

THE AUSTRALIAN

Education 'failing' as a sure path to jobs

By **MICHAEL RODDAN**, REPORTER

12:00AM JULY 18, 2018 •  19 COMMENTS

Australia's education sector is ripe for overhaul after increasingly failing to land students in jobs, says Productivity Commission deputy chairwoman Karen Chester, who has urged the government to ensure workers enjoy "a sense of equality" in the benefits of the technological revolution.

Speaking at an economists' lunch in Perth yesterday, Ms Chester said the government also had questions to answer about programs aimed at retraining workers from dying industries, in a lengthy address that grappled with technology-driven changes to the nature of employment and the future of the labour market.

Ms Chester said school students were recording worse results in science, maths and reading, the vocational education training system was "a mess" that struggled to develop competent workers, and universities were not delivering relevant qualifications for jobs.

She said the threat of automation to jobs was not likely to be as bad as the "soothsayers" had warned — predicting the extinction of 40 per cent of current roles. However, there was still a need to shape the economy to better handle the era of digital disruption in which about one in 10 jobs were expected to be automated, she said.

The economy was still to show deep bruises from automation and artificial intelligence, with more complex work replacing automated "routine" jobs and the gig economy failing to fully materialise.

But she said the government had to ensure there were no roadblocks to harnessing technology for the economy, and policymakers must safeguard the workforce from turning into "have and have-nots" of the digital age by overhauling workers' training.

Workers needed a "sense of equality in the ultimate job, productivity and wage dividend" of the technological revolution, she said.

Ms Chester's comments echo those of Reserve Bank governor Philip Lowe, who warned in May that stagnant wages growth was whittling away the nation's "sense of shared - prosperity" and spoiling its appetite for economic reform.

In a speech last month, Dr Lowe said the benefits of new technology were "accruing unevenly across the community".

Ms Chester said it was important that policymakers focused on guaranteeing "the benefits of jobs, productivity and higher wages" were shared. The government had to fix how it trained and educated entrants to the workforce and how it retrained displaced workers.

The effectiveness of transitioning regional economies such as the automotive or forestry industries was "at best unclear". Some programs had not been well targeted or created conflicting incentives, and the government had failed to track affected workers to allow data to evaluate policies.

"Put simply, we can and should be doing better," Ms Chester said.

Students' results in the "cognitive trifecta" of science, maths and reading were deteriorating, she said, and the VET system struggled to deliver relevant "competency-based qualifications". Employers preferred non-accredited training over VET.

Universities were out of touch with the job market, with undergraduate joblessness doubling in the past decade to 20 per cent.

"Our key educational institutions are more focused on research than student employment outcomes," said Ms Chester. "Their approach to qualifications is outdated and outmoded — still emphasising a one-career-for-life approach".

SPONSORED CONTENT

BROUGHT TO YOU BY MERCER

Why Responsible Investing has gone from 'nice to have' to 'have to have'

Major institutional investors are demanding more than profit to ensure sustainable returns.

