

**DAWKINS-PETER-WED-4TH-OCT-2023**

[Start of recorded material at 00:00:00]

Maurice Riley: I'll introduce our guests more formally at the commencement of the broadcast. I'm experiencing my own skill shortage today; I don't have a moderator and I've had to sort of step in to do the job. So I will empathise with the report, most certainly. And we'll have a few questions from people other than journalists, which will probably be interesting to hear from.

I want to welcome personally Natalie James, the Department of Employment and Workplace, she's the Secretary; welcome. You've spent a lot of time here this week. So thank you for coming. Sue Dawkins, Peter's wife. Welcome to the Club. Thank you very much.

[Applause]

Maurice Riley: Yep. Westpac, our principal sponsors. Jason Duarte is here with us today. Thank you, Jason, for the Bank's continuing support of the Club. Bear with me. Welcome to all our members, media members and corporate supporters that are here today.

We have one further address this week; we've got the former Chief Justice of Australia, Robert French, and his speech is entitled 'The Voice: Filling a Long Constitutional Silence.' And the last in the series of the Voice that we'll be having is Senator Pat Dotson, next week. He is special envoy for reconciliation and implementation of the Uluru Statement from the Heart. And we're going to do that from Broome. I'm not flying everyone up there. But we will have the event here, and we will do a cross-broadcaster arrangement from Broome. He hasn't been well, and he's only doing one thing in this whole series of the Referendum, and we're honoured to be able to be able to provide that to him.

Last but not least, everyone has a mobile phone. I'd just be very grateful if you'd take an opportunity to least put it to silent, or flight mode, or turn it off. It's quite a distraction when it goes off during the event. So very grateful for your cooperation. We've got about six or seven minutes to go. Continue to enjoy your conversation.

We might have an opportunity, my colleague's gesturing, we might have one for those who might want to ask a question after the journalists. If you are interested in that, if you could just put your hand up, and then we'll come and talk to you, and tell you about how that can be arranged. OK, thank you very much. All right, back in about five minutes. Thanks.

[Pause waiting for broadcast 00:02:34 to 00:08:05]

Voiceover: Today at the National Press Club, the Director of Jobs and Skills Australia, Professor Peter Dawkins. As the nation grapples with persistent skill shortages, Professor Dawkins and his agency are working to fill the gaps in

the job market. Peter Dawkins with today's National Press Club address.

Maurice Riley: Hello, and welcome to the National Press Club of Australia here in Canberra, and today's Westpac address. My name is Maurice Riley, I'm the Chief Executive of the Club. Our guest today is Professor Peter Dawkins, AO, Acting Commissioner of Jobs and Skills Australia. And he will address the Club today on the issue of the Roadmap that he will be presenting here today.

Yesterday, Brendan O'Connor, the Minister for Skills and Training, addressed the Club on issues affecting the skills, present and the future, and is negotiating a National Skills Agreement with the States and Territory for the next round of funding for vocational education and training. Today, Peter will present the annual Jobs and Skills Australia report, entitled 'Towards a National Jobs and Skills Roadmap.'

Over the last two years, Australia has experienced widespread skill shortages reminiscent of the 1960s. And in the future, digitisation, the growing care economy, and the decarbonisation agenda will have a huge impact on skills needs over the next 30 years. The Roadmap examines Australia's skills needs and the adequacy of the national skill system in meeting those particular requirements. Current skills shortages are analysed, employment projections for the next 30 are also presented.

Professor Dawkins is very well credentialed for this role. He is the former Vice Chancellor and President of the dual sector Victorian University and Emeritus Professor of Economics with the Victorian University's Mitchell Institute for Education Health Policy, and has over 40 years of experience in economic and labour market research. In addition, he has in depth knowledge and experience in labour market analysis, both the higher education system, vocational education and training system. And he was also a senior bureaucrat in Treasury in the Victorian Government in a previous life.

So, for those watching at home, you can join the conversation on Twitter where our handle is @PressClubAust, or you can use the hashtag NPC. Join with me and please welcome Professor Peters.

[Applause]

Peter Dawkins: Well, thank you very much, Maurice. And let me begin by acknowledging the Traditional Owners of the land on which we meet today, the Ngunnawal people, and pay my respects to their Elders, past, present and emerging. I also acknowledge this is a very important time for First Nations people, as we move towards the Voice Referendum. And at Jobs and Skills Australia we commit to hearing the voice of First Nations people about their aspirations for jobs and skills. We aspire to co-constructing a First Nations peoples' Jobs and Skills Roadmap. This will be an important part of our ambition to develop a National Jobs and Skills Roadmap for Australia as a whole.

And it's to that national Roadmap that I now turn. Australia is experiencing widespread skill shortages, the like of which we've not seen since the 1960s. Looking forward over the next three decades, the transition to net zero emissions will present further challenges, including for occupations already in significant shortage, such as electricians. The demand for services across health, care and support, will continue to rise strongly. At the same time, digitalisation and artificial intelligence will change the way work is done in many of our industries and occupations.

10 years ago, an international survey program found that three million adult Australians did not possess the levels of literacy and numeracy required to successfully participate in the labour market. How much that has changed, we don't know. But we at Jobs and Skills Australia intend to find out. If we're going to meet the skills challenges of the future foundation skills, including digital literacy, are more important than ever.

Beyond this, all Australians will need to develop, and develop the necessary skills which will increasingly be high level skills, if we're going to achieve the economic and social aspirations of a prosperous and equitable nation. In simple terms, how is our national skill system, vocational education and training, higher education and migration, going to provide the quantity and quality of electricians, engineers, nurses, childcare and aged care workers that we need? And how do we ensure workers have rewarding careers, and the lifelong learning to support that? And that our skill workforce enables productivity and participation growth to support the improved prosperity and equity.

