



**Submission to**  
**‘Skills for Victoria’ Independent Review**  
**(The Macklin Review)**

**In response to**  
**Skills for Victoria’s Growing Economy:**  
**Issues Paper, March 2020**

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## Executive Summary: Skills for Victoria's Growing Economy

1. The Shop, Distributive and Allied Employees' Association (SDA) has over 210,000 members. In Victoria, the SDA has members in retail, fast food, petrol stations, pharmacy, warehousing and distribution centres, hairdressing and beauty salons, and modelling and mannequins. The Victorian Branch is made up of approximately 50,000 members across these industries.<sup>1</sup> SDA members are low-paid workers<sup>2</sup>, with award rates of just over \$800 per week<sup>3</sup> with large numbers being part-time and casual<sup>4</sup>, and they are predominately women (60%) and young people (40% are under 26 years and 60% are under 35 years).<sup>5</sup>
2. Victoria has situated itself to be the centre of fashion and retail in Australia which employs more than 1.3 million people.<sup>6</sup> Australia's retail industry is worth A\$280 billion (sales per annum) with Victoria's retail market 25 per cent of the total market (A\$69 billion)<sup>7</sup>. When last reported, it employed over 360,000 Victorians.<sup>8</sup> Victoria is in a unique position to be supported by the buying power of this industry (especially through the growth of the digital economy) and to further pursue the economic diversity that kept Victoria in good stead leading up to the 2020 coronavirus crisis. However, completions of qualifications in retail of approximately 14,000 in 2009 are down to 1,200 in 2019.<sup>9</sup> That means that 10 years of failed reforms of vocational education and training (VET) policy have resulted in a 90% decrease in those gaining industry specific training. This is alarming for the future of an essential and transforming industry. Without resolving the need for increased completions, these industries are less likely to return to the growth they contributed prior to the current crisis.
3. SDA members experiences of skills and training systems vary widely. Some SDA members finished school early and others have completed compulsory studies. Others have trade and trade-style qualifications, such as hairdressers and beauty therapists as well as bakers and butchers in supermarkets. Others again study throughout their career, including those on a pathway to business, financial, human resource, and retail qualifications and senior roles in the country's leading retailers. There is also high turnover in these industries<sup>10</sup>, and many are seeking to work in them during study for a career elsewhere. However, for most in these industries, their engagement and investment in the future skills of their workforce is limited and revolves around on the job training and mandated workplace training such as workplace inductions, First Aid, and workplace health and safety.
4. The two biggest issues facing retail industries are dependence on a strong economy and the growth of digitization and automation. An improved training system will result in a skilled Australia able to respond.

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<sup>1</sup> Internal SDA Data.

<sup>2</sup> See [2017] FWFCW 1001 PN 80 and PN 1356.

<sup>3</sup> Average weekly earnings in the retail trade are \$1,200 per week (ABS, "6302.0 - Average Weekly Earnings, Australia, May 2019" accessed on 09/07/2019 at <https://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0>) but for Award reliant retail workers the full time adult rate is \$813.60 per week (\$42,307 per annum). Many award reliant retail workers earn less than this as they work part-time or casual hours (FWC, General Retail Industry Award 2010, MA000004).

<sup>4</sup> Employment Conditions and Outlook for Retail Trade;

<https://lmip.gov.au/default.aspx?LMIP/GainInsights/IndustryInformation/RetailTrade>; Accessed on 23/05/20.

<sup>5</sup> Internal SDA Data.

<sup>6</sup> ABS, Labour Force, Australia, detailed, quarterly, cat.no. 6291.055.003.

<sup>7</sup> Melbourne's retail sector; <http://www.invest.vic.gov.au/opportunities/retail>; Accessed on 23/05/20.

<sup>8</sup> Victoria's Retail Sector Growing; <https://www.premier.vic.gov.au/victorias-retail-sector-growing/>; Accessed on 23/05/20.

<sup>9</sup> Victorian Government Data.

<sup>10</sup> Employment Conditions and Outlook for Retail Trade; See note 4.

- 4.1. If Australia succeeds economically, the need for goods and services to be distributed is greater and retail trade strengthens. Workers in these industries are at the front line of an important economic indicator, retail sales, and need skilled workers contributing to Australia's economy.
  - 4.2. If Australia responds to the growth in digitization, automation and predictive analytics with investment in skills and other labour standards, workers in these areas including merchandising, sales and warehousing will have a better chance to get and keep good jobs. Unlike workers in higher paid industries, SDA members are rarely reimbursed for costs and time spent on study. Until there is a shift to qualifications being more common and value is placed on these industries, SDA members are at risk of displacement.
5. To improve the situation for these workers, the SDA recommends:
- 1: Investment in education for careers in the retail, ICT, health, and community services industries given their growth projections and capacity to provide work for women and under 26s who are displaced by COVID-19 and support transition by those impacted by digitisation in retail.
  - 2: Development of a Retail Industry Transition Plan to ensure the value to the Victorian economy of retail continues to grow despite COVID-19 and to share the benefits of digitisation with working people who will then contribute to the economy through their spending.
  - 3: Review of the SIR Package (Retail Services incl. Community Pharmacy) to ensure it is attractive and skills a person to understand the diverse needs of a changing industry and reflects their options and pathways.
  - 4: Review of the Certificate II in Retail Services to make it attractive and affordable at entry to the industry and provide incentives for retailers to provide paid study leave.
  - 5: Offering free and paid time access to contextualised infection control training for retail workers to reduce risk of localised outbreaks and consider how these fit with other workplace health and safety training within the training packages.
  - 6: Review of the Certificate III in Retail and Certificate IV in Retail Management for inclusion of contemporary approaches to training in physical and psycho-social health—including customer abuse and violence and sexual harassment.
  - 7: Review of the Certificate IV in Retail Management in the context of increased need for leadership skills in a complex and changing workplace, for example with heightened safety risks and increased digitisation.
  - 8: Funding of 'Online Retail Coordination' to support training that will help engage with customers and restore foot traffic in shops, shopping strips and shopping centres.
  - 9: Consideration of retail pathways, including the creation of an omnichannel retailing pathway to respond to the growth in digital.
  - 10: Review of the funding model to ensure the SIR Package (Retail Services incl. Community Pharmacy) are accessible and attractive to students.
  - 11: Acknowledgement of the role of industrial awards in education's role in social mobility and providing of links between training and industrial instruments.
  - 12: Offering of, especially for school-aged students, more flexibility for changing pathway and education remaining affordable, especially those impacted by the market failure of training policy.

- 13: Establishment of tripartite leadership of industry that highlights and promotes retailing as a positive and prestigious career of choice for students of all backgrounds.
  - 14: Agreement by governments, employers and unions to the structure and nomenclature of training and co-design the system through which micro-credentials would operate.
  - 15: Restoring of TAFE to be a pillar of the vocational education and training system to meet the demands of industry and develop all areas of Victoria.
  - 16: Establishment of industry boards made up of leaders of government and employer and employee representatives with genuine ability to respond to emerging needs.
  - 17: Updating of the National Agreement for Skills and Workforce Development to achieve equitable funding and pricing that responds to industry and regional need; quality education provision across industries and regions; and transferability of qualifications between higher education and the vocational education and training systems.
  - 18: A root and branch review of vocational education and training, that goes beyond the Victorian jurisdiction.
  - 19: Setting of social policy in a way that responds to the life-long learning needs, with a particular focus on of under 26s, the needs of displaced workers, and the needs of those working longer.
6. These recommendations and changes discussed in this submission aim to shift the training system from a complex system to a nimble response to the future of work. The SDA is not opposed to change, but we call for those changes be accompanied by a fair distribution of the benefits. The gains made by companies from digitalisation and other changes must be shared with workers through: decent wages and conditions; development of skills; improved gender equity; and ethical use of data (including appropriate standards for predictive marketing and protecting privacy). Change must be accompanied with social welfare protections.

