

## NESA national conference – 28 July 2005

### “Skill Shortage - Looking for the Silver Bullets”

I'm here today to talk and argue about skills shortage.

How much reality and how much myth and whatever the answer is to that question – does it really matter and should we be concerned?

Many think we should not. Whilst others think we should be very concerned. I happen to be in the latter category.

Regardless of **where** you stand on the depth, breadth and width of the problem – the fact is that most Australians now understand what it means to have a skills shortage – be it, either on a domestic, commercial or business level.

When it comes to skills shortage - it has taken a long time to reach the point of national political and policy acceptance. It has not been easy.

Many have had to be dragged kicking and screaming to the table. Some even remain in denial. Some economic commentators dismiss the issue of skill shortage with a wave of the hand and proclaim “There **is** no such thing – period”. It is, according to them, even bordering on “good news”.

It is argued that the existence of skills shortage is ample demonstration that our economic policies are working. It is all **cyclical**, so don't worry (which begs the question – if skill shortages are always cyclical, why then do they catch governments by surprise and why then does it take years to respond to them?).

Some others, to this day, just can't bring themselves to talk about it. Indeed, up until a few years ago – some of the influential lobby groups were refusing to even concede the point.

I remember when the Fin Review in mid 2002 first ran a front page splash on the extent and depth of skills shortage – inherent in this piece was criticism of existing policy and commentary by many industry players concerned about the future, including me. The government was outraged at the Fin and some large employer lobby groups were also less than impressed that the issue of skill shortage was finally out of the bag. Indeed, one such industry group even rushed into print claiming that talk of skill shortage and a fundamental rethink on training policy were an overreaction and an outrage!

Basically, the message was “She'll be right”. Yet, 3 years down the track - it still isn't.

Importantly, however, the atmospherics have **radically** changed – and mostly for the better – even the nay-sayers and deniers are now on board. Whereas a few years ago – cries of skill shortage were for the most part, cries in the wilderness – now, everyone is shouting from the rooftops.

This is a significant development – not only for skills development but for vocational education and training policy in general. The once forgotten ugly third cousin of the “VET, schools and university” family has suddenly become “acceptable” and has been invited back into the fold.

We now have political and policy ownership at the highest levels of government and opposition (though it is to be hoped that the rhetoric moves on from solely being about either the “Australian Technical College” or “20,000 extra TAFE places” as being the silver bullet and the answer to all problems in VET).

Political snobbery, which for decades consigned VET to the back of the queue, is also now coming to an end. That in itself, is a huge step forward.

But now we need to see some runs on the board. Enough of the talk and good intentions. Expectations have been raised to a point where failure to act would be unacceptable and politically dangerous. We must succeed.

But the question is: **What** must we succeed “**at**”?

How are we to measure success or otherwise in curbing skill shortage – now and into the future?

Can we do it by simply implementing existing government policy?

Or by recasting the commonwealth/state approach to training delivery?

Or by fundamentally altering community attitudes towards training and apprenticeships?

Specific policies responding to skill shortage are predominantly short term by nature. Yet the more “global” policies are the critical ones – how to secure the long term future of training and of a trained and skilled workforce, regardless of whether the country is actually in the throes of a “current skills shortage” or not.

So what to do and what of the role for Group Training?

Is there a need for a radical shift in training policy?

Is it a case of “out with the old and in with the new”, whatever that “new” is?

Regardless of the policy direction we eventually decide upon, governments AND business **MUST** commit to greater investment in training. We must be adventurous in our thinking – which is not easy in the VET field. The on-going “cultural divide” between much of our school system and our VET system must be more effectively addressed. The slavish adherence by government to full competition and open tender processes needs to be reviewed. In some cases in the VET area, the “competition mentality” – is simply not working.

One cannot continue to outsource care, responsibility and expertise in areas like training...it simply cannot go to the cheapest bidder sometimes...

Addressing these issues are fundamental if we are to build a training system that delivers sustainable skills in the short, medium and long terms. Quick fixes in some key areas of policy are the **last thing** we need.

Take for instance, the issue of Careers Advice – one of the genuine **Human Factors** in employment and training – and one that GTA and group training are becoming more and more involved in.