Jobs and Skills Australia was established after the 2022 Jobs and Skills Summit. Our core role is to provide analysis and advice about Australia's skills needs, and the adequacy of the national skill system in meeting those needs. We're supported by a tripartite consultative forum, many of whom are here today, and work closely also with all the States and Territories, and with 10 Jobs and Skills Councils, many of whom are also represented here today, established this year to do workforce planning for each of the industry sectors.

And I was honoured to be asked by the Minister for Skills and Training, the Honourable Brendan O'Connor, to lead the establishment phase of JSA. And today is a key milestone with the release of our 2023 Jobs and Skills report, entitled 'Towards a National Jobs and Skills Roadmap.' And this is being released alongside two other major publications. So the 2023 Skills Priority List out today. And JSA's first major capacity study on the workforce implications of transition to net zero.

So if we keep moving along, 'The Clean Energy Generation' is the title of that report.

The main focus of my address today is the work on the Jobs and Skills Roadmap, towards the National Jobs and Skills Roadmap. But in developing

that Roadmap, the Skills Priority List, also released today, and the Clean Energy report, provide critically important data.

Now, in developing the National Jobs and Skills Roadmap, first, we have to set the high level objectives of the Roadmap. Today's report nominates three. First, to minimise unemployment and underemployment. As the Reserve Bank of Australia focuses on bringing down inflation, we need to focus on matching workforce skills with industry needs, to enable the economy to achieve the lowest level of unemployment and underemployment possible, consistent with stable inflation.

Second, to increase productivity and labour force participation. And in the process of sustained real wage growth and sustainable GDP growth. The quantity and quality of human capital investment is critical to increasing productivity. Which in turn, should raise real wages and enhance labour force participation.

And the third high level objective is to enhance equity, and reduce disadvantage. Increasing equity can be achieved by enhancing the ability of disadvantaged groups to obtain the skills and opportunities they need to be successful in securing and retaining good jobs. First Nations people, young people from low socioeconomic backgrounds, people with disabilities, the long term unemployed, and migrants are all groups that should be the focus of attention. As should gender equity, a subject that I'll have quite a bit to say about today.

The central focus of the Roadmap will be how to enhance the national skill system to play its part in achieving these objectives. Its three key pillars on which we are focused, are vocational education and training, or VET, higher education, and migration. Each of these pillars will comprise one part of the National Jobs and Skills Roadmap. But a joined up approach to these three pillars, or a joined up Roadmap, will be an overarching priority.

So let me now turn to the challenges faced by the skill system that the Roadmap needs to address. Starting with the extensive skill shortages documented in our Skills Priority List that we've released today. 332 occupations, or 36% of occupations assessed by JSA, were in shortage in 2023, up from 31% in 2022, and 19% in 2021. Shortages were most common for technicians and trade workers, like electricians and fitters, motor mechanics and carpenters.

Shortages were also pronounced and grew the most for professionals, particularly health professionals, like nurses and GPs. But also ICT professional groups and various types of engineers, especially civil engineers, mining engineers, mechanical engineers and engineering managers.

Shortages grew among community and personal service workers, like health and welfare support workers, aged and disabled carers, and child carers. Skill shortages have also been more pronounced in regional areas.

Recruitment difficulty in regional areas remains particularly acute for occupations like – professional occupations like GPs and nurses, engineers, but also childcare workers, with many so called childcare deserts in regional Australia. And if we're going to attract enough professionals to regional areas, childcare support for working parents and carers will be a key factor.

Now, having heard that list that I've just read out, it won't surprise you that that gender imbalance is a key feature of many of these skill shortages. Male dominated occupations, such as in the categories of engineers, technicians, and trade workers, machine operators and drivers; and female dominated occupations, such as the nursing and early childhood education and care sectors, stand out. Strategies to improve gender balance in these occupations are absolutely critical, and have significant potential to address skill shortages, as well of course as promoting gender equity in the labour market.

What else do we need to do to mitigate these skill shortages? Well, first, conventional economics suggests that increasing wages is one lever that employers can pull, to attract more workers away from other jobs, or into the labour market from them outside of the labour market. Jobs and Skills Australia has a survey of employers who have recently advertised. And we have actually found that very few employers change remuneration in response to failing to fill vacancies. In the last year, around one in 100 employers adjusted wages to attract skilled workers when they failed to fill a vacancy.

Now, wages are sticky at the most prices for various objective reasons. And economic research does suggest that over long periods, occupational wage differentials do gradually shift. But the fact that there are extensive, persistent skill shortages in our labour market, suggests that upward wage adjustments could be used more.

To help understand the different causes of skill shortages, and the potential solutions in addition to wage rises, JSA has adopted a typology of four skill shortage types, based upon a framework developed by Professor Sue Richardson. First, there are training gap shortages, defined by there being few qualified applicants per vacancy. This is of two types; one, where the time taken to train is longer than the other. So longer training gaps, shorter training gaps. Examples of shorter lag training gaps are retail managers and painters. Examples of longer lag training gap shortages are early childhood teachers, occupational therapists, physiotherapists, as well as registered nurses, and electricians.

Where the skill shortage is the result of there being few qualified applicants, there's a strong a priori case for increasing the supply of qualified people, using our VET and [higher ed 00:21:44] system, to increase the supply of qualified people. Either by a larger intake of students, or higher completion rates. For longer lag training shortages, a short term response could be to upskill people with some of the relevant skills, attracting back people who've left the occupation, or skilled migration.

