

Committee Manager
Legislative Assembly, Economy and Infrastructure Committee
Parliament House
Spring Street
EAST MELBOURNE VIC 3002

Dear Sir / Madam

Submission to the inquiry into sustainable employment for disadvantaged jobseekers

Thank you for the opportunity to contribute to the inquiry.

Committee for Melbourne (Committee) is an apolitical, not-for-profit, member-based entity that brings together over 140 organisations from Greater Melbourne's business, academic and civic sectors whose common purpose is to shape a better future for Melbourne.

As an independent organisation we represent no single interest group or political position, but seek to challenge conventional thinking and to develop innovative ideas to continue to enhance Melbourne's position as an economically prosperous and highly liveable global city.

In September 2016, the Committee launched *Melbourne 4.0*, a major project designed to explore how Greater Melbourne can prepare for the accelerating speed of innovation and disruption that has catapulted us to the early stages of the *Fourth Industrial Revolution*.

One of the strategic needs that emerged from Melbourne 4.0 was *Future skills*. Our capacity to benefit from the range of economic opportunities that avail themselves, and our pursuit of an egalitarian society underpinned by a robust democracy, depends on our capacity to develop local people with the necessary skills to navigate various challenges, especially given the rapidly changing nature of our economy from a resources, agribusiness, and traditional manufacturing base, to advanced manufacturing and knowledge and service-based industries. The Committee is therefore happy to make a submission to this inquiry.

Disadvantaged jobseekers include individuals, or categories of workers, who have difficulty entering and flourishing in the labour market due to limited skill, education, experience, or a combination of these factors. This submission focusses primarily on Australia's youth (15 to 24 years old), which is experiencing considerable disadvantage entering the labour market.

The youth unemployment rate is more than double the national average, and in 2018, was costing the economy 790 million in lost hours of work each year, equating to up to \$15.9 billion in lost GDP annually.¹ One of the biggest factors affecting the smooth transition of Australia's youth into the workforce is the onset of The Fourth Industrial Revolution. This globally disruptive phenomenon will completely change our economy and societal fabric in ways that were previously unimaginable.

¹ Foundation for Young Australians (FYA), 2018, *Report reveals full-time work by 25 no longer a reality for 50% of young Australians*, media release, FYA, Melbourne, 14 June 2018, accessed via: <<https://www.fya.org.au/2018/06/14/media-release-report-reveals-full-time-work-by-25-no-longer-a-reality-for-50-of-young-australians/>>

In light of this phenomenon, this submission will briefly touch on two areas which authorities could focus on to help improve the employment prospects for disadvantaged jobseekers; soft skill development, and lifelong learning aided by micro-credential qualifications.

Soft skill development

Automation, artificial intelligence, and other rapid technological advancements, are already disrupting the nature of work, with continual disruption expected over the coming decades. In this emerging environment, critical thinking abilities, combined with a range of other *soft skills*, including interpersonal skills, emotional intelligence, creativity, and enterprise skills, are increasingly in demand.

Our education system, however, does not place a premium on nurturing these skills. While the development of students' literacy and numeracy abilities remain critical, the development of their soft skills must be developed concurrently, and measured. The creation of a mechanism that records and measures these skills, and which has broad societal support, is something which should be considered. This mechanism would assist all students, regardless of their socio-economic background, to develop the necessary capabilities to improve their employment prospects.

Lifelong learning and micro-credential qualifications

With the nature of work set for continuous change, there is the need to not only educate our community about the need for lifelong learning, but to provide an environment that enables its implementation. The development and recognition of micro-credential qualifications, which complement our existing educational framework, will be essential to facilitating lifelong learning over a lifetime.

Micro-credentials that are recognised by Government and industry will help ease transitions across the workforce, and more rapidly fill gaps in the labour market. Those courses that focus on developing peoples' soft skills, in addition to the technically-focused ones, could play a major role in assisting the sustainable employment of disadvantaged jobseekers without them having to complete long, and arduous courses. Furthermore, given Australia's education system is considered one of the most unequal in the developed world,² it is critical that micro-credential courses are supported with government funding to ensure accessibility for disadvantaged jobseekers.

Conclusion

Committee for Melbourne welcomes the opportunity to provide a submission towards the inquiry into sustainable employment for disadvantaged jobseekers, and we wish you well as you conduct your review. Please contact Committee for Melbourne Policy and Research Officer, Brett Van Duppen, at bvanduppen@melbourne.org.au or (03) 9667 8140, should you require further information.

Yours sincerely,



Martine Letts | CEO

² Cobbald, T. (2018, November 15), *Australia's Education System is Nearly the Most Unequal in the Developed World*. Retrieved from: <http://saveourschools.com.au/equity-in-education/nearly-the-most-unequal-in-the-developed-world/>