

## **SALLY'S OPENING SPEECH - The Power of Purpose – Changing lives through employment**

I would like to begin by acknowledging the Traditional Owners of the land on which we meet, the Wurundjeri people of the Kulin nation, and I pay my respects to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Straight Islander people with us here today.

I would also like to express my gratitude to Uncle Ron for his warm and gracious welcome to country. It is also an honour to have Djirri Djirri Cultural Services to tell their story through dance/song . It undoubtedly sets the scene for an invigorating and energising conference.

Welcome. We are delighted to see you all here in marvellous Melbourne.

- Ministers Wyatt and Ruston
- Distinguished guests
- Kerri Hartland, Nathan Smyth, Michael Lye and colleagues from the Departments of Employment, Skills, Small and Family Business, Department of Social Services and National Indigenous Australians Agency;
- Rowena McNally, Independent Chair and NESAs Board members
- Our members, industry delegates, sponsors, exhibitors, industry partners and friends of the sector - it is my privilege and great pleasure to welcome you all to NESAs twenty first National Conference.

There is an old saying, that the more things change the more they stay the same. In employment services the one thing that stays the same is there is constant change with ongoing cycles of development and reform. Last year it was DES and CDP, this year it is jobactive through new employment services. Our sector has always embraced change

that complements our purpose, which is to make a difference through assisting more Australians to achieve employment and share all the economic, social and personal benefits that come with having a job.

Having purpose is incredibly important to having a fulfilled life.

## **SLIDE**

I recently heard of a Japanese term Ikigai (pronounced “eye-ka-guy”) - roughly translated Ikigai is “reason for being.” Ikigai is, above all else, a lifestyle that strives to balance the spiritual with the practical and it is specific to each individual's life, values and beliefs. In a person's working life this balance is found at the intersection where your passions and talents converge with what the market needs.

The links between our purpose and our employment is not always transparent. We all know Steve Jobs as the pioneer of the microcomputer revolution. Steve's passion... his Ikigai.. was as much about changing the world through innovation and fine craftsmanship as it was about electronics. The products Steve designed were intricate, complex and market leading.

Staying on track and maintaining sight of ones purpose is not an easy journey. Obstacles, failures and distraction of the day to day can test our resilience, diminish our hope; eat away our confidence and motivation - all ingredients essential to maintaining pursuit of purpose.

Our sense of purpose comes from within, but those we encounter along our path can reinforce or squash our determination and confidence. It was Steve Jobs father who inspired his love of craftsmanship and sense of ingenuity.

He credited his fourth grade teacher's persistence in finding ways to engage him; in turning him from a troubled student perceived as resistant to authority and regularly suspended, into a person with a passion for learning. Imagine how, not only his story, but the technology we have today might differ had he been allocated to a different class.

The employment services sector is filled with talented people who are passionate and committed to helping others to change their lives through employment and back on the road to fulfilling their purpose. NESAs Awards for Excellence Achievers of the Year have overcome extraordinary challenges to find employment. There is an exhaustive list of strategies and interventions that are used to assist job seekers and employers, but at the heart of what has underpinned record performance contract after contract, is the human connection. Every year when asked what made the biggest difference – the Achievers respond: 'My consultant's support and belief in me.'

It is the capacity of our passionate frontline to maintain job seekers hope in the face of rejection after rejection that is foundational in the work we do. It is the way they work with job seekers such as those living with a disability who have often had life time of being told what they can't do, or are adjusting to limitations associated with an acquired disability, to reimagine their potential and gain confidence in the strengths and talents they can offer employers.

Richard Leider, ranked as one of the "Top 5" most respected executive coaches by Forbes, is widely viewed as a global thought leader of the purpose movement. He says; you'll never know your true power until you start to walk in your purpose. When your values and aspirations are attached to your career, everyday at work is filled with gratification. Do what you LOVE. Many of our talented workforce entered employment services a little like accidental tourists.

With their backpacks filled with diverse skills and experience, once involved in the sectors work, they found that they had not just a job, but a vocation. This sector is grounded in purpose to change lives through employment, that's is why we do what we do with a commitment to jobs for all, and a firm belief that no Australian should be left behind.