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## SDA Submission: Skills for Victoria's Growing Economy

### Prescript

7. This submission is provided at a time when SDA members are experiencing a two-speed impact of the COVID-19 crisis. On the one hand SDA members in supermarkets, fast food, pharmacy, home office and hardware are working at higher intensity with few additional benefits and an increased risk to their health and safety. On the other hand, if they are in fashion and other stores in which discretionary spending has fallen significantly, their workplaces are at risk of folding. SDA members are at the front line of preventing localised outbreaks as the economy re-opens and their workplaces are undergoing change with an increase of online sales. The first segment seeks to meet the needs of the community and have won many safe work practices setting a standard for industry safety in the COVID-19 context. They are also now recognised as essential with increasing wins of essential services payments. Appropriate training settings must follow their lead. The second are grappling with a complex policy matrix of JobSeeker, JobKeeper and re-training options. Like other industries, changes that were afoot have sped up – such as the role of digital technologies - and while the situation continues to change, there is an emerging career path that links to digital in retail. Finally, education and training is acknowledged as a key part of the economic recovery process and will be vital for many SDA members' economic prosperity in the months and years to come.

### Shop, Distributive and Allied Employees' Association

8. The Shop, Distributive and Allied Employees' Association (SDA) has over 210,000 members. In Victoria, the SDA has members in retail, fast food, petrol stations, pharmacy warehousing and distribution centres, hairdressing and beauty salons, and modelling and mannequins. The Victorian Branch is made up of approximately 50,000 members across these industries.<sup>11</sup> SDA members are low paid workers<sup>12</sup>, with award rates of just over \$800 per week<sup>13</sup> with large numbers being part-time and casual<sup>14</sup>, and they are predominately women (60%) and young people (40% are under 26 years and 60% are under 35 years).<sup>15</sup>
9. For SDA members, if Australia does not succeed economically, the need for goods and services to be distributed is less and retail trade will decline. As outlined above, workers in the retail trade are at the front line of an important economic indicator, retail sales, and thus need economic success for Australia as a whole. But the impact of COVID-19 has been a tale of three economies – those completely shut for long or shorter periods like the airline and hospitality industries, those with mixed impact like the retail trade where parts have been overwhelmed by growth like food but some have been shut like fashion; and those for which the horizon is bleak like higher education and commercial property construction. There is much change afoot, and the industries in which members of the SDA work are

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<sup>11</sup> Internal SDA Data.

<sup>12</sup> See [2017] FWFCW 1001 PN 80 and PN 1356.

<sup>13</sup> Average weekly earnings in the retail trade are \$1,200 per week (ABS, "6302.0 - Average Weekly Earnings, Australia, May 2019" accessed on 09/07/2019 at <https://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0>) but for Award reliant retail workers the full time adult rate is \$813.60 per week (\$42,307 per annum). Many award reliant retail workers earn less than this as they work part-time or casual hours (FWC, General Retail Industry Award 2010, MA000004).

<sup>14</sup> Employment Conditions and Outlook for Retail Trade;

<https://lmip.gov.au/default.aspx?LMIP/GainInsights/IndustryInformation/RetailTrade>; Accessed on 23/05/20.

<sup>15</sup> Internal SDA Data.

facing significant challenges. Some of the public commentary has reminded us that post WWII, the debt left was reduced through economic growth rather than austerity and this supported Australia's prosperity. Economic success is about jobs and a key way to stimulate economic growth is improvement of skills.

10. Skills policy is relevant to SDA members in several ways. Firstly, they are students and they are not just students at large universities on their way to another career. In 2014, an SDA survey showed that more than 25% were studying in some capacity and had undertaken or were undertaking a qualification in service industries. At that time, they were most commonly studying a Certificate II in Retail Services or Certificate III in Retail Operations.<sup>16</sup> Secondly, because if skills are needed, workers should be trained in those skills, and they should be remunerated and progressed in their work life commensurately. That will only occur through the relevant enterprise agreements and awards.
11. Finally, skills policy is also critical to all those in the retail trade and other industries because these parts of the economy are in a period of sustained change, which has been accelerated by the COVID-19 economic crisis. There is an increased focus on customer experience, greater use of digital technologies shifting retail models, and increased automation in warehousing. For many years, this has meant increased casualisation, changing hours of work and disruption of workers. More recently, these industries have seen significant underemployment (workers seeking more hours), displacement (replacement of workers with technology), role transformation (technology augmenting a role) and dysfunctional workplaces (unreasonable workloads, bullying and harassment, sexual harassment and customer abuse and violence). Effective training and development of the workforce, including supervisory and management staff, is required to meet the rising challenges in workplaces.

## Skills for Victoria's Growing Economy

12. The paper 'Skills for Victoria's Growing Economy Issues Paper March 2020' encourages industry and unions to share with the Independent Review Panel, chaired by Jenny Macklin, how post-secondary education and training connects to the world of work. This submission aims to describe how the issues raised by the panel impacts working people and the businesses they work for, as well as making recommendations for how education and training can improve.
13. While the Review is Victorian, this submission also aims to contribute in the national context. At his national press club address on 26 May 2020 designed to shift the public commentary debate towards recovery in the context of COVID-19, the Prime Minister described a desire for "An educated and highly-skilled workforce that supports not just a thriving and innovative services sector, but a modern, competitive and advanced manufacturing sector." Given that most Vocational Education and Training funding is state based, the need for engagement at jurisdictional level is not underestimated by the SDA.
14. The success of Victoria's economy to date is attributable to its diversity—from manufacturing and infrastructure to health and research and development—and attributable to its education industry and the development of skills to meet contemporary demand. Victoria's rapidly growing services sector is only possible due to the contribution of people working in retail, fast food, petrol stations, warehousing and distribution centres, hairdressing and beauty salons and modelling. Their social mobility is understood to be tied to their education, but that transition is underpinned by an industrial system including awards that provide the regulatory base from which economic progress occurs.

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<sup>16</sup> SDA Member Education and Training Survey 2014

15. The last 10 years has seen a lack of strategic level engagement with the role vocational education and training plays in the economy, and the reform that has occurred has suffered as a result. Despite processes that included Skilling Australia's Workforce (Fed 2005), Skills for Victoria (2008); the National Agreement Skills and Workforce Development (Fed 2009); the MacKenzie Review (Vic 2015), the establishment and review of ASQA (Fed 2011/2018); Skills First (Vic 2017) and the Expert Review of Australia's Vocational Education and Training System (Fed 2019), there remains significant challenges causing what the review paper describes as 'a VET system that is not meeting the needs of the economy, students, government or the community'.
16. Despite a risk of 'reform fatigue', there is no doubt that change is needed. Over the last 10 years, Victoria has seen a 90% decrease of those completing industry specific training from the Retail Services Training Package. Completions of qualifications in retail of approximately 14,000 in 2009 are down to 1,200 in 2019.<sup>17</sup> In NSW, in 2019 there were 1,300 completions of the certificate III in retail, the enrolments in which have been stable for the last five years after a steep fall in the years prior. NSW also has an issue with enrolments in retail, but Victoria's trend is even more worrying. There were about 830, down from 1200 five years ago.<sup>18</sup> The trend is alarming for the future of an essential and transforming industry. Without resolving this, these industries are less likely to return to the growth they contributed prior to the current crisis.

