

Submission to the Productivity Commission

Inquiry into Building a Skilled and Adaptable Workforce Interim Report

From: Career Industry Council of Australia (CICA)

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Executive Summary

The Career Industry Council of Australia (CICA), the national peak body for the career development profession, welcomes the opportunity to respond to the Productivity Commission's Interim Report on Building a Skilled and Adaptable Workforce (Productivity Commission, 2025).

The Interim Report highlights three areas for reform: improving school outcomes, building skills and qualifications, and making occupational entry regulations fit for purpose. While these reforms are crucial, they will only succeed if Australians are supported to understand, navigate, and act on the opportunities presented. Career education, information, and guidance are the critical enablers that connect reform with real world outcomes.

International and national research consistently shows that career guidance is associated with higher training participation, reduced mismatch between skills and jobs, improved employment outcomes, and better equity across disadvantaged groups (OECD, 2021a; OECD, 2021b; OECD, 2022). The International Labour Organization (ILO) also affirms that career guidance helps individuals realise their potential, supports labour market efficiency, and contributes to fairer societies (ILO, 2021a).

Australian evidence from the National Careers Institute (NCI) demonstrates that many people struggle to find personalised and trusted career information, with almost half relying on informal networks rather than formal services (NCI, 2022a).

Career guidance provides the connective tissue between complex education and training systems and the lived experiences of individuals making career decisions.

CICA urges the Productivity Commission to explicitly embed career guidance into its final recommendations. Doing so will unlock productivity, improve equity, and ensure that reforms in education, training, and occupational regulation translate into stronger outcomes for individuals, employers, and the Australian economy.

1. Career Guidance as Workforce Infrastructure

Career guidance should be regarded as vital infrastructure, similar to transport, digital, or health systems. It assists individual decision-making, but its advantages reach across the labour market and economy.

Evidence from the OECD (2021a) shows that adults who access career guidance are more likely to undertake retraining, transition into growing sectors, and stay connected to the labour market after redundancy. Importantly, guidance helps individuals identify transferable skills, which is a vital ability in a changing economy where occupational boundaries are shifting and workers will change jobs multiple times throughout their careers.

From a productivity perspective, Investing in Career Guidance (OECD et al., 2021b) found that countries with strong guidance systems achieve lower skills mismatch because workers make choices aligned with labour market needs, higher returns on public and private investment in education and training due to lower dropout rates and more efficient transitions, and greater workforce adaptability as individuals reskill in anticipation of structural change.

The International Labour Organization reinforces this perspective, describing career guidance as a “lubricant for human talent” that supports both individual fulfilment and labour market efficiency. In particular, the ILO emphasises that guidance is critical during times of disruption, enabling individuals to navigate technological change, economic restructuring, and crises such as the COVID-19 pandemic (ILO, 2021a). This underscores the point that guidance is not a marginal service but a key mechanism through which economies sustain adaptability and resilience.

Australian research echoes these findings. The National Careers Information Survey (NCIS) shows that almost half of Australians turn to friends or acquaintances for career information, while only small proportions use government sources. Many report frustration at not knowing where to start or being unable to find personalised, relevant information (NCI, 2022a). This reliance on informal networks highlights the need for professional, accessible career services to ensure that career information is not left to chance but delivered in a consistent and trusted way.

Career guidance also serves as a tool for social cohesion and wellbeing. It assists citizens in making sense of uncertainty, navigating transitions such as redundancy or industry restructuring, and aligning their working lives with personal values and circumstances. In Australia, this is particularly vital as workers encounter significant transitions connected to the net zero economy, automation, and global competition.

2. Alignment with the Commission's Draft Recommendations

2.1 Improving School Student Outcomes

The Interim Report (Productivity Commission, 2025) underscores the importance of strong foundations in schools, with proposals for a national platform for lesson planning and increased leadership in education technology. Career education must also be a core part of this.

The OECD (2021b) has found that young people who engage in career activities such as workplace visits, career conversations with adults, and exposure to labour market information are more likely to secure positive employment outcomes as adults. These experiences lessen the risk of youth unemployment and underemployment and enhance the alignment between subject choices and future training or employment.

The proposed lesson planning platform provides an opportunity to incorporate career-related learning materials across various subjects, helping students see how their learning connects to their future. Additionally, national leadership in education technology should explicitly support career exploration platforms that blend artificial intelligence personalisation with real-time labour market data, offering students insights into emerging industries and jobs. Denmark's eGuidance and Canada's Job Bank serve as examples of national portals that combine information and guidance in ways accessible to all students, including those in rural and remote areas (OECD, 2021a).

The ILO's *Career Development Framework* further highlights how schools can provide systematic, age appropriate career learning opportunities. The framework identifies four core learning areas, reflection, structures, power, and capability, that young people need to develop to manage their careers effectively. Embedding these concepts into Australia's lesson planning platform would ensure that career education is not ad hoc but an integrated component of schooling, preparing students with the lifelong skills needed for work transitions (ILO, 2024).