## **CHANGE SLIDE**

As the I Want to Work paper on New Employment Services rightly states; job seekers want to work - but we know that wanting is not enough. The Targeted Compliance Framework data demonstrates the vast majority of job seekers, meet their job search and other requirements – yet most are still unable to secure employment quickly.

As a sector we know too well genuine engagement and activation is not just about compliance. Job seekers can feel like hamsters on a wheel, They do what is required but don't get anywhere. But unlike hamsters that enjoy spinning the wheel, job seekers can become demoralized and fall into hopelessness.

While Australia can celebrate low unemployment, we all know too well there is a deeper story underpinning Australia's 5.2% unemployment rate.

The continued disparity in the workforce participation of cohorts such as Aboriginal and Torres Straight Islanders, and people living with disability is indicative of the exclusion, and sometimes less visible barriers, job seekers face. Data presented in the Next Generation of Employment Services paper illustrates, who has been left behind in the pursuit of employment.

- 27.1% had a disclosed disability
- 19.1% were CALD
- 5.3% were refugees
- 13.1 had disclosed mental health issues
- 11.3% were disclosed ex-offenders
- 10.9% had identified themselves as Indigenous
- 9.7% were homeless
- 8.3% had a disclosed Drug and Alcohol issue
- 17.5% were parents

These figures are without considering all those who opt not to disclose these issues and those affected by other issues not reported such as family violence, torture or trauma, illiteracy, low rates of educational achievement and lack of non-school qualifications. The increasing prominence of job seekers facing multiple and complex barriers to achieving employment cannot be overlooked. In this environment continued use of measures of relative disadvantage or suggesting that 60% of job seekers are truly job ready is difficult to justify.

Job seekers face significant competition for employment, as indicated in the Department of Employment, Skills Small and Family Business Employer Recruitment Insights report 2018; on average, vacancies attract 19 applicants, of which only 3 candidates are selected for interview.

This leaves us asking why then, do 45% of employers report they have difficulty recruiting. The Employer Recruitment Experience report indicates recent experience is not essential

to 34% of employers, presumably then, it is to 66%. The Next Generation of Employment services paper stated around half of employers (51 per cent), considered relevant experience to be essential for lower skilled vacancies. And while 72% of employers stated employability skills **were as**, if not more, important than technical skills – they did not say technical skills **were not** essential.

There are some exemplary employers, such as those who have been nominated in NESAs Awards for Excellence, who go above and beyond to give disadvantaged job seekers a fair go. The sector often hears that if we develop job seekers employability skills, employers will train them. At the same time feedback from employers is that they want the right candidate with the skills they need. Employers have business imperatives and should not be expected to compensate for gaps in employment services and vocational education systems – both of which have been subject to significant reduction of funding investment.

The significant mismatch between available jobs and the people looking for work is worsening with growth in the proportion of vacancies demanding candidates with higher skill levels and decline in lower skilled vacancies. As the world of work continues to transform maintaining a skilled workforce should be a priority. However, while 59.1% of employed people received formal and/or informal training in 2005 this declined to just 46.1% by 2016-17 according to the most recent ABS's Work-Related Training and Adult Learning, Australia, 2016-17. This tells us our next wave of clients may have similar skills gaps.

The importance of human capital development alongside job creation is essential if we are genuinely committed to assisting all Australian job seekers to gain the best form of welfare – a job.

Without active tailored interventions to address skill and experience gaps, resolve non vocational barriers; encourage and assist employers to take on job seekers who need additional workplace support and development; many job seekers will remain on the hamsters' wheel.

## **CHANGE SLIDE**

The Next Generation of Employment Services paper states Employment services will need to increase job seekers focus on skills to help people understand how their current skills apply in different jobs and how they can build on their skills set to move into new jobs. The sector agrees but maintains employment services must have the means not only to advise people, but to assist them access the training and development they need. This requires adequate investment in programs, services and supports such as through the Employment Fund. And, as we ask job seekers to take on more personal responsibility the social contract suggests we should also ensure they have adequate means, not only to put a meal on the table and a roof over their head, but to also undertake activities to assist them gain employment.

The proportion of mature age people joining the ranks of the unemployed is steadily increasing and the sector welcomes the implementation of the Career Transition Assistance program to respond to their needs. However, the sector is now contending with the cessation of the separately funded wage subsidy pool together with the funding for CTA, being funded from the Employment Fund.