## Retail industry in Victoria

17. Victoria has situated itself to be the centre of fashion and retail in Australia which employs more than 1.3 million people.<sup>19</sup> Australia's retail industry is worth A\$280 billion (sales per annum) with Victoria's retail market 25 per cent of the total market (A\$69 billion)<sup>20</sup>. When last reported, it employed over 360,000 Victorians.<sup>21</sup> Retail is also a major employer of Victorians under 26. It has one of the youngest age profiles, with almost three-quarters of workers aged under 45 years and more than a third aged 24 years or younger.<sup>22</sup> Victoria is in a unique position to be supported by the buying power of this industry (especially through the growth of the digital economy) and to further pursue the economic diversity that kept Victoria in good stead leading up to the 2020 Coronavirus crisis.
18. Victoria is in a unique position to be supported by this industry with major retailers choosing Melbourne for their headquarters and Victoria being home to several prestigious training opportunities in retail (including the RMIT specialist courses in visual merchandising, Deakin University's business school offering qualification in retail management, and TAFEs and training colleges including that of the Australian Retailers Association).
19. In Victoria, the top three occupations needing more training in 2020 are carers for the aged and disabled, sales assistants and child carers (workers and managers). In sales, an additional 14,600 - 19,000 commencements are needed.<sup>23</sup> Yet, as outlined above, failed reforms have seen commencements down 90% over 10 years.

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<sup>17</sup> VIC Government Data.

<sup>18</sup> NSW Government Data: <https://public.tableau.com/profile/business.reporting#!/>

<sup>19</sup> ABS, Labour Force, Australia, detailed, quarterly, cat.no. 6291.055.003.

<sup>20</sup> Melbourne's retail sector; <http://www.invest.vic.gov.au/opportunities/retail>; Accessed on 23/05/20.

<sup>21</sup> Victoria's Retail Sector Growing; <https://www.premier.vic.gov.au/victorias-retail-sector-growing/>; Accessed on 23/05/20.

<sup>22</sup> Australian Workforce and Productivity Agency, Retail Workforce Study, March 2014.

<sup>23</sup> p.19 in Skills for Victoria's Growing Economy (<https://engage.vic.gov.au/skillsforvictoria>), quoting Victorian Government, 2020 Jobs and Training Needs Reports, Victorian Totals (<https://www.education.vic.gov.au/training/providers/market/Pages/jobs-training-needs.aspx>).



20. This is also concerning for regional Victoria, where retail is the major employer. While needs vary – for example, in some large regional towns, supply chain skills are increasingly needed while in other more coastal regions the focus is on sales – there is a shared need for employment. Differences in economic conditions between capital cities and regional areas have widened since the early 2000s<sup>24</sup>. For example, the national underutilisation was 13.8 per cent in October but underutilisation was as high as 16.1 per cent in south-east Melbourne.<sup>25</sup> Headline figures about the contribution of retail sometimes hide the story of regional areas. As a pre-COVID reference point, statistics in May 2019 showed employment in retail had increased in capital city areas, but it decreased in regional areas by 4.2%. These trends need to be better understood to ensure that regional economies are revitalised and resilient.
21. Just as is outlined above for Australia, if Victoria succeeds economically the need for goods and services strengthens and increases retail sales. But not only does retail contribute to a strong and diverse economy, it is dependent upon it. Many indicators speak to the health of the economy, but for these sectors one of the most relevant is employment (unemployment, underemployment) which indicates whether people can afford the consumer goods and services sold. The Coronavirus economic crisis presents a significant challenge for services industries. According to the ABS, Australia's unemployment rate rose from 5.2 per cent in March 2020 to 6.2 per cent in April (seasonally adjusted) as the number of unemployed rose by more than 100,000.

## Rise of Digitisation

22. Victoria also sees itself as a centre for digital technologies, being home to more than half of Australia's top 20 technology companies and several dynamic research laboratories that support the biomedical and financial services industries that also call Melbourne home. With the growth in digitisation of merchandising and warehousing and the power of AI and ML, including through predictive analytics, Retail is a potential major purchaser of these skills from Victoria.
23. The OECD predicts that 14 per cent of jobs may be 'completely automated' and thirty-two per cent will 'change significantly'. It also warns that many adults do not have the right skills for the jobs of the future – 6 out of 10 lack basic information technology skills or have no computer experience. This despite the number of 'highly-skilled jobs increasing by 25 per cent over the last two decades.'<sup>26</sup>
24. However, for Australia, CSIRO describes its uncertain future in responding to this change due to the dependence on natural resource exports. Australia is vulnerable to commodity price shocks as well as technology disruption. Its ability to attract and retain innovative entrepreneurs leaves Australia behind world-leading countries like the United States in creating new businesses.<sup>27</sup>
25. For retail, there has long been digital trends. From the creation of the cash register in the late 1800s, through the creation of credit and through to electronic payment they have often been driven by desire for profitability and efficient running of businesses. Yet, there has remained work and growth of it in commerce of this kind. Present trends include a focus on the customer experience, global trade and supply chain pressures; automation of warehousing and distribution and applying predictive analytics to supply and demand of product rather than advertising.

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<sup>24</sup> <https://www.rba.gov.au/publications/bulletin/2020/mar/regional-variation-in-economic-conditions.html>

<sup>25</sup> <https://www.smh.com.au/politics/federal/workers-wasted-in-national-trouble-spots-for-low-wage-growth-20191213-p53jr8.html>

<sup>26</sup> <http://www.oecd.org/employment/outlook/>

<sup>27</sup> <https://www.csiro.au/en/Showcase/ANO>

26. Most recently, the rise of digital has manifest in the rise of omnichannel retailing. This is to say that Australian retail remains and will continue to remain connected to bricks and mortar with a changing mix of online, click and collect and other innovations. Prior to the COVID-19 crisis, the Australian Retail Outlook 2020 noted that only 43% of retailers have online options. While this will have changed it is too early to tell what the impact of the crisis will be. The NAB Online Retail Index shows a previous peak of 30% in 2011, and the view of retail peaks and analysts is that retail remains as high as 60% through stores in the height of the crisis. They do this based on consideration of such indicators as parcel processing for Australia Post (being up by 17.2%), and surveys of retailers through the Australian Bureau of Statistics. One such analyst describes:

26.1. *The global omnichannel retail commerce platform market is expected to grow \$11.1 billion by 2023 – and there’s a reason – the numbers speak for themselves. Nielsen has found that 60 per cent of consumers had researched online before making a purchase, IDC showed that customers who purchase both online and offline have a 30 per cent higher lifetime value than those using only one channel, and McKinsey & Company’s Apparel Omnichannel Survey released in August shows the average omnichannel customer purchases 70 per cent more than an offline-only shopper.*<sup>28</sup>

27. If Australia responds to the growth in digitization, automation and predictive analytics with investment in skills and other labour standards, workers in these areas including merchandising, sales and warehousing will have a better chance to get and keep good jobs. Unlike workers in higher paid industries, SDA members are rarely provided for costs and time spent on study. Until there is a shift to high levels of qualification and value is placed on these industries, SDA members are at risk of displacement.

## The impact of COVID-19

28. In addition to the quickening trend towards digital outlined above, COVID-19 has impacted:

28.1. Women:

According to Chief Executive Women, women have lost 55% of the jobs<sup>29</sup>; WGEA outlines that women’s hours reduced more than men (participation rate decrease of 2.9 percentage points compared to 1.9 percentage points)<sup>30</sup>; the ABS survey showed women were almost three times as likely as men to look after children full-time on their own due to the effects of COVID-19<sup>31</sup>; and the industries most impacted by the risk and job losses of COVID-19 (health; cleaning; hospitality and retail) are women-dominated industries<sup>32</sup>.