The third category is called the suitability gap category. Here, there are above average qualified applicants for vacancy, but too few suitable applicants. JSA survey of hiring employees reveals that qualified but unsuccessful unsuitable applicants are often deemed to have too little work experience, too little employability skills. The suitability gap shortages are mostly professional occupations requiring Bachelor's degrees, including various types of engineers, especially civil and mining, mechanical engineers, and engineering managers.

This finding reveals that simply increasing the throughput of graduates is not a solution. Here, increased work integrated learning, work placements, cadetships, higher apprenticeships or degree apprenticeships look like a very promising avenue to pursue, to generate that kind of work experience and employability skills that's needed in those graduates.

The fourth type of skill shortage is the retention gap category. In this one, there's high churn in the occupation, with too many employees leaving the jobs. Examples of occupations in this category are child carers, aged and disabled carers, chefs, and interestingly, human resource professionals. For the retention gap category, again simply increasing the throughput of training completions or boosting migration is unlikely to be a long term solution. Steps to boost attraction, increase retention, like improving job design, working conditions, remuneration, and career paths are important.

In aged care, the first step has been taken to improve the remuneration of aged care workers. Now the migration lever has been pulled. And hopefully the training throughput can also deliver a greater number of qualified workers. A multi-pronged approach has been necessary for a very acute shortage problem.

Now in the year ahead, JSA will be undertaking a major workforce capacity study on another area in this, another occupation in this category; childcare – well early childhood education, which is one part in the child and the care sector, which is where that particular group is in that retention gap category. And this this sector is critical for the future, obviously, of our children. But also for the participation of parents and carers. Without enough childcare workers, these childcare deserts that I mentioned earlier, could persist. So a multi-pronged approach will also be needed for the childcare sector too. And we look forward to undertaking that study over the next year.

OK, well that's current skill shortages and their categories, and the different levers that can be pulled to deal with current skill shortages, which are acute. This very large number that that we're reporting in our jobs and skills in our Skill Shortage List today.

Now turning to the future. What can we say about Australia's skills needs of the future? And in our Jobs and Skills report that we released today, we released projections of Australia's skills needs over the next decade. And these projections show that around two million more people will be employed in the Australian economy in 2033 in 10 years' time than

presently. All industries are expected to grow, with the greatest growth being expected in healthcare, and social assistance, followed by professional, scientific and technical services, and education and training industries.

The occupation groups projected to experience the strongest employment growth are professionals and managers, community and personal service workers. For example, the care and support workforce is expected to grow by almost 145,000 workers between now and 2033.

What does all this mean for our VET in higher education systems over the next decade? Well, they are basically going to be needed more than ever, to train our workforce. Over the next 10 years, more than nine out of 10 new jobs will require post-secondary qualifications. Around half will require a Bachelor degree or higher, and around 44% in our projections will require a VET qualification.

Let me now turn to the clean energy workforce, the subject of our major report, *The Clean Energy Generation*. Reaching the Australian Government's net zero emissions target by 2050 will require a workforce transformation that is substantial. Not unprecedented, but substantial. Like the postwar industrial transformation, and the digital transformation of the late 20<sup>th</sup> century, a new generation of workers will be required. Both from existing energy sectors, and through new pathways into clean energy.

There are many occupations that form part of the clean energy workforce. The most critical are found within trades, technical occupations and engineering professionals. Where training times and licensing and accreditation requirements impose justified barriers to entry. And we identified 38 occupations critical to the various segments of this workforce.

Our report includes preliminary modelling for three possible future scenarios. The central scenario suggests that the clean energy supply workforce across a wide range of industry sectors, the 38 occupations that I mentioned, will need to grow by about 60% by 2050. If we narrow our focus to renewable electricity generation, the growth will be about 127%. So large growth in our clean energy workforce.

Occupations with the highest growth rates between now and 2030 include telecommunications, trade workers, electronic trades workers, electrical engineering draughts persons, and technicians, structural steel construction workers, construction managers, plumbers, and electricians. And in relation to electricians, preliminary modelling suggests that we will need approximately 32,000 more electricians as soon as 2030 in this central scenario, in which Australia reaches its renewable energy target in 2030. 32,000 more electricians. So that's a very important thing in our Roadmap.

Growth in these occupations will be concentrated in regional Australia, presenting a great opportunity for regional Australia, as clean energy will continue to provide well paid employment that might otherwise be lost as

global demand for fossil fuels decreases. However, the concentration of growth in trades and technical employment, including professionals, in regional Australia will require an even more substantial uplift in education and training, to ensure that job opportunities can be accessed by local workers. Expansion of existing broad-based qualifications, clean energy top ups, plus some new qualifications, will be required.

Frameworks for deeper collaboration between VET, higher education in industry, and new models of course delivery to better align graduates and emerging needs are required. As are clear pathways for students to navigate and access a more cohesive and connected tertiary education system, with consistent approaches to occupational licensing.

Major attention will be needed to be given to the student pipeline. Especially in apprenticeships, doubling down on efforts to get women into trades, and supporting more First Nations people into education and training. And possibly opening up apprenticeships to international students. Expanding placement opportunities for apprenticeships, and strengthening of the VET workforce to train these workers will be essential. Migration will also have to play its role in positioning Australia as a destination of choice to attract and retain the workers, the skilled workers that we need in these critical roles.

