



# Submission

Australian Apprenticeships

**ISSUE:** Career Pathways in the Boating Industry

**SUBJECT:** Review of the Australian Apprenticeships National Skills Needs List

- The Federal Department of Employment, Skills, Small and Family Business has released the Review of the Australian Apprenticeships National Skills Needs List (NSNL) Issues Paper for comment.
  - Closing date for submissions: 27 September 2019
    - This was amended upon request to the week beginning 30 September 2019.
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## SUMBISSION

### Introduction

The Boating Industry Association is the peak industry body which represents the interests of recreational and light commercial boating industry businesses and is an advocate for boaters' interests.

Boating contributes to significant social, economic and environmental benefits.

The boating economy generates significant social benefits through employment, much of which is supported by family businesses. In 2018-19 the industry had a turnover of \$8.65 billion, directly employed more than 28,000 people with more than 14,500 contractors<sup>1</sup>. Seventy-five per cent are in small businesses, employing local workers and supporting local communities.

The boating industry has a strong manufacturing and service base, with more than 10,000 people employed in areas such as boat building, repair and marine mechanics. This sector is the lifeblood of the industry and counts among its members the largest boat manufacturer in the southern hemisphere and exporters of world-class motor yachts. In

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<sup>1</sup> <https://www.bia.org.au/documents/item/1184>



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line with other manufacturing sectors, the boating industry has a critical need for a skilled workforce, particularly in the shipwright and marine mechanic sectors.

Boating plays a significant role in tourism in Australia, through recreational and commercial activities ranging from hire boat operations in regional areas through to aquatic events that register on an international scale. In total, tourism contributes more than \$57 billion to the national economy with more than 640,000 tourism jobs<sup>2</sup> with the boating sector a significant contributor.

It is estimated the boating industry contributes to the tourism economy to the tune of \$10 billion in activity and employment of 40,000 people.

The Boating Industry Association 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).

The BIA also applauds the Federal Government commitment as mentioned in the Joyce Report (2019)<sup>3</sup> to the creation of a further 1.25 million new jobs over the next five years, as demonstrated by the Federal Government's \$90 billion investment for naval-ship building projects is expected to generate an additional 25,000 jobs in South Australia alone.

The vocational education sector is hugely important in the Australian workplace and it could be even more important in the future, and that includes the boating industry.

The system needs to be flexible and adaptive to change. The boating industry is experiencing the changing nature of work through technology and innovation, and that demands a vocational education system to support a productive workforce that is also flexible and adaptive to change.

### **Specific responses**

As to the List of Discussion Questions raised in the Review of the Australian Apprenticeships National Skills Needs List (NSNL), please find the following responses:

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<sup>2</sup> <https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/5249.0Main+Features12017-18?OpenDocument>

<sup>3</sup> Strengthening Skills Expert Review of Australia's Vocational Education and Training System  
The Honourable Steven Joyce (2019)

## **1. Do you agree with the identified issues with the NSNL as it currently operates?**

A single coherent approach to skills shortage analysis is supported as part of improving the understanding of labour market needs and to support decisions taken in policy areas.

## **2. What evidence or examples can you highlight in support of your position?**

The Joyce Report discusses the issues with the NSNL, the need for a review and fresh approach. This was particularly important to keep pace with technology and change, and to deliver a coherent and streamlined system in support of VET in Australia.

## **3. Are there other issues with the NSNL that should be considered?**

The NSNL review provides an opportunity for clarity regarding incentives and also to examine the relationship between skills shortages and apprenticeship incentives. No national skill shortage analysis is sufficiently sophisticated to determine the need that, an individual employer has at a particular point in time, in a particular location for a worker who they are willing to train to become skilled. Skill needs exist across all industries and are not confined to trades.

## **4. Are the design principles outlined in this section the right ones for a methodology to identify occupations in skills shortage and to allocate apprenticeship incentives?**

The boating industry, like most, is in a process of constant change particularly in the era of the 'internet of things', of innovation, of changing demographic trends eg., the Australian population increasing in age, wealth and available recreational time. The design principles need to be sufficiently flexible and adaptive to accommodate this evolution that is impacting upon supply and demand.

## **5. Are there other design principles that should be considered? If so, please describe them and outline the rationale for their inclusion?**

Evidence-based decision making is critical. Consideration should be given to the consolidation of labour market analysis and the determination of skills shortages on a single consistent basis across the Department. This work should be co-designed and benefit from consolidation of industry consultation and collection of industry evidence including submissions, forums, one to one meetings.

## **6. Which of the design principles would you rank as being of greatest importance?**

Extensive industry consultation through leveraging available industry insights and surveys to ensure the research results and skills shortage lists accurately reflect the prevailing and emerging labour market.

A single robust evidence-based methodology to determine skills shortages across the economy is important.