28.2. Under 26s:

As outlined by the University of Melbourne, under 25 year olds were already experiencing high levels of unemployment and under-employment before the spread of COVID-19 and are likely to be disproportionately impacted by pandemic-induced job losses because of the industries they often work in, like hospitality and retail. The Grattan Institute estimates that 15 to 19-year-olds are the most likely to lose their job due to shutdowns of non-essential

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<sup>28</sup> <https://www.mi-3.com.au/09-12-2019/future-retail-omnichannel-and-australia-has-some-catching-do>

<sup>29</sup> <https://www.smh.com.au/national/women-executives-demand-three-month-extension-of-free-childcare-20200529-p54xt.html>

<sup>30</sup> <https://www.wgea.gov.au/topics/gendered-impact-of-covid-19>

<sup>31</sup> <https://www.abs.gov.au/ausstats/abs@.nsf/mf/4940.0>

<sup>32</sup> <https://lens.monash.edu/@politics-society/2020/05/04/1380215/counting-the-covid-19-social-cost-how-people-are-faring-in-the-pandemic>

services and physical distancing measures. Those aged 20-29 are next most affected. Research using ABS data shows that three of the six industries that have reduced staff hours most due to COVID-19 are hospitality, retail and arts, and recreation. These areas employ 45 per cent of young people, compared to 27 per cent of other age groups.<sup>33</sup>

Young people also believe they lack the technical skills needed to gain full-time work. The Foundation for Young Australians 2019 paper 'New Work Reality' indicates that half of young people believe they lack the technical skills needed to gain full-time work, one in four believe they lack the necessary interview and job application skills to be able to attain full-time work, and they believe they lack the necessary interview skills (26%) and job application skills (25%) to be able to attain full-time work.<sup>34</sup>

29. As workers under 26 and women are vastly over-represented in the sectors hardest hit by current measures, investment for recovery including in education and training should focus on jobs in areas of growth that are suited to these groups such as health, aged care, childcare, education, housing, retail and tourism. There are also significant opportunities for women in the future of digital workforces.
30. While the education sector carries the impact of the international travel bans and need to implement social distancing on campuses, there is an opportunity for them to be supported to pivot to areas of growth in demand such as health services, community services, retail services as well as ICT and other areas of major national focus (climate, supply chain) for the future.
31. It is now six years since the Australian Workforce and Productivity Agency published its Retail workforce study in March 2014.<sup>35</sup> The recommendations at that time remain pertinent. It proposed communicating the value of the industry including its career path in the context of predominance of small to medium enterprise, offering clarity about the nature of entry level qualification, and resolving trends of national and funding inconsistencies. The next step after such a report, the impact of COVID-19 and with further digitisation on the horizon is to develop a plan to resolve the issues identified.

Recommendation 1: Investment in education for careers in the retail, ICT, health, and community services industries given their growth projections and capacity to provide work for women and under 26s who are displaced by COVID-19 and support transition by those impacted by digitisation in retail.

Recommendation 2: Development of a Retail Industry Transition Plan to ensure the value to the Victorian economy of retail continues to grow despite COVID-19 and to share the benefits of digitisation with working people who will then contribute to the economy through their spending.

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<sup>33</sup> <https://pursuit.unimelb.edu.au/articles/the-young-australians-hit-hard-during-covid-19>

<sup>34</sup> <https://www.fya.org.au/report/the-new-work-reality/>

<sup>35</sup> <https://www.voced.edu.au/content/ngv%3A61160>

## Training needs of retail industries

### Experience of and desire for training

32. Retail workers experiences of skills and training systems vary widely. Some SDA members finished school early and others have completed compulsory studies. Others have trade and trade-style qualifications, such as hairdressers and beauty therapists as well as bakers and butchers in supermarkets. Others again study throughout their career, including those on a pathway to business, financial, human resource, and retail qualifications and senior roles in the country's leading retailers. There is also high turnover in these industries<sup>36</sup>, and many are seeking to work in them during study for a career elsewhere. Retail also offers a life-long career for many. However, for most in these industries, their engagement and investment in the future skills of their workforce is limited and revolves around on the job training and mandated workplace training such as workplace inductions, First Aid, workplace health and safety, and traineeships.
33. Many documents and materials that relate to retail provide a narrative of a workplace without skills—one in which those who have no skills can work. For example, it is oft cited that 50% of retail workers do not require post-secondary education.<sup>37</sup> While this may be part of the present state, as outlined, in 2014 more than ¼ were studying in some capacity and had undertaken or were undertaking a qualification in service industries. Ideally those who are working without a post-secondary education can progress into other roles if they wish to. While in 2014 there were ¼ studying, instead of that increasing, it had decreased. SDA members also experience a lack of support for training in to set them up for the future. 71% of SDA members said their employer did not provide training for jobs other than the role they are in, yet 48% said they are considering a career elsewhere.<sup>38</sup>
34. Training can help resolve SDA members concerns. For example, a 2017 survey showed that 85% of retail workers were subjected to verbal abuse from a customer in the last 12 months. And, in Dec 2019, a report from a partnership between iCare, the SDA and Griffith University showed a reduction in incidents of customer abuse and violence by 47.7% because (along with zero tolerance policy and clear signage) staff and supervisors were trained.
35. Workers welcome programs that support their skills development. The SDA NSW Branch is a partner with the Sydney campus of the University of Newcastle. Through this partnership, retail workers have enrolled in training that is not within the funded qualifications framework. There is high demand in this program for leadership training. The SDA NSW Branch also surveyed members. 1 in 3 respondents were considering further study, 20% are seeking leadership and management skills, and over 45% of respondents are seeking skills that would be helpful for a career in retail (Management, Leadership, HR, Business, Finance or IT skills). However, nearly 20% of them were not yet sure what they'd like to study. It is incumbent upon governments and employers to set the scene that encourages these workers to engage in training that will meet the future needs of work.

### Industry Training Needs

36. The knowledge and skills of workers available is a key determinant for the success of all industries, but as retail industries are particularly reliant on the intellectual and emotional intelligence of their

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<sup>36</sup> Employment Conditions and Outlook for Retail Trade; See note 4.

<sup>37</sup> Employment Conditions and Outlook for Retail Trade; See note 4.

<sup>38</sup> SDA Member Education and Training Survey 2014

workers. Their education is a key to success. Yet currently retail has a high proportion of companies without a qualified workforce to support the change being experienced. With commentators citing that only 50% of those employed requiring post-secondary qualification, compared to 84% across all industries, a shift of mindset is needed. For retail to be resilient through change, greater numbers of people holding qualifications is needed.

### *General Retail Needs*

37. In general, retail requires professionals who have sector-specific skills in occupational health and safety (including physical and psychosocial safety), have business acumen (including tracking sales, budgets and financials and managing stock and logistics), leadership (including employee relations), sales, and customer service, experience and engagement (meeting and exceeding expectations). With increasing digitisation, more skilled personnel are needed for merchandise management and analytics to support retail's continuous development in a modern economy.
38. The SDA participates in Industry Reference Committee for the retail, community pharmacy, hair, beauty, floristry, and funeral services training packages. At one end of the scale is hairdressing and barbering, which is a well formed and self-regulating industry in terms of qualifications given the trade history. In beauty, there is increased risk given the increasing medicalisation of the industry and a need to regulate the profession. Whereas for retail there is a need to increase the proportion of qualified staff to improve the value placed upon it as a career path and the quality of team leaders and middle managers. While these training packages are comparatively well-structured and coherent, there is room for a shift in perspective in the retail training package. For example:
  - 38.1. The Certificate II in Retail Services should be an entry level qualification and should be desirable for those who see themselves as working in the industry for years to come to complete at or soon after entry.
  - 38.2. The Certificate III in Retail Services should be the equivalent of a trade certificate, giving a person operable competence in the key areas of workplace safety, business, leadership, and customer experience (from sales, to service and engagement), especially in an industry dominated by two polar ends of commerce: small to medium enterprises (which comprise 70% of the industry<sup>39</sup> and require people with skills) and large employers for which the career path is being a senior manager in a multinational.
  - 38.3. Likewise, the Certificate IV in Retail Management should set a person up to either run a business or a whole store – not one or other of these.
  - 38.4. And other qualifications should provide for the specialist skills required by a large retailer—for example visual merchandising, merchandise management, and increasingly omnichannel retailing.