So all in all, the national skill system faces some big challenges. Extensive skill shortages, the challenge of transition to clean energy economy and the need to boost productivity are three critical challenges among many others. Jobs and Skills Australia seeks to support the system in meeting these challenges, by charting a joined up Roadmap for its component parts, especially vocational education training, higher education, and migration.

Now these three pillars have all been under review this year in different ways, and an emerging reform agenda will help populate this Roadmap. One part of that Roadmap will be for our VET sector, which plays a critical role in training important technical and trade workers, and workers in the health and care sectors. A National Agreement is under negotiation to expand enhance the sector. Reform of VET qualifications is underway to make them more responsive and valuable to workers and industry.

Development of the training workforce is another priority, as is the establishment of TAFE Centres of Excellence in areas of national priority, including clean energy, an idea recently highlighted in the Employment White Paper. The status of VET needs a big boost in Australia, as does the status of skills relative to knowledge in our tertiary education system as a whole.

Which takes me on to the second part of the Roadmap, our higher education system, currently being reviewed by the universities' Accord Panel. Their interim report has identified an increased focus on skills as a key part of the Accord, and stronger connections with the VET sector. The higher education sector is highly rated internationally, but needs to be significantly



strengthened to meet the big challenges ahead. There's a substantial pipeline growth in the proportion of working age population with higher education qualifications, due to the now lapsed demand driven system. Our employment projections suggest that growth needs to continue.

As important, however, is ensuring graduates of the higher education system gain work experience as an integral part of their skill development, and possess the professional and employability skills employers are looking for. Stronger connections with industry and the VET sector are needed to ensure this. Enhanced work integrated learning placements, cadetships, higher apprenticeships, degree apprenticeships, as a promising part of this solution to the work experience and employability skills that employers value. And has come out in our research on some of those skill shortages, where there's enough graduates but not ones with the right employability skills or work experience.

The Accord interim report also floated the idea of a National Skills Passport built on a National Skills Taxonomy, as a way of supporting a more joined up national skills system, an idea also highlighted in the Employment White Paper.

The third part of the Roadmap will be for skilled migration. The migration system is equally challenged. A recent review, chaired by Martin Parkinson, concluded that the system is overly complex, fails to attract the most highly skilled migrants, and enable business to efficiently access workers. It also pointed to the risk of an emerging permanently temporary underclass of migrants.

The Australian Government has accepted the thrust of this review and its migration strategy outline released in April. And included in this outline was a proposal for the establishment of a formal role for JSA, for Jobs and Skills Australia, in defining Australia's skills needs using evidence. Including advice from tripartite mechanisms for identifying labour market pressures, and how migration can complement the domestic skill system in addressing these pressures.

Indeed, an overarching imperative for the National Jobs and Skills Roadmap will be this joined up approach to VET, higher education and migration, and pleasingly all of these reviews going on are calling out for that desire to be more joined up, the need to work effectively together. A more joined up tertiary education system will help students navigate the system more easily, and gain the range of specific and vocational skills, generic skills and knowledge that they need to succeed in the labour market. Greater collaboration between VET and higher education providers to ensure a blend of the skills is obtained, that benefits the students and industry alike, will yield important economic and social benefits.

For example, stronger pathways for enrolled nurses to become registered nurses can help with the retention of enrolled nurses in the system, and help grow the supply of nurses, strengthen their career pathways, their

productivity, and their earnings. The ability of professional engineers to undertake more vocational education training could increase their employability, and the enhanced ability of electricians to pathway from certificates to diplomas and degrees, could increase their career prospects and earnings, and help to attract more people to be electricians, ameliorating the critical shortage that I've spoken about, grow productivity and support the clean energy transformation.

Turning to the third pillar of the national skill system migration. It needs to complement, rather than compete with the tertiary education system. So the domestic skill system will need to be supplemented by migration to meet these challenges ahead. And our advice on skilled migration will focus on this complementarity with education and training.

Indeed, there are some cases where migration and education need to collaborate. An example that I mentioned earlier, is that we could explore the ability of the migration system to allow student visas, for people wishing to do an electrical apprenticeship in Australia. Currently, the limit on work hours for student visas prevents this. The current shortage of electricians and predicted growth of demand for electricians, suggest that welcoming prospective electricians from overseas to do electrical apprenticeships, could be a better use of visas for our VET system than some of the courses international VET students currently undertake, like VET courses in leadership and management.

From today, Jobs and Skills Australia will start working towards the National Jobs and Skills Roadmap. We've defined some of the high level objectives of the Roadmap. We've outlined some of the key challenges that the Roadmap needs to confront. We've identified that VET, higher education and migration will each have a part of the Roadmap that's being shaped by current reform agendas. And that a key defining feature of their Roadmap, is to chart a joined up approach between these pillars.

Our report identifies 14 potential Roadmap opportunities for JSA to work on with key partners and stakeholders. Let me, as I move towards my conclusion, highlight six of them.

First, support the reform of the higher education and migration systems by providing advice and analysis into those sectors, and into those reform processes, and monitoring the progress against their objectives. And this should be done in a way that highlights the synergies between the three reform processes.

Second, identifying Australia's top 20 persistent skill shortages, and charting a joined up approach to solving them, including the respective roles of the different levers, such as increasing the throughput of qualified workers by increasing intake, or completion rates of relevant training and education pathways. Enhancing the attributes of graduates of VET and higher education by improving their employability skills, and greater work experience. Working with employers and unions and Governments to

enhance job opportunities through better working conditions, including strategies to tackle gender imbalance in key skill shortage occupations. And of course, supplementing the Australian workforce through well targeted migration.

