



19 December 2017

Mr Nazih Elasmr
Chair
Economic, Education, Jobs and Skills Committee
Parliament House
Spring Street
EAST MELBOURNE VIC 3002

Dear Mr Elasmr

Thank you for your invitation to provide a submission to the Economic, Education, Jobs and Skills Committee's inquiry into career advice activities in Victorian schools.

The Business Council strongly believes that the traditional model of careers counselling is no longer sufficient or suitable for the modern world of work. A new approach is needed that reflects the fact young people will now expect to have multiple careers over their working life, and be expected to upskill and reskill countless times.

We also believe there is an unhelpful stigma against vocational education and training (VET), with university considered to be the pinnacle of success for a school student, that is directing young people into university who do not always benefit from it.

We have undertaken policy work that directly relates to the inquiry's following terms of reference:

- the relationship between school career advice and youth employment outcomes
- how well current career advice programs meet the needs of school leavers
- the challenges faced by school career advisers.

Specifically, the Business Council has proposed a new approach to career counselling that is designed around a potential learner's decision-making process and underpinned by a single platform for market information across tertiary education (VET and higher education). We have also developed a guide that defines what work readiness means from a business perspective.

Further detail is outlined briefly below.

A new approach to career counselling

The Business Council's consultation paper *Future-Proof: Protecting Australians Through Education and Skills*, released in October 2017, recommends that governments adopt a new approach to career counselling that is built around the learner's decision-making process.

The key to this proposal is that when people are considering tertiary education they start with two questions:

1. What am I good at?
2. What do I like/am I passionate about/am I inspired by?

The answers to these questions can then be used to narrow down the kind of tertiary education they would like to do.

The Business Council believes this decision-making process should be brought into the schooling system. In applying this process, it would need to be cognisant of different age groups, but we believe the concept could be applied from primary school.

Using this approach will allow young people to focus on their strengths, and learn from an early age to identify where those strengths would be most suited in their future.

It would also allow them to identify areas of weakness. This is important as there will be skills or knowledge all young people will need regardless of their future career choice, and knowing areas of weakness will enable young people to focus their development.

The infographic on the following page details the Business Council's proposed model.

Tertiary market information

In *Future-Proof*, the Business Council recommends that market information be a top priority for all governments and that they work collaboratively to build a single source of information across VET and higher education, which follows a learner's decision-making process.

The Business Council has repeatedly argued that insufficient market information is one of the biggest weaknesses of the national VET system.

The VET entitlement gives consumers power to determine what type of training or which provider is likely to create the best post-school opportunities for them. However, the capacity of students to make good decisions about their potential training is dependent on them having access to a wide range of labour market information and course-level data.

The information currently available does not provide the detail or breadth of information required. Learners are unable to get a true indication of the value of training or compare courses or providers on price, training quality and labour market outcomes.

This has limited the market power of the entitlement, and therefore the market power of the learner and business. It has also enabled poor-quality providers to flourish, which has threatened the reputation and viability of the VET sector as a whole.

Governments have a key role to play in improving the available market information. The Business Council strongly believes that as a condition of access to government funding, the government should require providers to publish course-level data on price, training quality and labour market outcomes so there is clear and transparent market information across tertiary education.

If you consider a potential learner's decision-making process, there are two key decisions they need to make – what to study and where to study – and each decision should be based on substantial information:

1. What to study

To make this decision learners should identify:

- What they are good at, where their strengths are, and what they are interested in or passionate about
- The different roles available in different industries that would suit these strengths and interests

- The VET or higher education courses that are relevant to these roles
- The professional bodies that are relevant to the particular industry or role, and which courses they accredit.

Once a potential learner has identified courses of interest, they need to consider a range of factors, including:

- The full cost of the course, including up-front fees and access to government support
- If government support is provided, how much the government is willing to subsidise the course, the potential cost to them and the length of time it will take them to pay back their loan
- The likely availability of roles relevant to the courses
- Graduate salaries and long-term potential earnings.

2. Where to study

To make this decision learners need to be able to see:

- Which institution offers the course, and where the course is located
- If the costs are different between providers, a comparison of the costs across the providers, including up-front fees and access to government support
- A comparison across providers about how long the course will take, as well as the weekly time commitment
- A comparison across providers in terms of student outcomes, including employment and starting salaries
- A comparison across providers of the professional bodies that recognise or accredit their courses.

THE TERTIARY SYSTEM

HELPING LEARNERS MAKE DECISIONS



WHAT TO STUDY

- 1** Figure out strengths and passions
 - Use self-assessment tools on the portal to help
- 2** Review roles and industries that suit strengths and passions
- 3** Identify the relevant VET and HE courses/skills sets
- 4** Compare the courses/skills sets including:
 - Upfront costs, subsidy and ICL
 - Future job prospects
 - Graduate salaries and long-term potential earnings

WHERE TO STUDY

- 5** Identify providers of the course/skills sets and compare:
 - Location
 - Costs
 - Length of course
 - Student outcomes
 - Professional body recognition
- 6** Apply for selected course/skills set
- 7** Enrol with provider
 - approve provider access to subsidy and/or ICL
 - pay upfront fee
- 8** Complete study

LIFELONG LEARNING

- 9** Find a job and start to repay ICL
- 10** Ongoing self-assessment of skills or knowledge gaps
- 11** Check balance of SLA
- 12** Return to step 1

Being Work Ready guide

The work readiness of graduates entering the labour market has been an ongoing concern for our members. However, when the Business Council spoke with educational institutions, career counsellors and educators they indicated there was a lack of consensus about what 'work readiness' involves.

In response, the Business Council developed *Being Work Ready: A Guide to What Employers Want* (Attachment 1). The guide, which was developed by a working group of representatives from across the Business Council's membership, has two components:

1. A table that outlines the minimum expectations a business has of an individual's work readiness when they apply for a job. These expectations are classified as values, behaviours or skills.
2. A table summarising the views of business about the responsibilities different groups – business, education system, family, government or individuals – have for developing work readiness values, behaviours and skills.

Being Work Ready was launched in May 2016. A copy was sent to every high school in Australia, career counsellors, and school sector peak bodies. It was also sent to the Commonwealth, State and Territory Education Ministers, with the objective of having the schools sector use it as a starting point for any discussions or programs aimed at preparing students for their transition into the labour market.

To complement the mail out and make the guide's content more accessible to a student audience, a new website was created for the guide (www.beingworkready.com.au).

The Business Council Secretariat has received a large amount of positive feedback on the guide, particularly from the schools and VET sectors and would encourage the Victorian government to use the guide in all schools.

If you would like to discuss this work further, please contact Ms Blye Decker on 03 8664 2620, or at blye.decker@bca.com.au.

Yours sincerely

Megan Kirchner
Head Tertiary Education

Attachment/s: Being Work Ready: A Guide to What Employers Want