

Career Development – The key to successfully skilling a workforce

Delivered at the University of Wollongong

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In Australia, Governments both State and Federal, spend over \$12 billion per year on higher education and around another \$8 billion on vocational education and training. This is not inclusive of the many more billions spent in schools, and by individuals paying fees to education providers offering to develop their skills so that they can move into the career of their choice.

However, for Australia to successfully achieve a skilled workforce requires more than just a strong investment in education and training – it needs students to be acquiring the skills that the economy needs, and being well informed about where and when those skills are demanded and what jobs may suit their abilities. Industry has a saying that reflects these needs, being that: the **right** skills need to be in the **right** place at the **right** time. To achieve this, and to maximise the return on the significant investment in skills development, Australia needs a strategic and holistic approach to careers development and an informed market.

I need to say upfront that the term ‘career development’ is not very clear or even dare I say ‘sexy’. To the average person, it may conjure up images of, often, a very mixed experience with careers advice provided at schools – many a business ‘war’ story is told of the highly successful business person

who was told by the adviser that effectively they would not amount to much, or they should consider driving trucks or something, or the classic that ‘Johnny should do a trade as he is good with his hands’, which is just a euphemism for someone considered to be not smart.

This is old thinking about the needs of yesterday’s workplaces. We need new thinking, new approaches, a better understanding of career development and most importantly a more informed market, where both career professionals and those seeking a career or a job opportunity have a better understanding of where the jobs are and the needs of modern workplaces. In saying new thinking to address the needs of modern workplaces, I am purposely avoiding using the terminology of 21st century thinking for 21st century workplaces, as someone at a recent consultation roundtable reminded me the other day. If we said in 1914 that we needed 20th Century thinking for 20th century workplaces, we would have been wide of the mark as to what jobs were going to be around by the end of the 20th century! In the same way, we cannot hope to predict what jobs we will need in the next five to ten years in many occupations, let alone to envisage what the labour market would look like in 2080 or 2090. The best we can do is to undertake our planning strategically with the best information that is available.

We know from the shared work done nationally on a career development strategy a few years ago that career development describes the ongoing process of a person managing their life, learning and work over their lifespan. It involves developing the skills and knowledge that enables individuals to plan and make informed decisions about education, training and career choices.

Career development services include career education, career exploration, career information, advice and guidance.

In these important areas, although there are many activities going on, ACCI believes that Governments have dropped the ball, with an approach that is currently more piecemeal than strategic; with some good elements, but certainly not holistic. But we know from the recent release of the Federal Government's Innovation and Competitiveness Agenda that the Government is more than capable of thinking and acting strategically – at looking at the big picture and also in identifying that one of the four key ambitions is a skilled workforce. There are important policies in the Agenda about the importance of STEM skills for the future workforce, and reforming the vocational training and higher education system and in recognising the importance of an efficient skilled migration scheme.

But the key element across all of our education and training systems, and even our skilled migration system, is career development and the need for an informed market. Even within the migration system, strong labour market analysis including the production of what is known as a Skilled Occupation List, is delivering career guidance by taking a view on where there are skill shortages and encouraging independent skilled migrants to come to Australia to secure employment.

In our audience today we have people who are providing career information and advice to people at schools both public and private, at VET colleges, and at universities and higher education institutions. The Federal Government funds careers advice in apprenticeship services, in defence and public sector recruitment and importantly in its employment and disability employment services. Governments at all levels fund websites and information guides, including a soon-to-be-released, excellent and easy to use website with the unfortunate title of QILT which will provide would-be university students with a means of comparing student experiences and most importantly job and salary outcomes from the country's university courses.

However, in the Federal Budget this year, the Government announced reductions in funding for Jobs Guides and MyFuture, and it did so without looking at the **overall picture** on how information about careers can be most efficiently and effectively disseminated to ensure we achieve ‘the rights skills in the right place at the right time’. We need to encourage the Federal Government and indeed State Governments, and key stakeholders including industry, to obtain that **overall picture**.

In the absence of action by Government to take a holistic approach – to obtain that overall picture – ACCI is acting. Next week ACCI and the Careers Industry Council of Australia, of which NAGCAS is a member, is jointly hosting a high level forum including leaders from the industry, from state and federal governments, employment services and from the career development industry. We will look in overview at the key activities that are currently happening, but most importantly we need to ask the important questions of whose responsibility is it to set the strategy, and what are the next steps. Certainly, a strategy on career development requires national leadership. The previous Federal government started the conversation and released a strategy but allocated minimal resources to the task, and it has long since fallen by the wayside.

But we can’t afford for it sit on the wayside any longer, and we should identify key elements of what a modern approach should look like.

Firstly, career development should not be just about schools, but available along life’s journey. A holistic approach should look at providing the strongest links to all those responsible for distributing information and providing advice about the jobs market and possible education and career options. Services and high-quality and relevant information should be accessible whether you are 15 or 50.

Secondly, advice about education options should never be separated from a strong understanding of what the job at the other end may look like. Some students commence or worse still complete qualifications not really understanding the demands of the jobs that the qualification may face. This does not mean that every person will have an idea of what they want to do, but the more we can connect education and course advice to job and labour market information the better. To be successful in a career does not just require technical skills, as the job inevitably has person specifications as well – for example, strong interpersonal skills, or even more starkly, some jobs require the ‘stomach’ for it!