Third, collaboratively shaping a National Skills Taxonomy, something that Jobs and Skills Australia has embarked upon, building on its previous experience with a taxonomy called the Australian Skills Classification. And we will build that taxonomy in partnership with business unions, higher education and VET, to underpin a more joined up tertiary education system. And for people to understand what skills are transferable between jobs as they pursue their careers.

Forth, support the new Net Zero Agency to become the net zero authority, and key partners in the national skill system in developing a Jobs and Skills Roadmap for the clean energy transformation.

Fifth, develop a Jobs and Skills Roadmap for regional Australia. Six, co-create the First Nations Jobs and Skills Roadmap for First Nations people, with key partners in the national skill system.

It's an ambitious agenda, but one that we hope will foster a virtuous cycle. A cycle where investments in enhancing skills across the economy can provide a fiscal dividend through increased productivity and participation, which helps pay back the cost of the upfront investment. For example, progressing the clean energy economy transformation through major physical and human capital investment in clean energy generation and transmission, and high productivity clean energy manufacturing for export to become a clean energy superpower, can stimulate economic growth and produce a fiscal dividend. This could help pay for the investment in early childhood education and care workforce, further enhance our future human capital, increase the labour supply of parents and carers to enable our skill needs of the future to be met.

I started today by asking how is our national skill system, vocational education, training, higher education and migration, going to provide the quantity and quality of electricians, nurses, childcare and aged care workers that we need? And how do we ensure workers have rewarding careers and the lifelong learning to support that? And that our skilled workforce enables productivity and participation growth, supporting improved prosperity and equity.

Our 2023 National Jobs and Skills report elaborates on these and other challenges to the national skill system, and the emerging reform agenda to deal with them. And the critical importance of a joined up approach between its key pillars. A joined up National Jobs and Skills Roadmap supported by the tripartite partners in our jobs and skills system, has a very important role to play for the future of Australia. Thank you very much.

[Applause]

Maurice Riley: Well, thank you, Professor Dawkins. I want to start the first question before we go to our media members. This is a pretty challenging proposal. You've got six State Governments, two Territory Governments, you've got a federal Government, you've got a university sector, TAFE and VET sectors, you've got migrations, employers, and unions. Who's going to show the leadership to bring the goodwill together to make all the things that need to be done, a reality?

Peter Dawkins: Look, leadership is very important. But I think we're seeing, we're seeing that now. And it's a very exciting phase in the history of the skill system in Australia. Because we have these three processes in place; the migration review, the National Skills Agreement, and the Higher Education Accord, or Universities Accord, and there are various people leading those things. And they are talking about the issues and challenges that I've talked about today. And they're also talking about collaborating with each other. And it's very timely that Jobs and Skills Australia has been created to provide advice to each of these pillars.

So we're not there to lead the policy, but we're there to help give the policy energy, and give it information and advice. And to help ensure that this joined up approach happens.

Now you're right. There's a huge number of stakeholders involved. You mentioned the State and Territory Governments, for example. They're a very critical part of this. So if it's going to be a holistic national approach, there needs to be a Federal/State kind of compact to make this all happen. I think we're on the path towards that.

So you will have heard Mr O'Connor talk yesterday about the negotiation with the State Ministers of a National Skills Agreement. And I had the opportunity of meeting with them all, with Minister O'Connor and his State and Territory counterparts to talk about the role we can play in supporting them. And I must say, the atmosphere in the room was fantastic. And there was a lot of energy around working together, Federal and State, to help solve these problems.

So if you bring that in, the Higher Education Accord wants to work with the VET system, and Mary O'Kane who's been leading that has also been going around to the States and Territories and talking about the need to be responsive to differences across Australia. The migration system; this review has said we will migration policy to work with higher education and VET.

Now, business and unions are absolutely critical to this. So the employers, the unions, who are working in all of these key industries. And so that's the other really fantastic feature of Jobs and Skills Australia, is we're a tripartite organisation. So we have a consultative forum, which has business, unions, States and Territories, as well as the Commonwealth, and higher education, and vocational education all around the table. And so it's a bit of a new

experience for some of them, I think, to sit around the table, and talk about how we're going to solve these problems together.

But looking around the room, and I can see some smiles, they're learning a lot about working together. And they can see the prize that's at the end of this exercise if they do work together. And I must say, I think this tripartite approach, Federal and State, business and unions, higher ed and VET, there's never been a better time to make this happen. So there are challenges, but there's fantastic opportunities.

Maurice Riley: My second question is, in your report, you've got two megatrends. Clean energy, and net zero. And you've got artificial intelligence, AI, as it's known. Now, that's going to create – there's going to be some bad news there; there are jobs to be lost. And I'd like you to think about what type of jobs they are going to be. And on the other side, what are the type of jobs that are going to be created as we transition to both those, around particularly AI. I mean, it's new and it's fresh, and it's in everyone's mind.

Peter Dawkins: Absolutely.

Maurice Riley: I know journalists don't use AI for their reporting, but there we go.

Maurice Riley: So there was a third megatrend, which is the growth of the care and health sector, which will create a lot of employment. So I think our outlook is not one in which there's going to be a scarcity of jobs for people. So I think AI offers a big opportunity, because we do need significant productivity growth.

Now, there are risks, there are challenges. But there's fantastic opportunities. And we do need, as well as good economic policy, education policy, technological change is a major driver of productivity. And it's been a puzzle why we haven't had more productivity growth, given the amount of change that people say they're experiencing. Maybe AI is the thing. And you're right, it will replace some kinds of work. So people like me will apparently have to spend less time writing letters, which I think it's rather – you have to check what they say before you send them. But we are going to save time in all sorts of different jobs.

