incentives. It should culminate into a single skills shortage list, eliminating discrepancies in results and methodologies across multiple lists that need to be reviewed periodically. This should be undertaken by the National Skills Commission.
- Extensive industry consultation to ensure the research results and skills shortage lists accurately reflect the prevailing labour market.

Design Principle Two: A Forward-Looking Methodology

The PVCA believes that a key premise in any skills shortage research is accurate forecasts and labour market classification, which has been lacking in the current methodology.

We support a forward-looking skills shortage methodology but caution that forecasts are not always precise. The Department of Employment, Skills, Small and Family Business produces employment projections by industry, occupation, skill level and region for the following five-year period. These employment projections are designed to provide a guide to the future direction of the labour market. However, like all such exercises, they are subject to an inherent degree of uncertainty.

This is where robust consultation with industry is so vital, as it ensures that the skills shortage result, and subsequent NSNL, is targeted and accurate.

Conclusion

Skill needs exist across the print, packaging and visual communication sector, and government must ensure that industry consultation underpins any data methodology. Skills shortage analysis is a valuable undertaking for a range of purposes, and is specifically relevant to apprenticeship incentives. A single approach to the analysis of skills shortages is strongly supported.