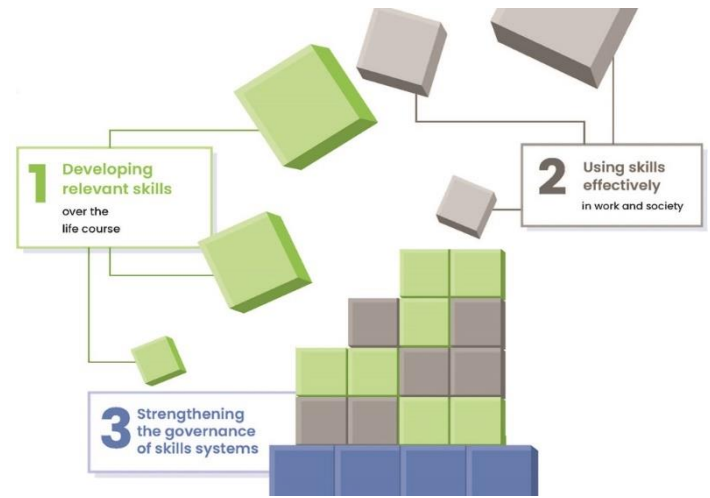




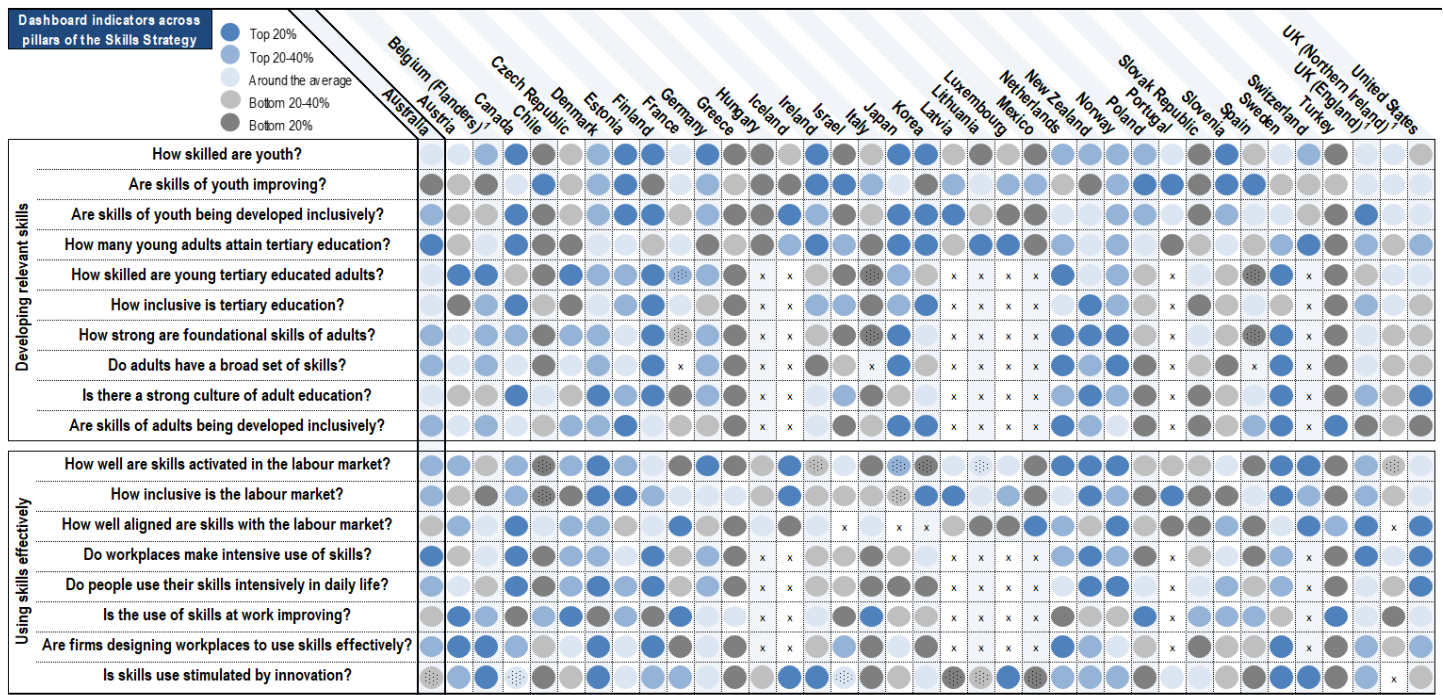
2019 OECD Skills Strategy: Australia

Since its launch in 2012, the OECD Skills Strategy has provided countries with a strategic and comprehensive approach to assessing their skills challenges and opportunities. The 2019 OECD Skills Strategy incorporates lessons learned from applying the OECD Skills Strategy framework in eleven countries, including new evidence about the implications of so-called megatrends, such as globalisation, digitalisation, population ageing or migration. It also accounts for new evidence about skills policies that work under the proper governance arrangements, including effective co-ordination and accountability mechanisms, efficient funding from different sources and information systems. This document describes the key findings for Australia.