And so when I talk to employers, when I talk to the relevant Jobs and Skills Council, Patrick Kidd, CEO of that, that is looking at these issues, I think that we have to be worried about the risks. But also, there's fantastic opportunity here. And this is the great thing about being close to full employment, about there being a lot of vacancies. That we are in a world in which if we can achieve the sort of technological change and productivity growth that means we need less workers to do some things, there's other things for them to do.

And our job is to make sure that we get people matched, get their skills matched to the jobs that are available. So we do need to be – you're quite right, we need to work on what are the jobs that are going to be lost, what

are the jobs that are going – and we've got work going on, on that. It's too early to tell, is probably what the scorecard is at the moment. But we are gaining more knowledge about it. And it will be a priority area in the next year to increase our understanding of this issue. And work with the Jobs and Skills councils about how it's going to affect all of their industries.

Maurice Riley: Thank you. Our first question is from Melissa Coade from The Mandarin.

Melissa Coade: Hi, Professor, thanks for your talk. I have lots of questions, so if Maurice will indulge me. The first question I had was, you mentioned the objective of JSA being Australia's prosperity and economic productivity. And you talked about huge systems transformations across several national systems. But I'm wondering as I'm listening to some of that discourse, what does that mean for the job seeker, or the soon-to-be graduate?

And when you're giving your speech, I was skimming your CV, and noticed that one of your first qualifications was a science degree, and then you went on to specialise in economics. So I'm wondering if you can tell us through your own personal experience, why being adaptable and responsive to interest, the economy, is useful, and what the job seeker can take from your message today?

Peter Dawkins: Yeah, really good question. Adaptability is critical. Just to disappoint you a little bit, my Bachelor of Science was actually in economics.

Melissa Coade: Eminently qualified in that case.

Peter Dawkins: And in the UK, they have this curious tradition of having some Bachelors of Science in Economics. But look, adaptability is critically important. And I think that in working on the skills taxonomy that we're going to be building at Jobs and Skills Australia, there's a whole range of sort of core skills, general skills. So things like literacy and numeracy, and so on, but also teamwork, critical thinking, problem solving. And those general skills are needed in every job.

And actually, the education training system has to put a lot of attention into making sure that those general skills are developed. And actually the education and training system could do worse than actually figure out how to assess them, so that we can essentially build into the skills passport idea that's being talked about, some assessment of the level of capability in those generic skills. Because those are needed in all jobs that will help people to move around.

Then there are more specific skills, and the skills taxonomy will have all of those too. But what the taxonomy aims to do, is to see how many skills that are relevant in this particular occupation are relevant in that; how can you upgrade from this to that; what extra skills will you need? And I think the education and training system does have to focus on these general capabilities, from schools upwards, really.

So this is a whole of education agenda. Schools need reforming. It's a bit outside my brief as Jobs and Skills Australia Director. But schools do need to be preparing young people for these, to be adaptable that have these general capabilities. And then, of course, there the add-on skills, the more specific ones, that also change over a lifetime. And that's why lifetime learning, lifelong learning is going to be so important.

But the advice to young people to be adaptable is a very good one. The other advice is to follow your passions, I've always found. Thanks very much.

Melissa Coade: So moving on to the question of structural underutilisation. The employment white paper recently pointed out that 2.8 million Australians either want to work more, but cannot, or have work but want more work. And this contrasts with the fact that our employment service system is connected to less than 5% of employers. And this is especially critical in areas of disadvantage, or areas like regional Australia. So from a policy perspective, what can we do to wrestle that gap?

Peter Dawkins: Yeah, can you just repeat the – just succinctly repeat the question?

Melissa Coade: The fact that there are so many people who want to work more, and that our employment services systems aren't so connected in the areas where it's needed.

Peter Dawkins: Absolutely. So I think you started off by referring to underutilisation of labour. And the Employment White Paper talks about sustained and inclusive full employment. And in my remarks, when I talked about what our objectives should be. one is to get unemployment down as low as possible. I said, get unemployment and underemployment, because that, those things together is the sort of underutilisation of labour. It's not any people without work who want it, it's with less work than they want.

The great thing that's happened as we've got unemployment down, is ultimately we got underemployment down too. So that's good. But we've got to try and keep it down, and also where it exists. We've got to try and give the people the skills they need, in order to get whatever jobs are available.

Now, our role in that is to support – you talked about how being worker centric, student centric – is to partly to support the students, by having the best possible information about what the opportunities are and what the skills are that they need. And we work with Careers Australia to help provide that information. So good data for them is important.

I know there's a review of the employment services system going on. And I know one of the things they're interested in is whether they should be paying more attention to supporting unemployed people, and underemployed people, to get those skills. And depending on how that process goes, Jobs and Skills Australia is ready and willing to help that process. Because an individualised approach to support everybody to get the

skills they need, is critical.

Maurice Riley: Just taking that further, we have seen recently Government reinstate the limitation on student visas from full time to 24 hours a week. And it's a blanket coverage across all industries now. It disproportionately affects certain industries; hospitality, tourism, retail. I just wonder whether we've got that approach right. I mean, there's a critical shortage in those areas in particular, and there are plenty of people who want to work more than 24 hours. And what we've seen, based on some anecdotal evidence, is that those people are working 24 hours, then working in the grey or black economies after that. So it's not stopping people getting work. But it's probably something that shouldn't necessarily have a uniform blanket approach.

