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The Hon Kate Ellis MP
Minister for Employment Participation and Childcare
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

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Dear Minister Ellis

I refer to the Report of the Independent Review: Impacts of the new Job Seeker Compliance Framework, September 2010.

In a time when the pressures of skill shortages are impacting on Australian industry, it is important that every effort is made to make the best use of Australia's human capital and that we strive to have a highly skilled and productive workforce.

There is clearly a mismatch for those people currently unemployed in terms of their current or relevant skills and those required by business and industry. The Australian Industry Group (Ai Group) thinks this can best be addressed through strategies aimed at providing education and training opportunities for these people and that also recognises skills they already hold.

In commenting on the Job Seeker Compliance Framework, Ai Group found that there was not explicit reference to skill development as part of the Employment Pathway Plan (EPP). Training is mentioned, but seems to be only touched on. Regard should be given to a skill development plan that meets local economic conditions. Training for the sake of it without regard to local employment opportunities is not a good use of public money. Training should be fit for purpose, should be high quality and meet industry standards. Equally, raising the education levels of job seekers in order to allow job seekers to enter training is important. As recent reports highlight, the levels of language, literacy and numeracy in the Australian working age population is of great concern and evidence suggests that this will be a major barrier for job seekers wanting to participate in the labour market.

Ai Group recommends that language, literacy, numeracy and skill development be a primary objective in the EPP for job seekers. To achieve this objective there needs to be very clear and current labour market information made available to the employment service provider.

It is critical that the Job Services Australia be made aware of and be encouraged to link to the National Foundation Skills Strategy for Adults when it is finalised.

With respect to non-attendance at a job interview, there is concern expressed by employers at having to interview job seekers who do not appear to be active participants in the process. The burden on employers to activity test job seekers is costly and does damage to the reputation of all unemployed job seekers, particularly those who are trying to find employment. By the same token, employers are concerned that public money is not misused.

With respect to the recommendations listed in the review, Ai Group supports the underlying principles. The principal recommendations are more technical in their focus, and aside from the comments noted above, Ai Group is not in a position to comment on specific recommendations.

Please do not hesitate to contact me on (03) 9867 0202 should you require further information.

Yours sincerely

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