Yet the qualifications are largely driven by the needs of large employers, not diverse retail contexts. For example, the Certificate III neither requires a student to learn about a profit and loss, a balance sheet and a cashflow statement which is core to the operation of a business big or small nor does it reflect the contemporary research about psycho-social violence in retail. Given that publicly funded courses should have public objectives, a broader approach to that qualification and others in this package would support upskilling and acknowledgement of the sector.

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<sup>39</sup> Based on assumptions drawn from ABS, Neilson and other sources.

Recommendation 3: Review of the SIR Package (Retail Services incl. Community Pharmacy) to ensure it is attractive and skills a person to understand the diverse needs of a changing industry and reflects their options and pathways.

Recommendation 4: Review of the Certificate II in Retail Services to make it attractive and affordable at entry to the industry and provide incentives for retailers to provide paid study leave.

### *Needs in the context of COVID-19*

39. In the context of COVID-19, some immediate needs have been highlighted—infection control; customer abuse and violence; leadership and engagement:

39.1. Infection control:

During the first phase of the pandemic, where the process was to contain the spread, there was a stark increase in risk given retail has been one of the few areas where people gather and with fear in the community and supply chain pressures poor behaviours were growing and becoming more dangerous. It was during that stage that, the SDA prepared a 10-point safety plan which retailers have increasingly adopted.

As restrictions ease during the second phase of the pandemic, there is heightened risk of outbreaks and localised shutdowns. The Australian Industry and Skills Committee has responded to calls for increased skills in retail, food and beverage and transport and logistics sectors in infection control by approving skill sets and providing contextualised advice. If completed, the student has completed the unit of competency 'HLTINFCOV001 Comply with infection prevention and control policies and procedures.

It is now necessary to ensure that frontline staff, team leaders and local managers are trained in infection control. While an online course is available for those in Victoria wishing to be skilled for infection control in the context of seeking work as a cleaner, there is a need for contextualised training, especially as Victoria has had several local clusters.

If easing the restrictions is successful, there will continue to be a need for these skills well into the future even if a treatment and vaccine are found. To release restrictions, retail needs to be safe and cleaning will need to continue, and customer abuse and violence is increasing the risk. If people are not adequately cleaning, we will have more localised breakouts. That is why the NSW and NT governments extended the on the spot fines for spitting and coughing on workers to those in the retail industry.

In the medium term, consideration of the workplace health and safety units and their funding will be necessary to check for coherence duplication and effectiveness.

Recommendation 5: Offering free and paid time access to contextualised infection control training for retail workers to reduce risk of localised outbreaks and consider how these fit with other workplace health and safety training within the training packages.

### 39.2. Customer abuse and violence and sexual harassment:

There is now a growing body of evidence about psychosocial harms and the need for training in response to them. As outlined above, a survey found that 85% of retail workers experienced abuse in the preceding 12 months.<sup>40</sup> In addition, an ACTU survey found that 46% of retail respondents had been exposed to traumatic events, distressing situations or distressed or aggressive clients/customers.<sup>41</sup> In its “Respect & Resilience” report, iCare revealed that over 88 per cent of staff at retail and fast food outlets reported up to five incidents of abuse per week. From incivility to verbal abuse, all the way through to physical aggression and violence, the results were wide-ranging and damaging. The Menzies Health Institute of Queensland at Griffith University found that widespread customer abuse can affect a worker’s physical, psychological and social health, which can be life threatening.<sup>42</sup>

The Australian Human Rights Commission (AHRC) Respect@Work report reveals that there is a greater risk of workplace sexual harassment in roles that involve a high level of contact with third parties, including customers, clients or patients (for example, the retail and hospitality sectors, and the health care and social assistance industry).<sup>43</sup>

A 2019 member survey by the (AHRC), in which more than 3400 SDA members participated, showed that 39% of SDA members had been sexually harassed at work. It also revealed the role of customers in workplace sexual harassment, both as harassers and bystanders, and that only 13% of SDA members had made a formal complaint or report about their most recent incident of workplace sexual harassment.<sup>44</sup>

These pre-existing trends have sped up since the outbreak of COVID-19, including to the level at which it was necessary for jurisdictions to extend the fines for spitting or coughing on health workers to retail workers.

Recommendation 6: Review of the Certificate III in Retail and Certificate IV in Retail Management for inclusion of contemporary approaches to training in physical and psycho-social health—including customer abuse and violence and sexual harassment.

### 39.3. Leadership:

From relatively junior levels of retail to the most senior of staff, there is a need to increase and turn around leadership skills.

The industry has a high proportion of casual and part-time staff needing rostering and direction, and retailers often employ people aged 15 to 26 for whom it is their first job. Clear direction and understanding of the skill and will of the employees is necessary.

In addition, these workers are at a greater risk of sexual harassment. For example, 51% of female retail workers aged 15 to 17 have experienced sexual harassment. 38% of all sexual

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<sup>40</sup> SDA Survey 2018

<sup>41</sup> ACTU Workplace Health and Safety Survey 2019

<sup>42</sup> <https://humanrights.gov.au/everyones-business-sexual-harassment-sda-members>

<sup>43</sup> <https://www.icare.nsw.gov.au/about-us/publications/>

<sup>44</sup> <https://humanrights.gov.au/our-work/sex-discrimination/publications/respectwork-sexual-harassment-national-inquiry-report-2020>

harassment experienced by retail workers was by a more senior colleague, a manager or the head of the workplace.<sup>45</sup>

Good leaders also support employees to feel recognised for their work and skills. However, a 2019 ACTU survey showed that 50% of SDA members lacked recognition or reward for their work, and that was defined to include lack of opportunity for skills or career development or promotion or that their skills and experience were underutilised.<sup>46</sup>

The iCare project looking at customer abuse and violence also recognised the value of training for supervisory staff. It was notable that a person receiving a debriefing from a front-line worker following aggression (the highest level of abuse in the study) requires leadership skills.

COVID-19 has exacerbated these needs and required already underprepared managers to change processes from implementation of social distancing and infection control to communication of widespread stand downs. Retail leaders now also need to progress reopening including teaching new ways of working and inducting new team members.

[Recommendation 7: Review of the Certificate IV in Retail Management in the context of increased need for leadership skills in a complex and changing workplace, for example with heightened safety risks and increased digitisation.](#)

#### 39.4. Engagement:

The shutdowns caused by COVID-19 have created an immediate need—as retail transitions to the stage of slow reopening—to recover foot traffic in shops, shopping strips and shopping centres.

The first need is for the environment to be safe, bringing worker and customer confidence of safety. The SDA developed a 10 Point safety plan and has worked with the retailers and shopping centres to transition back to reopening. Secondly, there is a need, for example using social media, to encourage buyers back to the shops. Some of the smaller retailers such as fashion and gift stores need their staff to help them reconnect with customers. This may help prevent workers not returning to work. Recently the IRC worked on social media competencies and created 'Online Retail Coordination' which should be funded by jurisdictions and delivered by RTOs to assist in recovery.

Finally, as business reopens customers will need a good experience given that online is now familiar. There is an immediate need for e-commerce skills, especially for small businesses. and, for example, strip shopping type retailers to be able to have an online store to get them by if they are open behind closed doors or for limited hours. This is a different need to the AI/ML analytics and profitability skills that relate to the supply chain and merchandising changes caused by online and omnichannel retailing.