2.2 Building Skills and Qualifications

The Interim Report suggests a national system for credit transfer and recognition of prior learning (RPL), along with incentives for SME training. Career guidance is crucial for implementing these reforms effectively in practice.

Recognition systems are notoriously complex, and many workers are unaware of their rights or unsure how to compile evidence. The OECD (2021a) emphasises that uptake of RPL remains low unless individuals have access to tailored support. Career practitioners can serve this role by advising on pathways, interpreting regulations, and helping clients navigate systems.

Similarly, research indicates that SME employees often do not undertake training because they find it hard to identify suitable opportunities. Guidance can help them choose relevant courses, increasing participation and ensuring better alignment with both individual career goals and business needs (OECD, 2021b).

In Australia, the OECD (2022) found that mid-career workers are less likely to retrain for a career change compared to younger workers and often focus narrowly on skills needed for their current roles. Career guidance can broaden their outlook, encourage engagement with training for future employment, and reduce risks of displacement. This is especially important for workers in industries experiencing structural decline, such as coal mining, where reskilling into growing sectors requires more than just training places; it needs professional support to make the transition.

National evidence reinforces these insights. Almost seven in ten mid career Australians report being open to a job change in the next year, but many face barriers including cost, lack of time, and low confidence (NCI, 2022b). They frequently seek practical support, such as assistance with resumes, interview preparation, and understanding transferable skills, before committing to training. Without structured career guidance, these barriers will persist and reduce the effectiveness of SME training incentives and RPL systems.

The ILO's Strategy on Skills and Lifelong Learning 2022–2030 also makes clear that career guidance must be integrated into adult education and training systems. Guidance is identified as an essential complement to skills anticipation, recognition of prior learning, and flexible learning pathways. Without career guidance, these mechanisms are under utilised because individuals cannot interpret opportunities or link them to their personal circumstances. Embedding guidance into Australia's credit transfer and SME training reforms would align national practice with international best practice on lifelong learning (ILO, 2022).

2.3 Fit for Purpose Occupational Entry Regulations

The Commission's emphasis on reducing unnecessary occupational entry barriers is sound. However, regulatory change alone is insufficient. Workers and prospective entrants must be able to understand new or alternative pathways, including apprenticeships and licensing reforms. Career guidance ensures that such pathways are visible, comprehensible, and accessible. It also ensures that changes in regulation are translated into clear opportunities for individuals through updated information and tailored advice.

Women returning to the workforce after career breaks face unique challenges that reforms to entry regulations will not resolve on their own. NCI research shows that women returners often experience skill loss, reduced professional networks, and diminished confidence. Around 30 per cent report losing skills and knowledge during their absence, and many accept roles below their previous seniority when returning (NCI, 2023). Career support services that rebuild confidence, highlight transferable skills, and assist women in negotiating flexible arrangements are vital to ensuring equitable access to opportunities created by occupational reform.

3. Equity and Access

The Commission is right to stress the importance of equity in workforce reform. However, the role of career guidance in achieving equity deserves greater attention.

The OECD's review of mid-career adults in Australia found that, while 56 per cent had accessed career guidance in the past five years, most of this was focused on job matching rather than comprehensive guidance (OECD, 2022).

Furthermore, access was highly unequal. Adults with university qualifications were much more likely to use guidance than those with lower qualifications, 74 per cent compared to 44 per cent, marking the widest gap recorded across OECD countries. Women, migrants, and Australians living in regional or remote areas were also less likely to access services, despite being groups with the greatest need.

National evidence echoes this. The NCIS found that women, culturally and linguistically diverse communities, and Australians in regional or remote areas are less likely to receive formal career information and often struggle to find resources that are accessible, relevant, and unbiased (NCI, 2022a). Late career Australians also face distinct challenges. Almost half report not knowing where to access information relevant to retraining or retirement transitions, while many cite ageism, health concerns, or financial insecurity as barriers. A significant number continue working longer than they wish out of necessity (NCI, 2022c).

International evidence shows a similar trend: disadvantaged groups are consistently underrepresented among guidance users (OECD, 2021a). Barriers include lack of awareness of services, time constraints from work and family commitments, and sometimes cost. Significantly, more than half of adults who did not use guidance said they simply did not see a need, which indicates how invisible these services are to many.

The ILO also highlights the risk that rapid digitalisation of guidance services may unintentionally deepen inequalities. Its recent guidance on digitalising career services stresses that online platforms must be designed to be inclusive, supported by trained practitioners, and complemented by offline options. Otherwise, groups with limited digital literacy or access, such as some older workers, migrants, or those in rural communities, may be excluded from support. For Australia, this reinforces the importance of blended delivery models that ensure equity while scaling access (ILO, 2021b).

A universal entitlement to career guidance, supported by outreach strategies for underserved groups, would greatly help ensure that reforms benefit all Australians. Ensuring that services are delivered by qualified practitioners, aligned with the CICA Professional Standards, is essential for guaranteeing quality and consistency.