Peter Dawkins: Look, I won't comment on this specific policy, but I understand the general question that you're asking. And, of course, this got worst during COVID, when the supply of international students coming in and working in our retail sector and hospitality in dried up. Now, that's coming back. I think this is a balancing act, isn't it? You've got to have an international student system that fundamentally gets students here to be doing the right courses, the right degrees, the right VET courses, to support their skill development. Whether it be to remain in Australia or to return to their country of origin. And if they have to do too much work outside of that, it's not clear that they're pursuing their core purpose.

And one of the things we have to do with international students as well as domestic students, as well as giving them opportunities in those sectors, is to give them opportunities for work experience that's relevant to the careers they're developing. But nonetheless, yeah, that sector, like all sectors, has challenges. And anyway, we'll see how that policy plays out. And it is a very important part of students supporting themselves, of course, which they need to do if they're going to be successful in the education system.

Maurice Riley: Sure. Nick Stuart.

Nick Stuart: Everyone laughed at your response to Melissa's first question, but I think the arts graduates in the room were laughing at the idea that economics was a science. What I was wondering about was your second theme was productivity. We're looking now at an increasing number of people being employed in aged care, and particularly with the NDIS. It's been the biggest growth industry in Australia over the past decade. What I was particularly wondering about was, gaining productivity improvements is going to be particularly difficult in areas like that, particularly disability, for example, where the number of workers that are required to do something won't change, basically, no matter how effective AI is.

When you look at an area like that, do you see this as being an increasing opportunity, actually getting people with disability to work in the area as a means of boosting the productivity? Do you think that rather than relying on educational qualifications as we have in the past, like universities, we



actually need to be looking at more work-based knowledge of transference opportunities, so that we're actually getting people with disability competent to do particular jobs that are perhaps not considered to be – do we need to consider shifting the payment methods, and also the way Government taxes particular organisations, in order to boost the number of people with disability who are working?

Peter Dawkins: So thanks for the question. It is a very important, very important issue. And actually a big opportunity for Australia. And equity issues and disadvantaged groups are an important focus of our work at Jobs and Skills Australia. One of the exciting things again, about there are challenges with skill shortages, but there are also opportunities. And being close to full employment means that more people who were previously kept out of the labour market are being drawn back in.

And employers often find when they employ people who might have been long term unemployed, who might have had disabilities and things that made it harder for them to get into the labour market, often find that actually, they turn out to be very good, very good employees. And they and they realise they've made some mistakes in that sort of lazy a world of high unemployment, where you take people who look like they're going to be the right person for the job.

And people with disabilities, the important thing is to focus on their abilities, not their disabilities, and their strengths. And things like the work we're doing on trying to measure the capabilities that people need, will help people with disabilities to figure out what's the best thing for them to do, to use their abilities, rather than their disabilities.

So it's a very important thing to do. I agree completely with the aspiration. And I also agree with your observation that work experience in employment, in training is critically important. One of the major themes of my address today. And that will be important for people with disabilities to test their ability. So thumbs up to that, yes.

Nick Stuart: Can I now take a different approach, and actually say, imagine you're an electrician, to take your example, on \$120,000 a year, and things that do going pretty well. And really, you don't mind that backup of work. And suddenly, you're hearing someone come and say, "Oh, we need to get qualified people," who the electrician might view as being scabs, workers who are going to undercut their profit. Isn't a danger that if we rely on immigration to solve this problem, don't we need to actually work out solutions from within our own situation?

Peter Dawkins: Yeah, look, we shouldn't rely on migration to solve the problem. And fundamentally, first and foremost, it's our own domestic skill system that we should be developing to create, to meet the skills needs that we have. But there are times and situations in which you have to supplement that. And I think partly because of this clean energy transformation, the electrician challenge we've got is massive. And we do have to look at people

from overseas as part of the solution.

The first place to look, of course, is women. And so we heard yesterday when we were discussing the Clean Energy report, and Michael Wright, who's from the Electrical Trades Union, talked about the proportion of women who are electricians, which from memory, was about 2%, I think. And Michael's over in the corner there. And so that's half the population that we can have a look at for potential electricians.

And that requires major culture change. And it requires changes in working environments. Michael talked about the fact that in many work environments, bathroom facilities are not appropriate for women employees. And so there's just one simple example of what can be done. There's obviously a big culture change needed, it has to start at an early age. There's this really strong tradition of it being a male area. There are female dominated occupations where we need to get more men in as well. And childcare might be one of those.

So look, migration is there as a supplement for acute issues; electricians may well be one of those. Aged care workers have proved to be one that we're facing. But we have to try in those acute cases to pull all the levers that are available to us, and make sure they all work well together.

Maurice Riley: We're getting close to time. We've got a couple of questions left. My Uber driver is probably one of the smartest guys that drops me to work. And his issue always is that his qualifications aren't recognised. I mean, do you think we are generally too inflexible about the recognition of, or crediting foreign workers or foreign visa workers in different industries?

Peter Dawkins: Yeah. Look, the recognition of qualifications is a very important issue. And it's done better in some areas than others. We need a consistent approach. And we need an approach that does give due recognition to the genuine skills that people have got. And part of our role at Jobs and Skills Australia is to increase the transparency of what skills and knowledge people do have, including migrants.

Some of those migrants driving Ubers are not only people who qualified overseas. Some of them are actually international Students, who may have got their Bachelor's degree in engineering or IT, and now they're perhaps thinking about doing a Masters, because they haven't been able to get a job. Now, who knows, there may be some prejudice in that in the Australian labour market. There's this issue of employability, skills, work experience, in many of those areas that those international migrants are in, that we have to attend to in our education and training system.