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<sup>45</sup> <https://humanrights.gov.au/everyones-business-sexual-harassment-sda-members>

<sup>46</sup> ACTU Workplace Health and Safety Survey 2019



Recommendation 8: Funding of 'Online Retail Coordination' to support training that will help engage with customer and restore foot traffic in shops, shopping strips and shopping centres.

*Needs in the context of growth of digital, AI/ML, and predictive analytics*

40. In the context of growth of digital, AI/ML, and predictive analytics outlined above, the retail training package needs to be reviewed in the context of its pathways-retail, retail management, visual merchandising, merchandise planning, and online retailing. There are pathways for most of these areas, but a considerable need to upskill staff to deal with online retailing in the context of omnichannel retailing which is maturation of the online shopping phenomenon. There is increasing demand for data-driven inventory management, online and traditional retail. In July 2019, Hays Jobs report re-iterated the demand for skilled Merchandise Planners and Allocators<sup>47</sup> and in September at NORA Network's Retail CEO Symposium, the top issue raised with the National Retailers Association was what the industry can do to resolve this critical shortage. With a better coordinated system of stewardship, solutions to the remaining issues can be found, agreed upon and implemented. This is an area in which retail has an opportunity to gain from post-graduate vocational education and training qualifications.

Recommendation 9: Consideration of retail pathways, including the creation of an omnichannel retailing pathway to respond to the growth in digital.

## Issues faced in meeting the skills needs

41. The wholesale and retail industry and the personal services industries require clarity and truth that there is a great career to be had, and that there are great training options for them to progress through that career. A necessary precondition for a great career is that the workplaces are physically and psychologically safe, that the career options are apparent to parents and teachers as well as students and workers, and that there are more skilled workers in the workplaces. For example, in these industries hairdressing has a clarity and truth to the fact there is a great career to be had. The industry expects growth, a student can get trained while working, their qualifications are transferable, and they can specialise in colour, business, or various forms of creative skills. While the system for hairdressing is not perfect and is very different to other areas of retail and personal services, it provides a useful contrast.
42. In retail, the key issues in meeting the skills needs include:

Inconsistent cost of training exacerbating access issues for low-paid workers.

- 42.1. Retail is an industry in which it is suitable to start work without having completed a qualification. While those who have not completed year 10 or 12 should be encouraged to do so, the workplace and policy settings should be structured to support them to get equivalency.

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<sup>47</sup> <https://www.hays.com.au/industry-insights/jobs-report>

As outlined above, there is a need to review of the Certificate II in Retail Services to make it attractive and affordable at entry to the industry and provide incentives for retailers to provide paid study leave.

However, retail and the current funding settings do not support them to participate in training. For example, training can cause a reduction in income. For low paid worker, this presents a significant barrier to access. Exacerbating the barrier is the cost of the training itself. Each jurisdiction funds qualifications differently, and Victoria is by far the lowest funded for retail.

In 2015, training providers were then funded from up to \$5.26 per hour per student. The 2016 reforms in Victoria saw funding drop up to \$3.42 per hour to deliver retail qualification level 2. As a result, students or their employer needs to make a significantly higher contribution in the form of enrolment fees. Many large retailers (Coles, Myer, David Jones, Kmart, Bunnings, Officeworks, Premier Investments, incl. Just Group) and others have moved away from offering VET training. Most small retailers have also moved away from traineeships due to reductions in funding and wage subsidies, which were all designed to assist smaller businesses to employ young people entering retail. This has surely contributed to the 90% fall in completions of qualifications in this state.

Further, the SDA has observed apprentices and trainees being mistreated and having different costs depending on where they live. For example, an SDA member's training provider charged excessively for 'resources' as opposed to 'textbooks', 'tools of the trade' and 'tuition' which are treated differently. This kind of practice puts employee at risk of being paid less than the minimum wage.

There is a need for greater flexibility while students, who are often between 15 and 17, come to a view about their skills and suitability for certain occupations. Some students, especially early in their senior school studies, are encouraged to undertake a certificate or units of study that they later decide is not the right occupation for them. For example, a student doing a certificate II during school may later be unable to complete another certificate II that is a pre-pathway to a trade (certificate III). While students who enjoy school might choose to go to university and, potentially, do a generalist degree before specialising at masters level, students who prefer practical (or kinaesthetic) learning may require testing their practical skills in an occupation at the same level of the AQF more than once.

Recommendation 10: Review of the funding model to ensure the SIR Package (Retail Services incl. Community Pharmacy) are accessible and attractive to students.

Recommendation 11: Acknowledgement of the role of industrial awards in educations role in social mobility and providing of links between training and industrial instruments.

Recommendation 12: Offering of, especially for school-aged students, more flexibility for changing pathway and education remaining affordable, especially those impacted by the market failure of training policy.

A lack of a critical mass of qualified staff, clearly communicated career paths, and role models

- 42.2. Retail is not an industry that requires fully qualified staff at all levels, but it is suffering from a lack of critical mass of skilled and qualified staff, especially at mid-management levels. This manifests for staff as dysfunctional workplaces (unreasonable workloads, bullying and harassment, sexual harassment and customer abuse and violence), undervalued teams with significant underemployment (workers seeking more hours), and implementation of change without effective transition plans (for example, restructures not considering the impact on apprenticeships). As a result, there is high turnover of staff, lack of understanding of the career paths, lack of capacity to engage in training, and a perception that retail is a place to work when there are no better options.
- 42.3. There is a need to prepare new and dynamic information, resources for costs of training and hours spent in training, more contemporary research informed training, and better information for parents and schools on the wide range of career options in retail.

Recommendation 13: Establishment of tripartite leadership of industry that highlights and promotes the retailing as a positive and prestigious career of choice for students of all backgrounds.

Lack of transferable nomenclature for training

- 42.4. As part of the COAG Vocational Education and Training Reform Roadmap, all levels of government have been exploring issues on the use of micro-credentials. It is put in the context of the need for the national vocational education and training system to better respond to student and job-need. However, if skills are needed, the question should not be one of fashion in nomenclature – units, skills-sets, micro-credentials or badges – but one of ensuring that the needs are met so that the education levels of Australia can continually improve and contribute to the economy.
- 42.5. The narrow focus of this discussion does not deal with the risk of training being offered for the most in demand skills and fewer enrolments for full qualifications. If it came to fruition, this risk would cause a later skill shortage and put further pressure on the TAFE system which would struggle to respond when the shortage came to fruition.
- 42.6. Micro-credentials discussions tend to include a narrative about rapid responses to industry specific needs, proprietary software training, or training with intellectual property attached. Yet the debate goes to the policy setting of the training package that sets what is a qualification in Australia (the Australian Qualifications Framework). The vocational education and training system should focus on transferable and comprehensive base-line qualifications that are embedded in industry experience. That is transferability of qualifications between employers within an industry that employ the same occupation, and between the higher education and vocational education and training systems.
- 42.7. There is also a risk that the business models of RTOs will respond to the policy settings rather than the specific industry need. Where industries have high levels of qualification, like hairdressing, where micro-credentials for post qualifications may be appropriate. However, in areas where there is an immediate need for regulatory intervention to achieve higher levels

of qualification, like beauty therapy, micro-credentials might undermine the move towards having more students complete studies. In retail, there is low levels of qualification but high levels of change (increased focus on customer experience, greater use of digital technologies shifting retail models, and increased automation in warehousing). It is important to meet industry skill needs as they arise, but the system set up must help prevent further market failure and unintended outcomes.

- 42.8. To respond rapidly to need, governments, employers and unions need to co-design the system through which micro-credentials would operate. A truly tripartite method of design and endorsement would ensure that the discussions are had, and changes can be acted upon quickly.