4. Quality, Delivery, and Governance

High quality career guidance is underpinned by strong delivery models, professional standards, and sustainable funding.

While face-to-face delivery remains the most effective method for achieving positive employment outcomes, blended approaches that include digital and telephone channels can significantly extend reach, particularly in rural areas (OECD, 2021a). Online portals should incorporate labour market forecasts, education and training opportunities, and information about financial support, but also offer pathways to real-time conversations with trained practitioners.

The NCI research across mid career, late career, and women returners consistently highlights the demand for personalised and practical guidance. Participants across cohorts emphasised the importance of one on one support to help interpret career information, explore training pathways, and rebuild professional confidence (NCI, 2022a; NCI, 2022b; NCI, 2022c; NCI, 2023). This underscores the importance of embedding the CICA Professional Standards into policy to ensure that Australians receive professional, consistent, and ethical services rather than ad hoc or informal advice.

Professionalisation is equally key. International comparisons show that countries with robust competency frameworks, accredited qualifications, and codes of ethics for career practitioners attain higher quality and greater trust in guidance systems (OECD, 2021a). Australia has already established such a framework through the CICA Professional Standards, and these should be incorporated into national policy as the benchmark for all government-funded career services.

Funding models are also important. In most OECD countries, career guidance is heavily subsidised, with adults paying little or nothing at the point of use. This reflects understanding that guidance offers both public and private benefits. Models include government vouchers, training accounts, employer levies, and funding through public employment services. Australia should consider similar approaches to ensure universal access and sustainability.

5. International Precedents

There is much Australia can learn from overseas examples. In Flanders and the Netherlands, career vouchers significantly reduce cost barriers and encourage wide participation. In France and Austria, lifelong public career services are tied directly to training accounts, ensuring that all citizens can access guidance throughout their working lives. In the Nordic countries, employer-based guidance is integrated into national workforce strategies, enabling job rotation and structured lifelong learning. Canada and Denmark operate national online portals that combine real time labour market intelligence with access to counsellors, providing a comprehensive and user friendly system for both young people and adults (OECD, 2021a; OECD, 2021b).

Alongside OECD examples, the ILO has documented a wide range of successful career guidance policies across low, middle, and high income countries. These include national frameworks that link guidance with social protection, youth employment programs, and training incentives. By situating career guidance as part of a lifelong ecosystem of skills, employment, and social policy, the ILO demonstrates that guidance can be embedded in very different national contexts while still delivering efficiency, equity, and adaptability outcomes (ILO, 2022).

Australian evidence reinforces this. The NCIS shows that 40 per cent of Australians find available career information too generic and not specific enough for their needs (NCI, 2022a). Countries that have addressed this issue by embedding lifelong career services, such as the Netherlands' voucher system or Denmark's eGuidance model, provide clear templates for Australia to follow.

These examples demonstrate that national lifelong career development strategies are achievable, scalable, and effective. Australia risks falling behind if it does not act.

6. Recommendations to the Commission

The Career Industry Council of Australia recommends that the Commission's final report explicitly recognise career guidance as essential infrastructure for building a skilled and adaptable workforce. Career guidance is not simply an optional service for those already motivated to seek it out. It is a productivity tool that ensures reforms in education, training, and occupational regulation are translated into tangible outcomes for individuals, employers, and the broader economy.

Career development should also be embedded into national platforms for lesson planning, education technology, and credit transfer. These initiatives will only reach their potential if Australians can see clear connections between their learning, their career opportunities, and the pathways available to them. Including career guidance within these reforms would provide the necessary bridge between policy ambition and personal action.

A universal entitlement to career guidance across the lifespan is needed to close gaps in access and equity. Too often, those most in need of career support, such as women returning to work, mid career and late career Australians, or those in regional and remote areas, are the least likely to access professional advice. Providing outreach and tailored support for these groups would ensure that reforms benefit all Australians, not just the already advantaged.

All government funded career services should be delivered by practitioners who meet the CICA Professional Standards. This would guarantee consistent quality, ethical practice, and public confidence in the integrity of guidance services. Embedding professional standards also ensures that services are not left to informal networks or unqualified providers, but are delivered by trained professionals with the skills and knowledge required to make a real difference.

Finally, the Commission should recommend the integration of real time labour market intelligence into career services, so that guidance is evidence based and responsive to change. Australians need access to up to date information on training opportunities, emerging industries, and occupational demand if they are to make sound decisions. To achieve coherence across the system, the government should commit to developing a national lifelong career development strategy. Such a strategy, drawing on international best practice, would provide direction, sustainability, and accountability for a high quality and equitable career guidance system.

Conclusion

The Productivity Commission's Interim Report rightly identifies the reforms needed to strengthen Australia's workforce. But reforms alone will not succeed unless Australians are equipped with the skills, confidence, and information to navigate them. Career education, information, and guidance provide this capacity.

By embedding career guidance into its final recommendations, the Commission can ensure that reforms are taken up, equitably accessed, and effective in building the adaptable, skilled workforce that Australia needs.

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