The 2019 OECD Skills Strategy



OECD Skills Strategy Dashboard: summary indicators of skills performance



Notes: Indicators are selected, aggregated and normalised in a way to ensure that a higher value and being among the “Top 20%” reflects better performance. Colours in the dashboard represent the quintile position of the country in the ranking, with dark grey indicating performance at the bottom, and dark blue indicating performance at the top of the ranking. The “x” indicates insufficient or no available data for the underlying indicators, and dotted circles indicate missing data for at least one underlying indicator. Only OECD sources have been used (see OECD (2019) for overview).

1. For Belgium (Flanders), United Kingdom (England and Northern Ireland), a combination of regional (PISA and PIAAC) and national data have been used. Note on Israel: The statistical data for Israel are supplied by and are under the responsibility of relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Australia’s skills performance

The Skills Strategy Dashboard provides a snapshot of Australia’s comparative skills performance. Australian students’ performance in reading, mathematics and science are above the OECD average (PISA 2015), and many young adults have attained tertiary education. Australian adults have above-average skills in literacy, numeracy and

problem solving (PIAAC 2012). Skills development is also relatively inclusive, between youth of different backgrounds and between different groups of adults. Furthermore, a relatively large and diverse number of Australians are active in the labour market, while Australian workplaces perform highly in using workers’ skills intensively. Despite this

success, there continue to be areas in which Australia could improve. Australian students' performance is declining over time (PISA 2015). The foundational skills of recent tertiary graduates are on par with the OECD average, but could be strengthened further, especially numeracy skills (PIAAC 2012).

Australia could develop a stronger culture of adult learning. On one hand, participation in formal and/or non-formal adult education exceeds the OECD average. On the other hand, adults' self-reported willingness to participate in learning is at the average, while a relatively high share of Australian adults report barriers that preclude them from participating in education and training.

There is evidence of skills imbalances in the labour market. The skills of the long-term unemployed and some other groups are not effectively activated. In the Skills Strategy Dashboard, Australia ranks in the bottom 40% of OECD countries for the alignment between skills supply and labour market demand. Many workers are over-qualified for their jobs. The OECD Skills for Jobs database indicates that Australia faces larger shortages than the OECD average in a range of skills, abilities and knowledge, including education, health and basic skills.

Australia could also improve the intensity of skills use in workplaces. The Skills Strategy Dashboard shows that Australia ranks in the bottom 40% of OECD countries for

improving the use of workers' skills. Australia performs only around average for the adoption of high-performance workplace practices, which are found to stimulate skills use. Australia performs below average in the strength of its innovation system, also crucial to stimulate the use of skills. The OECD Economic Survey (2017) recommended improving the R&D Tax Incentive, public procurement, digital government services and research-business collaboration.

Australia has taken important steps to deal with many of these challenges. For example, the Quality Schools package and reforms based on the "Through Growth to Achievement" report seek to raise excellence in schools. The 2017 VET Student Loans program and changes to higher education funding seek to ensure quality and stability. Efforts to improve skills needs information (e.g. My Skills) and the design of financial incentives for adult learning (OECD forthcoming) will help students and adult learners alike, and contribute to reducing skills imbalances.

Still, Australia could benefit from taking a more strategic approach to skills – ensuring people of all ages, regions and backgrounds develop and use skills to respond to the challenges and opportunities of a complex, changing world. Co-ordinating effectively with different levels of government and stakeholder groups will be essential to achieve this aim.

Key recommendations for improving the performance of countries' skills system

Developing relevant skills over the life course: Making skills systems responsive

- Making each stage of learning a foundation for success in the next
- Enabling policies to support learning in adulthood
- Supporting teachers to become lifelong learners
- Financing adult learning
- Harnessing the power of technology as a tool for learning

Using skills effectively in work and society: Making the most of everyone's potential

- Make full use of everyone's skills
- Making the most of migrants' skills
- Activating skills to build more inclusive and cohesive societies
- Making intensive use of skills in work
- Aligning skills with the needs of the economy and society
- Aligning skills policies with industrial and innovation policies

Strengthening the governance of skills systems: Tackling increased complexity

- Promoting co-ordination, co-operation and collaboration across the whole of government
- Engaging stakeholders throughout the policy cycle
- Building integrated information systems
- Aligning and co-ordinating financing arrangements

Further reading

OECD (2019), *OECD Skills Strategy 2019: Skills to shape a better future*, OECD Publishing, Paris, [/doi.org/10.1787/9789264313835-en](https://doi.org/10.1787/9789264313835-en).

OECD (2018), *OECD Economic Surveys: Australia 2018* Paris, https://doi.org/10.1787/eco_surveys-aus-2018-en

OECD (forthcoming), Boosting participation in adult learning in Australia, OECD Publishing, Paris.

OECD (2018), Getting Skills Right: Australia.

OECD (2016), Skills for Jobs Database, <https://www.oecdskillsforjobsdatabase.org>

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