28 March 2022

Australian Bureau of Statistics
Locked Bag 10
BELCONNEN ACT 2616
AUSTRALIA

Via email: ANZSCO.Maintenance@abs.gov.au

Dear Sir/Madam,

RE: Updating the Australian and New Zealand Standard Classification of Occupations

The Australian Chamber welcomes the Australian Bureau of Statistics work on reviewing how skills are reflected in the Australian and New Zealand Standard Classification of Occupations (ANZSCO).

It is readily acknowledged that one of the pillars of the labour market statistical infrastructure is the ANZSCO. As this infrastructure underpins a wide range of labour market data including job outlook information and to regulate which occupations are eligible for migration programmes, the business community strongly feels that it is vitally important it remains adaptable and up to date.

Despite Australian business models, job functions, skills and technology undergoing significant change in the last two decades, ANZSCO has only been reviewed twice since its introduction in 2006 (having transitioned from the previous ASCO codes) plus a targeted review of four areas last year. Although it is not as holistic as we would have liked, ACCI is supportive of the current ANZSCO review, which is long overdue, and is participating in ABS stakeholder consultations and facilitating feedback from our members.

ACCI has reviewed the ABS 'Skills Problem Statement' and agrees with the identified five areas of concerns. We would also like to highlight the importance that trade based skills are not watered down or broken apart to create "mini trades", for example the skill of an electrician is broken up to provide a lesser skilled worker like a solar installer.

In relation to the first area of concern ACCI believes the pace of movement in the labour market and changes to skill (including de-skilling of some occupations) means skills assigned to many occupations within ANZSCO does not reflect the current labour market. We have seen this through the rapid introduction of technology usage in the workplace because of the pandemic, which is estimated to have advanced

seven years in as little as two years. This highlights why it is so important for ANZSCO to be reflective of the current skills landscape.

The second area of concern relates to "micro credentials, prior on-the-job training, "employability skills", and other training outside the AQF are not adequately reflected in ANZSCO". For ACCI the issue is always the skills, not the qualification, as in where the job sits compared with other jobs, does it require a greater level of skill and experience or competence than another job, how complex is the job and where does it sit in the hierarchy on jobs in a particular industry. It's not skilled acquired, it's skilled utilised. ACCI believes that credentials should be a guide, but not fixed except where it is a regulatory or licensing requirement.

In relation to the third area of concern ACCI agrees with ANZSCO that there is room for improvement as it currently describes tasks using non-uniform language and inconsistent terminology. These do not map directly to skills identified in other frameworks such as the Australian Skills Classification. We believe there needs to be a harmonisation of the work of ANZSCO and the Australian Skills Classification (ASC). The National Skills Commission is already taking this direction. The fact that there is an ASC at all is an indication of how irregularly ANSZCO is updated. There should only be one standard for occupations and it should be regularly updated. The fact that other standards are formed is a reflection that ANSZCO is not nimble enough. The ASC is drawing from a wider data pool of language employers use when advertising. ANZSCO should be drawing from a wide range of data sources in order to improve its use of terminology. ANZSCO also needs to take into account the industrial framework, and the VET levels linked to those job roles.

The fourth area of concern around the issue of occupations with similar underlying skills cannot be identified as the skills lack visibility within ANZSCO. ACCI believes this will be solved if there is a resolution of the issues raised in areas of concern one and three of reviewing ANZSCO's reflection of skill. A related example of where improvements are being made to improve information in a similar area is the My Skills Transformation project, which is transforming the My Skills website. This contains a directory of vocation education and training (VET) providers in Australia, and is aiming to improve the quality and accessibility of information available for VET consumers and enhance the way individuals can search for, and compare VET qualifications and RTOs.

The fifth area of concern covers ANZSCO's skill level and skill specialisation which lack sufficient detail to reflect the range of skills and competencies required to undertake a particular occupation. ACCI agrees that ANZSCO only has a brief summary of skills and competencies while ASC is more detailed. The two need to come together and be informed by industry.

With the implementation of the new industry skills clusters, there is an opportunity to bring together industry leadership to focus on what the jobs are currently and for the

future. These strategic discussions should be formally linked to a more regular review of ANZSCO. There should be one classification of occupations which is very dynamic, responsive to change and informed by a range of data sources.

There is a need to make the system nimble and adaptable so that it can capture all relevant occupation that are essential now, not from five-ten years ago. The right policy settings need to be put in place that leads to the creation of a single classification system that picks up details about skills requirement in each jobs from a wide range of sources, with industry identification key to this system. There should be one classification of occupations which is very dynamic, very responsive to changes and fed by a range of data sources.

In summary, ANZSCO underpins much about what is known about jobs performed in Australia as it is used as a tool for the labour market, population researchers and policy makers. It touches everyday Australians through such things as the information provided to job seekers about careers, and affects access to the skilled migration program. It is essential we are able to provide job seekers, employers and governments with accurate and up to date information rather than an ad hoc approach to updating the ANZSCO.