These cuts in investment will flow on to reduced assistance to job seekers and employers, and ultimately impact delivery of the Governments performance objectives.

This sector achieves a lot with a little, but there are limits. I often imagine what more could be achieved with funding equal to the average investment made by other OECD countries.

Our sector recognises that as digitalisation, automation and the development of the 'gig' economy changes the way people live and work, we need to keep step. In embarking on the journey to New Employment Services, NESAs and its members are committed to contributing to program design. NESAs and the sector welcome the commitment to ensure the trial of NEW Employment Services is a learning and development process with co-design at its heart; and we are eager to work with Government and our members on how that may be effectively achieved.

The OECD has described Australian employment services as world leading and many international counterparts continue to attempt replication of our model. Our economy needs strong workforce participation, our society is committed to the alleviation of poverty and Australians deserve the best services we can deliver. All future employment service programs and policy design must be firmly informed by a valid evidence framework about the people it seeks to serve, the problems it needs to address, effective solutions and investment.

## **CHANGE SLIDE**

NESA conducted its inaugural innovation tour earlier this year and delegates had the opportunity to hear from those people at the centre of design of the European employment services models that have inspired the proposal for Australia's NEW Employment Services.



On our visits to Belgium, Germany and Amsterdam we gained insights into the strengths of digital services and lessons learnt by these leaders over the years they have taken to develop their respective models. A consistent message about the immense opportunity digitalisation offers cannot be denied, as neither can the equally consistent view that digitalisation is an effective complement to face to face services, with our international counterparts learning from experience that it does not and cannot replace them.

Belgium has been progressing digitalisation for over fifteen years; they report, even with a highly sophisticated validated skills based digital job matching system, the final matching is ineffective without human judgement – stating it is the person that knows the job seeker needs to make the last call in order to get the right candidates to the employer.

In Amsterdam, we heard about the intensive support and investment in job seekers support, particularly those living with a disability that sat alongside their digital services. The importance of robust individual assessment to deliver sound service eligibility and interventions was a critical component of their model and its effectiveness.

These experienced leaders of digitalised employment services commonly expressed lessons about the design and development process.

1. Maintain a focus on development and improvement of services; not just automating them

2. Just because you can digitalise, does not mean you should. Digital and AI are not panaceas. Both have advantage and limitations and their function and place in an employment services framework should be carefully considered
3. Do not underestimate the importance of co-production and co-design – all intended users must be meaningfully engaged to inform good design – and they must be prepared for implementation. They provided wise caution; that the level of digital literacy, digital access of both employer and job seekers can impede implementation and create ongoing resistance in use of digitalised services. Both job seekers and employers require support to effectively transition to digital services with all the countries visited providing human assistance to support on-boarding of users to digital services.
4. Implement through a Try, Test and Learn approach - pilot, experiment and implement with minimal restrictions and continue to develop and enhance over the systems life time – the service must work for all, use the rich data to understand and respond to the needs of particular cohorts, labour markets, employer and industry segments
5. Don't over regulate – keep rules at a minimum

As always the NESAs National Conference provides a valuable opportunity for us to share our experiences and hear the experiences of others. I would like to acknowledge our great speakers and workshop presenters who have taken time out of their busy schedules to come and share their knowledge and expertise.

I would like to say a special thank you to our award sponsors for their wonderful support – The Department of Employment, Skills, Small and Family Business for sponsoring the

Achiever of the Year, The Champion of the Year and the Excellence in Indigenous Employment awards, The Australian Government Job Access for sponsoring the Innovation in Disability Employment award and our new sponsor alffie for sponsoring the Innovation and Collaboration in Indigenous Employment award.

Our sponsors and exhibitors bring energy and a buzz to the conference each year and I urge you all to take the opportunity to drop by the exhibits and have a chat with them about what they can offer to support you and your team.

And, on closing, to quote from Steve Jobs: "The only thing you have in your life is time. If you invest that time in yourself to have great experiences that are going to enrich you, then you can't possibly lose." Enjoy the next two days, immerse yourself in the conference experience, be enriched by the presentations and the company of your colleagues and I look forward to catching up with you all over the next two days.