## **7. Do you agree that a single coherent approach should underpin the identification of occupational skills shortages? If not, what is/are the alternative/s?**

Yes. See #4,5 & 6.

## **8. What timeframe into the future should be used when identifying occupational skills shortages for the purpose of targeting skills shortage incentives? Why?**

Timelines need to be framed around the time required to promote, raise awareness of, fill, and realise the completion of appropriate courses. They should also be cognisant of industry's technological development, both of the product and design/manufacturing processes: a 5-year viewpoint would be appropriate for the boating industry to accommodate technology change.

## **9. What are the key limitations, if any, of a forward looking methodology? How can these be addressed or managed?**

Caution is required, because overly relying on projections, forecasts and modelling to identify skills shortages or needs in the economy is not without risk of errors. It is an important exercise that must be undertaken but cannot be relied upon to produce accurate data at all times. This unpredictability reinforces the fact that skills shortages

should not be the sole determinant of apprenticeship incentives. Skill needs, even skill shortages, can occur in any skilled occupation at any time in any location. A national analysis of skills shortages including those across the boating sector is important – but it has its limitations. Close and meaningful consultation with industry is vital to get beyond the immediate skills shortages, plus, particularly in way of the boating industry, a careful consideration of boating industry developments in the US and Europe, plus in the automotive sector generally, will provide guidance on what Australia should be looking to in way of improved skills areas.

**10. Are the core components of a possible forward looking methodology outlined above appropriate? If not, why and what are the alternatives?**

A forward-looking skills shortage methodology is supported but forecasts are not always accurate and caution must be applied.

All occupations are experiencing technological progress and the nature of work and job roles are constantly changing.

New digital technologies are changing the way people live and work. Emerging technologies such as the internet, artificial intelligence, automation and materials will affect the nature and type of jobs available and the skills and capabilities required to perform both new and existing jobs.

**11. Are there objective means of assessing skills shortages in small and emerging occupations for which there is no primary data?**

This work should be co-designed and benefit from consolidation of industry consultation and collection of industry evidence including submissions, forums, one to one meetings.

**12. Do you agree that the skills shortage methodology should be updated annually?**

Yes. There should be a contemporary and adaptable approach to the national skills priority list that captures new and emerging industries supporting Government priorities. Annual consultation with industry and the States and Territories would be advisable to review the list.

**13. Should the occupational skills shortage list be updated with the same frequency? If not, why not?**

Yes. There should be a consolidated and streamlined process to eliminate confusion and duplication – which can be barriers to participation.

**14. What is the right balance between transparency and flexibility? How might a formulaic approach to identifying skills shortages be made more flexible without compromising transparency?**

Transparency is important as is a more streamlined, coherent system. Also critical is the need to promote individual industries and careers since that is ultimately what prospective students or apprentices sign up for.

**15. Do you agree that eligibility for skills shortage incentives over the life of the apprenticeship should be determined at the commencement of the apprenticeship?**

Certainty is important as is the need to be adaptive to change through innovations and changes in the marketplace.

**16. Would volatility in the availability of skills shortage incentives impede their uptake? If so, what type of stabilising mechanism would help to address this issue?**

Yes. Best possible consultation, planning, preparation, budget, communications and delivery. There also needs to be more emphasis on a targeted approach regarding incentives, including in areas of significant skill shortage such as marine mechanics and shipwrights, or in the case of disadvantaged groups and adult apprentices.

**17. How far in advance of the effect date should changes in the skills shortage list be announced, given the need to balance business planning and distortions to commencement patterns?**



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No further comment.

18. What criteria should be used to target apprenticeship incentives to deliver the greatest economic and social benefit?

No further comment.

**19. What type of occupational analysis should be undertaken in support of the objective of addressing skills shortages in apprenticeship-based occupations?**

Develop and update national, state-level and regional skills demand forecasts in partnership with State, Territory and local governments. Also develop a set of Vocational Pathways, in partnership with States and Territories, linking secondary school subjects in the national curriculum and the senior secondary curriculum in each State and Territory to encourage young people to study in pathways to careers that interest them. This work should be co-designed and benefit from consolidation of industry consultation and collection of industry evidence including submissions, forums, one to one meetings.

## Conclusion

The BIA commend Federal Department of Employment, Skills, Small and Family Business for the opportunity to provide our input.

The BIA advocate for the boating industry in public debate and to policy decision-makers, including ministers, shadow ministers, other members of parliament, ministerial policy advisors, public servants, regulators and other national agencies. The broad interests of the boating industry are represented rather than individual clients or a narrow sectional interest.

The BIA is available to consult further on this subject. Please do not hesitate to contact Neil Patchett, General Manager Policy & Advocacy, on e. [neil@bia.org.au](mailto:neil@bia.org.au) or m. 0418 279 465 on this matter.

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