Careers advice needs a fundamental policy overhaul – getting it right will be a critical component in future education and training policy and skills development, and I would like to give it a deserved focus today. In simple terms, we need Careers Advice to “work” for school leavers – we need it to better “connect” more directly to the values and experience of the young. We need to reassess how the product of Careers Advice is sold and delivered.

Steve Jobs, CEO of Apple Computer and Pixar Animation, who spoke recently at Commencement Day for students at Stanford University - possibly gives us an insight into the kind of careers advice that will be required if we are to cut through and resonate in the over-crowded market place of today's youth:

In talking to students about the path that his life and career had taken and what had been the key drivers and influencers, Mr Jobs spoke directly of the Human Factor when he said:

*"I am pretty sure things would not have turned out the way they had, if I hadn't been fired from Apple. It was awful- tasting medicine, but I guess the patient needed it. Sometimes life hits you in the head with a brick. Don't lose faith. I'm convinced that the only thing that kept me going was that I loved what I did. Your work is going to fill a large part of your life, and the only way to be truly satisfied is to do what you believe is great work. And the only way to do great work is to love what you do. If you haven't found it yet, keep looking. Don't settle.*

Now, to me, strip away the usual dose of American gloss, and what you have is some honest, personal, sensible and accessible careers advice. Clearly, Mr Jobs believes in incorporating the Human Factor when advising on career choice and career path. I believe poor, inadequate and inappropriate Careers Advice lies at the heart of many of the problems besetting our training and job placement markets.

It has no doubt been directly or indirectly responsible for placing literally thousands of wrong people in the wrong jobs – year after year. And it has played it's part in seeing as much as 40% of first year university students drop out of their preferred course of choice.

So, how then, to best **"read"** what influences the decisions of students and parents, less we keep repeating the mistakes of the past?

We have to come at the problem from a different angle.

For the past few years, GTA has been attempting to get that different perspective though the development of what we are calling the Career Motivations Scorecard. The Scorecard was developed to be a more effective tool in stimulating discussion between careers advisers and young people - to be able to better reflect, explore, discover and discuss their values and priorities when determining career direction and pathway choice.

In developing this Scorecard, in the knowledge that there is still more work to do on it, we have sought to focus-group test it with some different groups of year 11 & 12 school students and with groups of apprentices. Put simply, the Scorecard comprises the Top 10 Motivation Pushers/Drivers for school leavers/job seekers. They are (in no particular order) – Adventure; Career; Income; Learning; Passion; Social; Respect; Security; Status; and Vocation.

Results of the preliminary research, (and I stress preliminary) conducted with the groups shows that of the 10 Drivers – Passion was Number 1. (as Steve Jobs would attest).

Passion in this respect was defined as *"turning an intense enthusiasm I have for something, into paid employment and a career direction"*.

The Learning and Income Drivers came in second and third respectively. And way down the bottom was something called "status".

What then are we to make of this?

The results of this research indicate to me that careers advice must as much come from the grass roots, from family, peers and the wider community as it does from top down bureaucratic and professional channels.

Group Training, in particular, can play a leadership role here through **expansion** of its field officer and pastoral care capabilities.

A second body of qualitative research that GTA has recently commissioned has been to examine how students, parents and career advisers view the different career pathways of tertiary education as opposed to VET and apprenticeships.

We did this as there has been much talk of late as to the attractiveness of the apprenticeship pathway over university – DEST and GTA wanted to see if there was anything to it.

In times of skill shortage, the thinking has been that maybe we need to change the message – focus on the earning potential – follow the money. The results of this research are being currently analysed and assessed but have thrown up some interesting initial issues for consideration – particularly for those of us keen to attract more young Australians into the trades and to help deal with skill shortages and fill skills gaps.

The raw conclusions of this research are as follows:

Firstly, the whole question of career choice is becoming **increasingly** daunting for many young people.

Secondly, the level of assistance young people receive, or perceive is available, at school – and elsewhere – is extremely variable and in many cases, poor.

Thirdly, careers teachers' attitudes can often be reactive and unhelpful to the VET cause.