Maurice Riley: OK. We thought we should have a regional question today. And I could think of no one better than Liz Ritchie from the Regional Australian Institute.

Liz Ritchie: Thank you, Maurice. Thank you, Peter. Congratulations on your address

today, and also on leading the development and creation of JSA. It's been a privilege working with you and the team.

So unsurprisingly, I am going to bring a strong regional flavour. And again, I was really pleased to read in the report that you are prioritising the opportunity for a Regional Roadmap, which we've been talking at length about. So really pleased to see that, and I think it's made the top six in today's speech, which is great to see.

So as our work has been focused on it, the Regional Australia Institute, over some time, and now in the latest report, we can see that regional job growth and regional recruitment difficulty is being felt far more acutely in the regions. So we have this big wicked challenge that's hard to solve. What we also know, unfortunately, is that regional Australia experiences what's known as geographical bias, in the same way that we see gender bias in the workplace. And so what this creates is what I call a policy blind spot.

But when it comes to filling the jobs, and in regional Australia, we've got almost 100,000 job vacancies and growing, there's really only three quick ways, given that we have some pretty tight timelines. And that is to double down on the migration efforts and secondary migration efforts. To double down on the underutilisation and the underemployed, which you've been focused on in this report. And to also double down on the attraction of city dwellers to the regions, which we know that there's three and a half million who want to move to regions.

So bringing those issues together into your theme of the joined up approach, how do we optimise your Regional Roadmap with that joined up thinking that's happening across the migration strategy, across the Net Zero Agency and the Education Accord? So I guess in summary, how might we lift and shift our gaze so that we get a whole of Government response that will fast track the ambitions within your report? A big question.

Peter Dawkins: Well, I thought you answered it, actually. Well, yeah, look, a pretty good answer, I thought. The three levers are there and available. And look, what we'll do at Jobs and Skills Australia to support this, is a lot of very helpful analysis of what's really happening. And that will lead to certain policy ideas.

Look, one of the things, and just congratulations on what you've done at the Regional Institute Australia. And one of the things – they're one of the best users of our data, which is fantastic. So Liz looks at the scorecard for regional Australia. One of the good things is there has been population shift to regional Australia. So we're in a new period now. You talk about rebalancing the nation, and moving people from the cities to the regions. So part of that was COVID, but it's continuing on.

So it's not all bad, although you've still got those major skill shortages, particularly in professional areas. So vacancies are easing, a number of agencies are easing a bit across the country, including in regional Australia.

But it's in those professional areas that it's most challenging. So doctors, nurses, and of course, I mentioned childcare workers.

So all of your levers are relevant. And I look forward to working on the Roadmap, and having you, obviously, look over our shoulders as we do it. But I'm sure that we'll be having lots of conversations about how to do this, as we develop the Regional Roadmap.

Liz Ritchie: Thanks Peter.

Maurice Riley: I think that's a guarantee. Ella?

Ella: Thank you, Professor Dawkins, and thanks, Maurice. So in your speech, you discussed the importance of reducing gender disparity in occupations to reduce skill shortages, as well as gender equity. Can you expand on that, and what steps will JSA be taking to achieve this, especially in relation to women exiting the workforce because of childcare responsibilities?

Peter Dawkins: Thank you for the question. Yes. So I touched on this in an earlier answer and in the address. So in terms of women with caring responsibilities, a forthcoming study on education and early childhood care sector is going to be very important for gender equity in the labour market. I talked about gender equity and gender segregation occupations like electricians, and the culture change that's needed. The improved facilities for women, and so on. So it's actually a theme that runs through a whole lot of these different areas of the challenges we face, and is a major priority in our work.

We won't be actually delivering the policies, but we'll be advising the policymakers. I know, various departments of Government, we have the secretary of DEWR here, who's Natalie James. And there are various programs that Government are implementing, Federal and State, around gender equity, around women in STEM, for example, about trying to promote women into areas they've not been in before. That needs to happen. It probably needs to, actually, we need a bit of a big step up in this, given those challenges that I've talked about today.

Maurice Riley: All right. We'll quickly have Melissa Coade.

Melissa Coade: I just had a final question, sort of capping off those put to you about the joined up approach. It strikes me that JSA represents this evidence-based muscle that helps both the department and the relevant Ministers execute this reform vision. What confidence do you have that the joined up approach will work? And you did step through some points that JSA are doing to that end. But how confident are you that this isn't just a flash in the pan for politics?

Peter Dawkins: You can't afford to get too confident about these things. Because when you're not looking, things could go awry. But look, this is, as I said, a very, very positive period in which there's a lot of willingness of the players to come together. Whether it be Federal and State, whether it be Minister for

Education, Minister for Skills and Training, Minister for Immigration. And so now's the opportunity to really drive that home. And do it in partnership with all of the key stakeholders, with business, with unions, with higher education and vocational education providers. So our consultative forum to become an advisory committee with Jobs and Skills Australia has very high powered people on it, in very important places. If we can get them also reinforcing the political will, then I think that there's every chance we're going to achieve this joined up approach.

Maurice Riley: Well, let's conclude on that note. Please join with me in thanking Peter.

[Applause]

Peter Dawkins: Thank you.

Maurice Riley: Please accept the gift of membership to the Club. You're welcome back here at any time. Ms Melissa Coade will have serious questions for you in a year's time. And please join me once again in thanking Peter.

Peter Dawkins: Thank you.

[Applause]

[End of recorded material at 01:12:55]