Recommendation 14: Agreement by governments, employers and unions to the structure and nomenclature of training and co-design the system through which micro-credentials would operate.

#### A lack of consistently offered training in high quality providers in each community

- 42.9. There has been a significant market failure in vocational education and training. The cherry picking of low-cost, profit-making courses and low-quality training by unscrupulous RTOs has resulted in financial pressure and reputational damage to the vocational education sector. There has been a loss of skills and experience in TAFEs, and the reactive policies have further exacerbated an already complex policy context.

For retail, research and development within the education system is needed so that the retail industry training is cutting edge and creates a sustainable place to work through transitions to new technologies and ways of working. Governments, employers and unions need to work together to ensure workplace training and apprentices are meeting our economic needs. TAFE needs support and RTOs, especially those designed for highly specialist skills, should be supported to develop workers for a modern workplace.

There needs to be a new vision for vocational education in Australia as a modern and desirable alternative to University, including acknowledgement of the significant role TAFE can play in post-graduate education. Australian's need a stronger skills sector which will help working lives start effectively and respond to the need for new skills throughout careers.

TAFEs need more support to be the strong backbone of the education system building skills that are transferable between institutions (and systems) and back. For example, the same qualification from a TAFE is not seen as equal to a university, even though surveys show that students find the vocational education and training system to have greater vocational benefits; and there is highly variable quality of registered training organisations. In retail, the SDA has observed in the hair and beauty industry that this causes lack of financial support for students seeking to do a second certificate III with a more reputable provider.

TAFE should be the pillar of the vocational education and training system and should be supplemented with specialist training institutions to ensure that career development is industry-led and integrated with work. It is also important that research and development within the education system is fostered so that the retail industry is cutting edge and a sustainable place to work through transitions to new technologies and ways of working resulting in a vibrant local economy well into the future.

Recommendation 15: Restoring of TAFE to being a pillar of the vocational education and training system to meet the demands of industry and develop all areas of Victoria.

A lack of resources for thorough analysis of future need

42.10. Part of the market failure in vocational education and training has been due to under resourced and difficult to navigate commonwealth and state-based systems of decision making. The objectives of the national training system include meeting industries' needs promptly as the economy changes. This can be achieved if a genuinely tripartite approach is taken.

One example of the training system responding to need is the new Diploma of Retail Merchandise Management. There was an undersupply of qualified buyers and merchandise allocators, planners and managers with the necessary skills in multichannel and digital retailing to focus on profitability. Australia was reliant on qualified workers from overseas whose skill levels varied. In 2017, a change to the 457 arrangements saw a growing issue arise for retail and a survey of retailers. Together, the retail industry responded by creating a suitable pathway for training current Australian retail staff to meet increasingly complex needs within roles in the industry.

There is also a need for students to be guided on what training or qualification will assist them to remain and/or progress in employment. This requires advice from across, and deep into, industries. It requires shared expertise from government, employees and employers. It requires clear and comprehensive skills forecasts.

In the example of merchandise management skills, these are a complex combination of skills that traverse understanding of trends, marketing, digitisation and profitability. The new Diploma is a first response, but to understand emerging need and prepare an effective response, the industry needs to support government to forecast demand and guide further responses.

This kind of response is needed for a range of roles that are growing in retail trade, but also across the economy. For students to get information from RTOs and TAFEs, those suppliers need advice from a strong and coordinated system of stewardship informed by students, employees, employers and government.

Recommendation 16: Establishment of industry boards made up of leaders of government and employer and employee representatives with genuine ability to respond to emerging needs.

A lack of effective targeting of funds for vocational education and training

42.11. In addition to the significant funds provided by Victoria and other jurisdictions to the training system, there is commonwealth investment.

42.12. The SDA has also made a submission to the productivity commission with regard to the National Agreement for Skills and Workforce Development, which provides \$1.5 billion

annually to state and territory governments for the training system. The funds are spent on variety of purposes and should contribute to Australia's economic and social prosperity and meet the needs of workers. The SDA put that the agreement should:

- retain three-part goals of a skilled workforce, through qualifications, leading to increased workforce participation, especially to underpin the National Training System with goals that support the economy and help alleviate underemployment and underutilisation,
- better enable coordination between students, employees, employers and government, especially to inform transferable skills within and across industries. The depth and breadth of industry knowledge can only be collected through the inclusion of industry and employee representatives in the governance of the system,
- achieve equitable funding and pricing that respond to industry and regional need, especially to deal with price differences for the same units of study in different jurisdictions and to respond to the variation in prices and attribution of costs to students of resources and tuition and
- hold the system to account for its objectives through effective skills forecasting especially to align regulatory action with lack of achievement of outcomes and focus students on activities that support workplace participation.

42.13. With regard to the three-fold objectives of the national training system (skilled workforce, through qualifications, leading to increased workforce participation), the SDA has put that they are appropriate but that at their intersection and implementation, the subsidiary objectives become misaligned in the following ways:

- The goal of quality outcomes is not met given the unequal perception of training and lack of quality information. For example, the same qualification from a TAFE is not seen as equal to a university, even though surveys show that students find the vocational education and training system to have greater vocational benefits; and there is highly variable quality of registered training organisations. In retail, the SDA has observed in the hair and beauty industry that this causes lack of financial support for students seeking to do a second certificate III with a more reputable provider.
- The goal of stable funding is not met given the inconsistencies across jurisdictions. For example, the same qualification is priced differently because of the system in which it is offered rather than the quality of, or demand for, the course. The pricing of qualifications in retail management are a stark example of this inconsistency. Stable funding was undermined by the market reshaping of TAFE following the rise of university since the 1970s, the reduction in funding over the last 20 years, and the rise of ad hoc responses such as fee-free TAFE and traineeships in Victoria and NSW.
- While the goal that relates to pathways acknowledges the movement through and between education systems and to employment, there is a lack of focus on the need for education to meet the needs of multiple or varying employers overtime. This is manifest in the discussions of skill-sets, micro-credentials, and 'flexible' alternatives. However, there is an opportunity to consider how to more effectively synchronise systems of education to allow for transferability. For example, the commission could propose that units of study be de-linked from provider to allow vocational education and training and university units of study to be counted within the one qualification. For the goal of workforce participation to be achieved, the training system must

acknowledge the need for basic or universally expected skills (core competencies) upon graduation.

42.14. While the Macklin and Joyce Reviews are contemporary and consider some aspects of the vocational education and training system, an inquiry led collaboratively across jurisdictions into the structure of the vocational education and training system, including qualifications, curriculum, pedagogy, assessment, funding, regulation and quality assurance remains necessary.

Recommendation 17: Updating of the National Agreement for Skills and Workforce Development to achieve equitable funding and pricing that responds to industry and regional need; quality education provision across industries and regions; and transferability of qualifications between higher education and the vocational education and training systems.

Recommendation 18: A root and branch review of vocational education and training, that goes beyond the Victorian jurisdiction.

A changing political and economic, and social and cultural environment

42.15. While the economy and digitisation have been the focus on this submission, it is important to consider training in the wider political and social context.

42.16. With regard to the political and economic context, workers in businesses and industries facing restructuring need broad-based and relevant vocational education to secure new employment and a career path, which requires clear linkages to occupations. They also require the industries they are entering to be internationally competitive, have appropriate levels of productivity and innovation, and to offer employment conditions that support a strong economy – permanent full-time and part-time jobs with decent pay and conditions and casual staffing being used only where it's warranted.

42.17. With regard to the social and cultural context, training should be accessible to people with disability, Aboriginal and Torres Strait Islander students, people from culturally and linguistically diverse backgrounds and other non-traditional backgrounds, and people seeking 'second chance' education. There needs to be affordable, flexible adult and community education entry points to education and training, including language, literacy and numeracy programs

42.18. For SDA members, a key issue is extended working lives. The vocational education and training system needs to be flexible to support transition to retail and other industries from trades and labour-intensive work, including offering support for those choosing to reskill later in life.