Fourthly, young people are still not fully aware and appreciative of the structural changes within the modern workplace environment and of the opportunities that may exist for articulation, further study and progression **irrespective** of where they start.

Fifthly, the “apprenticeship” option is **still** not accorded sufficient status as a bona fide qualification in its own right.

For many, Apprenticeships remain predicated upon a relatively old training model which is highly dependent upon the interest, skill, goodwill and commitment of the employer as well as the apprentice; and lastly,

**Any** increased concentration upon **money** to the exclusion of other factors associated with career choice, enjoyment and progression, runs the risk of selling students' decisions and the VET pathway short.

This particular research, done by field experts, Worthington de Marzio, suggests that innovative and even **intrusive** communication techniques will be required to aggressively sell the benefits of taking a skilled pathway...  
(as **well** as the need for more substantive partnerships between existing players in the job and training markets ...)

**IF** we are to make genuine inroads into training and skill shortage rather than just tread water.

The recently completed GTA/NESA Tool Box Project provides a very good example of the importance and **necessity** of enhanced partnership arrangements - it is an instrument that I believe **MUST** be used by both job network and group training organisations to better assist them in referring and placing the right people in the right jobs.

The role of the Job Network and of group training in promoting skilled pathways is **critical** in dealing with future skill challenges. It is why partnerships are essential.

In advancing their operations – both the Group Training network and the Job Network seek to foster strong ties to their local communities. Collaborative arrangements present a sound basis to learn from each other through sharing labour market knowledge.

Of the successful partnerships examined during the NESAs/GTA Project, the most effective, demonstrated mutual benefits resulting from cross-referral of employer-services of the partnering organisation.

Very importantly, the majority of effective partnerships include a component of pre-employment training, where job seekers are jointly screened for participation and resources shared to assist graduates making the transition to employment. Such training includes pre-vocational training, pre-apprenticeship training, TAFE “taster” courses or complimentary programs as the New Apprenticeship Access Programme (NAAP).

Both GTO and Job Network organisations considered job seekers who undertook pre-apprenticeship training to be particularly attractive to business lodging traditional trade vacancies.

**This issue will be critical in devising strategies to combat skill shortage – it should also highlight the value of the group training network in skills development for decades to come.**

The use of the Job Seeker Account is also **key** to improving the effectiveness of future collaboration between a Job Network Member and a Group Training Organisation. The Job Seeker Account **can** address transport issues and cover the cost of training, work clothing, tools of trade, personal protective equipment, OH&S and induction training.

In addition however, incentive uses **can** include an offset of the charge out rate, invoiced to host employers as well as compensating a GTO for the costs of resources when additional on-the-job mentoring is needed, following the placement of people such as the long term unemployed.

Another key finding of the NESAs Project was that GTOs and JNM's use their successful partnering as the first step in engaging the wider community in addressing local unemployment issues. GTOs and JNM's reported that other organisations would be more inclined to **support** partnership efforts in addressing community issues, than might be offered to a project initiated by a single organisation.

The value then, of the **Human Factor** in the employment and training market, should not ever be underestimated and indeed, in the current climate of skill shortage, should be raised to a new level of importance.

To sum up then – Group Training Australia believes that we need new ideas to solve old problems.

More of the same will not do.

Reshaping our skills and training policies to effectively deal with skill shortage, requires us to seriously re-prioritise.

We need to be investing far more money and resources into areas such as careers advice.

We need, preferably through group training, to be offering substantially more pre apprenticeship training to more top quality candidates – so we achieve a far better “match’ between candidate and job.

We need to be creating a new culture within schools and the community towards what constitutes good and practical careers advice.

We need to commit to raising the status of careers counsellors and advisers, making them a critical cog in the national education and training machine.

We need to engender a greater acceptance within both the job network and the group training sectors of the value of **partnerships; and**

We need to embrace nation-wide, the value of policies such as school based apprenticeships, VET in schools and pre apprenticeships.

If we can achieve this – I believe we can go a long way towards securing the next generation of skilled tradesmen whilst effectively addressing the lingering threat of skill shortages.