Thirdly, there needs to be leadership – a body inclusive of industry, government and key stakeholders set up to provide advice to Governments at all levels and which would take a holistic view.

Fourthly, we need to be much more innovative and efficient in how we put current information about the jobs of today and as much as possible the jobs of tomorrow, in the hands of those providing the information and advice. ACCI in its major submission on careers development in 2012 called for a ‘central clearance house’. This recognises a need for a well understood, easily accessible, central system or ‘clearing house’ (real and/or virtual) where information about careers, jobs and opportunities can be deposited in a timely and convenient way, and accessed by the various users. We call this a ‘wholesale’ rather than ‘retail’ solution – not so much about another careers web portal such as *myfuture* or the many other government and private careers and jobs sites, but one where registered users such as the many career professionals can go to get up-to-date labour market information, or trends in particular industries or links to other important public sites. Importantly, it is a site that would enable industry associations and employers to speak directly to the thousands, even tens of thousands, of careers advisors

without each one having to maintain an expensive, and even impossible, database of careers advisors.

For example, if Master Builders is running a careers expo in a certain region, then there needs to be an effective mechanism to let people know it is on. If Pharmacy Guild issues a statement expressing concern about the difficulty in graduate pharmacists securing positions, this should efficiently and effectively reach those that are providing advice. It is simply impossible for one person to have a grasp of the job prospects of every occupation but we need to maximise the possibility that they can have the information at their 'fingertips' so that they can assist students and job seekers with the most up-to-date advice.

A strongly related fifth element in our modern approach to career development is the professional development and other support available to those providing advice. School systems, employment services and other institutions need to take career development seriously by ensuring that it is a serious part of someone's role, if not a full time role, rather than just a 'tack on'. Work has been done by CICA and its members to address professional standards for advisers and there are formal VET qualifications. These are important initiatives, but the most important starting point is to improve the perception of value in the important role careers advice plays in the economy.

Therefore when we talk about a skilled workforce for Australia, we should not just focus on skills development, but also on career development, and in focusing on it, we should not just look at the range of activities being undertaken but take a holistic look with a strategic approach.

In our most recent statement on youth employment, entitled *Learning to Work*, which was released in April this year, career development was identified as one of the five key elements in a strategy that would give a

helping hand to young people looking to successfully transition from school or education to work. The other four elements include: job readiness, better employment services, a significant refocusing on apprenticeships and traineeships and an industrial relations system that does not put up barriers to employing young people such as high junior and apprenticeship rates of pay, unsustainably high penalty rates and constraining unfair dismissal laws that discourage employers from taking the chance with a young, inexperienced person.

Employability and work-integrated learning are incorporated within the job readiness component of this helping hand, and I understand these are key themes for your conference. It is widely recognised that there is a need to focus on the successful transition of young people from education to work – the evidence to do so is stark.

In the current economic climate one in six young people are not fully contributing to Australia's economic prosperity, and are not getting the start they need to maximise their contribution in the future. This low rate of participation contrasts with the economic need to increase workforce participation.

Our population is ageing and to maintain our standard of living we need to both prolong the working life of mature age people and draw as many new entrants into the workforce as possible. At the moment, for every worker who is younger than 25, there are around 2.6 workers aged 45 years or older.

The Global Financial Crisis (GFC) plunged most wealthy nations into recession. Australia escaped a 'technical recession' but unemployment rose by one third and young people were among the worst affected by the crisis. Five years on and young Australians (aged 15-24 years) continue to have a much higher rate of unemployment (14% per cent or 290,000 young people) than the rest of

the Australian workforce (6.2%) . However, this disparity is only part of the story.

As at October 2014, there were 3.1 million young Australians aged 15 to 24. Of those, over 500,000 do not have a job nor are they in full-time or part time education. This is a staggering number revealing that in addition to those officially classified as unemployed around 194,000 have disengaged from the system entirely, with an additional 16,000 undertaking part time education with no work.

These startling figures reinforce the importance of addressing issues such as career development and job readiness in a way that assists these young people into work. We need to do more to improve the basic literacy and numeracy levels of school leavers by introducing minimum requirements in all school systems. We have also been focusing a great deal in ACCI on work- integrated learning, and how to improve the relationship between universities and business. ACCI has been working with other peak employer bodies, as well as Universities Australia and ACEN – the network that represents WIL specialists in universities to implement a range of actions that take forward the *statement of intent* signed last year to improve work integrated learning opportunities. More students need to have the opportunity to work in a business environment that is relevant to their degree, and have that built into the course. This can only enhance their job opportunities, and build stronger bridges between universities and workplaces. In disciplines such as engineering, teaching, nursing and others, vocational placements are routine, even obligatory, but we need to do more in what we call the ‘non-traditional’ WIL disciplines such as qualifications in marketing, social sciences, maths and science.

Better job outcomes, stronger employment and economic growth, higher productivity, stronger competitiveness. These are the important outcomes

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we aspire to achieve, and they are not for Government alone, but for business, Government and other stakeholders to each play their role.

This is true of the important issue of Career Development which has such a crucial role to play across the whole human capital dimension.

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