Recommendation 19: Setting of social policy in a way that responds to the life-long learning needs, with a particular focus on under 26s; the needs of displaced workers; and the needs of those working longer.

## Conclusion

43. Australia must reform the vocational education and training system to enable all students and workers to access on an as needed basis the skills development and qualifications which will enable them to obtain and retain employment. Vocational education and training qualifications should: have a vocational focus and result in employment, include skills that are transferable between employers of an occupation; be recognised by employers and between sectors of education – studies at Universities, TAFEs, private training colleges and schools should be considered equally, and where there is workplace engagement, include pay at the minimum wage or above (whether or not that includes other payments from government and/or employers and including costs associated with study).
44. Victoria must, as it positions itself as a leader of fashion and retail, ensure that retail and similar industries have good jobs and good career paths. That can only happen if students and parents know that this it is true. With few holding qualifications, a concentration in roles vulnerable to digitisation, and exacerbated workplace issues during the 2020 shutdown caused by COVID-19, SDA members are vulnerable to impacts of the Coronavirus economic crisis. There is a resulting need to: invest in digital, in a way that is ethical; invest in increasing the baseline skills to supports transition; and invest in the retail specific skills so that the transition can respond to omnichannel needs.
45. These and other recommendations and changes discussed in this submission aim to shift the training system from a complex system to a nimble response to the future of work. The SDA is not opposed to change, indeed good investment in the rights parts of the economy could see retail return to vibrancy and growth, but we call for those changes be accompanied by a fair distribution of the benefits. The gains made by companies from digitalization and other changes must be shared with workers through: decent wages and conditions; development of skills; improved gender equity; and ethical use of data (including appropriate standards for predictive marketing and protecting privacy). Change must be accompanied with social welfare protections.



## Recommendations:

Recommendation 1: Investment in education for careers in the retail, ICT, health, and community services industries given their growth projections and capacity to provide work for women and under 26s who are displaced by COVID-19 and support transition by those impacted by digitisation in retail. ....	11
Recommendation 2: Development of a Retail Industry Transition Plan to ensure the value to the Victorian economy of retail continues to grow despite COVID-19 and to share the benefits of digitisation with working people who will then contribute to the economy through their spending.....	11
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## Appendix A: Rationale for SDA policy positions

SDA policy is driven by providing value to our members whose work is regulated by a broken industrial framework. We seek an economic system that supports, protects and advances the interests of working people in this country.

Our predecessors built the conciliation and arbitration system which provided the foundations to our nations prosperity over a century ago, it is now our responsibility to build a system for the next generation.

Since the introduction of the Fair Work Act 2009 and subsequent radical changes to the financial and digital context inequality has grown and economic and political power has concentrated in the hands of a few.

We believe that fundamental not incremental change is needed. In contributing to policy, we seek to drive a new system that acknowledges the change that has occurred and will withstand the emerging world of work.

We engage in topics that help us drive this agenda and are guided by ten principles that we believe will create value for our members. Those principles are:

1. Address Inequality & Enshrine Fairness.  
Minimum expectations must be set and adhered to.
2. Equity & Empowerment.  
All workers must be supported to progress so that no-one is left behind.
3. Mobility & Security.  
A socially successful economy must provide opportunity for all, regardless of their background. Systems must be built in a way that support success and adaptation in a rapidly changing world of work.
4. Delivering Prosperity and Growth for All.  
A foundation for prosperity and economic growth must be achieved.
5. Protection in Work & Beyond.  
Workplaces and the community must be healthy and safe for all workers and their families during and beyond their working lives.
6. Workers Capital & Superannuation.  
Workers capital and superannuation must be an industrial right for all workers and treated as deferred earnings designed for dignity and justice in retirement.
7. A Strong Independent Umpire.  
A strong, independent, cost effective and accessible industrial umpire and regulator must be central to the future system of work in Australia.
8. Protection & Support for Our Future.  
Protecting and supporting our future requires a strong and vibrant retail industry and supply chain providing jobs with fair and just remuneration and contributing to the economy including through skilled workers.
9. Work & Community.  
Work is a fundamental human activity that provides for personal, social and economic development. Work as it operates in community must build and protect a balance between life at work and life so that workers can contribute to society through the wider community.
10. Institutional Support for Collective Agents  
Institutional support must provide for collective agents (registered organisations) so that they are recognised, enshrined and explicitly supported as central to the effective functioning of the system.

Details of specific policy positions can be discussed by contacting:

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## Appendix B: Summary of SDA policy positions on industry training

Protecting and supporting our future requires a strong and vibrant retail industry and supply chain providing jobs with fair and just remuneration and contributing to the economy including through skilled workers. This requires:

1. education and training to be accessible to all, with barriers to entry reduced for young people, women, and those at times of transition.
2. a quality system of vocational education and training with:
  - a. an overarching structure that supports government to work with employer and employee representatives to identify future needs based on qualitative and quantitative data, and respond with education and training that is fit for purpose,
  - b. a regulator that is funded and empowered to support and hold to account suppliers, be they public or private, for the quality of the training they provide,
  - c. publicly funded industry led institutions, TAFE, as its pillar supplemented with specialist training institutions to ensure that career development is industry-led and integrated with the workplace.
3. research and development within the education system so that the retail industry is cutting edge and a sustainable place to work through transitions to new technologies and ways of working.

### *SDA Positions*

1. The two biggest issues facing SDA industries are dependence on a strong economy and the growth of digitization and automation.
  - a. If Australia succeeds economically, the need for goods and services to be distributed is greater and retail trade strengthens. Workers in these industries are at the front line of an important economic indicator, retail sales, and need skilled workers contributing to Australia's economy.
  - b. If Australia responds to the growth in digitization, automation and predictive analytics with investment in skills and other labour standards, workers in these areas including merchandising, sales and warehousing will have a better chance to get and keep good jobs.
2. The retail industry is a litmus test for the economy and needs a plan for success through change.
  - a. With a turnover of nearly \$27.5 billion, it's also a large employer in its own right. With nearly 1.3 million people in the industry, it is over 10 per cent of the total workforce and the first training ground for many future professionals in other industries.
  - b. Retail is acknowledged as vulnerable to online disruption with checkout operators and office cashiers commonly considered at risk. While online sales are increasing, bricks and mortar remain a key method of distribution with significant growth in omnichannel retailing. We need to respond to this with support for workers as they prepare for the change that's coming.
3. We need to work together on increasing the reputation of retail and creating career paths. Governments, employers and unions need to work together to ensure workplace training and apprentices are meeting our economic needs – we must have tripartite bodies.
4. Vocational education and training (VET) needs to be great so that these workers are ready and recognized for their skills in retail, fast-food, hairdressing, and beauty therapy. After years of focusing on the rise and poor behavior of for-profit Registered Training Organizations and a toothless tiger for a regulator, a root and branch review is needed. TAFEs need to be better funded. RTOs have a place in the system, especially for highly specialist skills, but TAFE should be the well-funded pillar of the system that develops workers for a modern workplace.

### *SDA Asks*

1. An industry transition plan for retail, fast food, warehousing, hairdressing, pharmacy, online retailing and modelling that ensures these industries are transformed digitally in a way that helps workers be skilled for the transition and protects their rights.
2. A root and branch review of VET to achieve great qualifications that are transferable between employers, recognized in industry and between education systems, including well-funded TAFEs.
3. Tripartite training boards where Government, employers and unions work to develop vigorous and relevant training qualifications, that respond to quickly to emerging needs (e.g. infection control) and contemporary research (e.g. abuse and violence and digitisation).