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Committee Secretary  
House of Representatives  
Select Committee on Workforce Australia Employment Services  
PO Box 6021  
Parliament House  
Canberra ACT 2600

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## ARA SUBMISSION TO INQUIRY INTO WORKFORCE AUSTRALIA EMPLOYMENT SERVICES

The Australian Retailers Association (ARA) welcomes the opportunity to provide comment to the Select Committee on its inquiry into Workforce Australia Employment Services.

The ARA is the oldest, largest and most diverse national retail body, representing a \$400 billion sector that employs 1.3 million Australians – making retail the largest private sector employer in the country. As Australia's peak retail body, representing more than 120,000 retail shop fronts and online stores, the ARA informs, advocates, educates, protects and unifies our independent, national and international retail community.

We represent the full spectrum of Australian retail, from our largest national and international retailers to our small and medium sized members, who make up 95% of our membership. Our members operate in all jurisdictions and across all categories - from food to fashion, hairdressing to hardware, and everything in between.

The ARA also manages the ARA Retail Institute: Australia's leading provider of education, vocational training and professional development for the retail industry. With over 30 years of experience as a Registered Training Organisation (RTO), the ARA Retail Institute provides accredited and non-accredited training across Australia, including diplomas, certificates, skill sets, short course workshops, online micro-courses and customised in-house training programs.

The ARA Retail Institute has trained more than 9,000 learners over the past five years, with a successful track record of supporting a diverse range of jobseekers into the workforce, including women, mature aged Australians, people living with a disability, young people, CALD communities and First Nations people.

The [ARA Retail Institute](#) offers the following accredited programs:

- SIR10116 Certificate I in Retail Services
- SIR20216 Certificate II in Retail Services
- SIR30216 Certificate III in Retail
- SIR40316 Certificate IV in Retail Management
- SIR50116 Diploma of Retail Leadership
- SIR50317 Diploma of Retail Merchandise Management

The ARA's comments in this submission are made as an organisation that represents the view of employers in the retail sector (our members) and as an RTO that regularly engages with Workforce Australia. These employment services connect jobseekers with our retail employers (usually, but not always our members) through programs that often involve a training component provided by the ARA Retail Institute to ensure jobseekers have the requisite job-ready skills.

The ARA has recently been appointed to lead one of the new industry councils on the Jobs and Skills Council under the Jobs and Skills Australia (JSA) framework – the Retail and Wholesale, Online Sales and Fulfilment, Personal Services, Arts, Tourism, Travel and Hospitality council.

In a recent submission to the Department of Employment and Workplace Relations, the ARA also expressed interest in being appointed to the tripartite advisory committee (the JSA Consultative Forum) that has recently been established to support JSA Director, Professor Peter Dawkins. With one in ten Australians working in retail, we believe the important role that our sector plays in the labour market should be reflected in the representation on the consultative forum.

## COMMENTS AND RECOMMENDATIONS

The ARA welcomes the principles-based approach the Committee has adopted for this inquiry and we make our comments and recommendations in this context.

We suggest that there are two principles that should underpin the employment services system:

1. The core objective of the system should be to deliver on the best and long-term interests of jobseekers, in terms of their employment outcomes.
2. The system should be informed by industry and market demand for skills and labour.

This means that incentives and disincentives built into the system need to be carefully considered so that providers are appropriately incentivised to deliver on the best outcomes for jobseekers.

The ARA's experience, in working with our members, is that employers prefer to work with industry associations to help them navigate the employment services system. This reflects the need for industry expertise and knowledge to place jobseekers with appropriate skills in roles where they will thrive in the long term.

It also reflects the complexity of the current framework and system, with considerable overlap between services provided by departments across all three levels of government and complicated funding arrangements leading to duplication through the system.

Retail job vacancies have increased significantly across the past year. As at December 2022, there are 49,900 job vacancies<sup>1</sup> in the retail sector with roles ranging from frontline, entry level positions to skilled positions in supply chain, logistics and data management. In addition, this most recent data reporting that retail management roles rank seventh on Australia's "Top 20 Occupations in Demand".

As an RTO, the ARA is faced with the challenge of addressing these labour shortages for entry level frontline roles while also upskilling and reskilling existing workers through qualifications and skill sets, to support them as they transition into retail management positions. These pathways include Certificate III in Retail, Certificate IV in Retail Management and Diploma of Retail Leadership

This issue is particularly challenging for small to medium size enterprises, which have limited capacity and resources to self-fund employee skills development. The ARA believes that this challenge requires further government attention and subsidy support.

As an industry association, we also believe that private RTOs like the ARA Retail Institute are best placed to deliver the training programs that retail employers need as we have the relevant insights into industry needs via our member relationships.

Even for entry level roles, retail employers are looking for jobseekers with retail-ready skills, including basic literacy, numeracy and digital competency as well as soft skills to handle customer interactions. For that reason, our 'Retail Ready' programs remain a key area of focus for the ARA Retail Institute: delivering pre-employment training (Certificate II in Retail Services and Certificate III in Retail) with vocational placement, supported by wraparound mentorship for jobseekers interested in a career in the retail sector.

<sup>1</sup> Retail Trade, Australia, November 2022 | Australian Bureau of Statistics (abs.gov.au)

We therefore recommend that the employment services system is designed to enable close engagement with industry. We suggest that industry associations, like the ARA, are best placed to provide industry insight and expertise so that the framework is appropriately responsive to market demand and meets the needs of a variety of employees seeking to establish a career in retail.

Thank you again for the opportunity to provide a submission to the Committee. We look forward to further engagement as the inquiry progresses.

Any queries in relation to this submission can be directed to our policy team at [policy@retail.org.au](mailto:policy@retail.org.au).

Yours sincerely,



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