

Jobs and Skills Australia Amendment Bill 2023

Australian Council of Trade Unions submission to the Senate
Education and Employment Committee's inquiry into the *Jobs
and Skills Australia Amendment Bill 2023*.

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Introduction

The Australian Council of Trade Unions (ACTU) is the peak trade union body in Australia, with 43 affiliated unions and states and regional trades and labour councils, representing approximately 2 million workers across the country who are engaged across a broad spectrum of industries and occupations in the public and private sectors. As the primary users of the skills and training system, workers have a keen interest in ensuring that Jobs and Skills Australia (JSA) is a body which is designed to deliver on the needs of industry. JSA represents an opportunity to move away from the bureaucratic control of skills planning, industry forecasting, migration and other crucial elements of the skills system and towards a system in which the needs and knowledge of industry are central. We welcome the opportunity to provide feedback on this Bill.

The ACTU's [submission](#) to the original Jobs and Skills Australia Bill, *Jobs and Skills Australia Bill 2022*, laid out our view regarding the optimal structure for JSA. We recognise that the *Jobs and Skills Australia Amendment Bill 2023* makes clear that the Government has gone in a different direction on some of the matters outlined in that proposal. While we remain committed to the model outlined in our original submission, we believe that the version proposed by the Government can be effective with a small number of clarifications as outlined below.

Our concerns with the Bill as presented.

Broadly this Bill appears to be successful at the creation of a permanent form of JSA which will be well placed to deliver on its crucial functions to provide oversight, guidance and research to the Australian skilling system. We have no major concerns with the Bill and certainly encourage the Senate to ensure its swift passage. We do however have a number of concerns regarding some content of the Bill, and the body it seeks to create, which may require some consideration or clarification.

The Role and impact of the four 'other' board members

As laid out in the Bill, the Ministerial Advisory Board will be established with members representing employees, employers, states & territories and up to four 'other' members. The Bill makes clear that the role of the Advisory Board is 'advising both the Minister and Commissioner as to the performance of the functions of JSA'. While we welcome the creation of this body and the commitment to industry leadership in skills that it represents, we are concerned that the addition of four 'other' board members may result in a watering down of what we see as the Advisory Board's most crucial function – to be a voice for industry.

The Advisory Board should be a critical forum for industry to provide input and advice to both the Commissioner and Minister regarding the priorities and work of JSA, as well as a conduit for industry intelligence to highlight upcoming challenges and opportunities. The addition of four

'other' board members may inhibit this function of the Advisory Board. External and independent experts may have a role in JSA's and the Minister's considerations, but the need for this should be carefully balanced with the importance of ensuring that the voice of industry is not relegated to 'just another stakeholder' status.

The JSA/JSC relationship

We note that in its current form, the Bill makes only minor references to the importance of the relationship between JSA and the still under-construction Jobs and Skills Councils (JSC). It is our view that the importance of this relationship is such that maintaining it should be included as one of the core functions of JSA in the Bill. The two-way relationship between JSA and the JSCs, in which research, information about broad trends and skills policy planning flows from the JSA to the JSCs and industry intelligence, input on solutions to skills challenges and on-the-ground expertise flows from the JSCs to JSA, will be critical in ensuring both bodies are able to function effectively. As it stands, the Bill includes this relationship in a broader point regarding the JSA's 'participation in industry consultation forums'. In our view there needs to be some consideration of whether the provisions in the Bill could be clarified or strengthened to further reinforce the significance of this relationship.

The Bill should also include language which clarifies the specific roles of JSA and the JSCs within the relationship. It needs to be clarified that the JSA should regard the JSCs as their source for industry advice on what is needed in regard to the demand and supply of skills, as well as intelligence on workforce needs. Again, we believe that this can be achieved through clarification of existing wording or through minor additions to the text of the Bill.

The sequencing and prioritisation of JSA planning functions.

The Bill lays out a number of planning functions for the permanent JSA body, including:

- identifying labour market imbalances and analysing the demand and supply of skills,
- analysing skills needs and workforce needs, including that of regional, rural and remote Australia, and in relation to migration, and
- undertaking studies, including opportunities to improve employment, vocational education and training (VET) and higher education outcomes for cohorts of individuals that have historically experienced labour market disadvantage and exclusion.

We fully support these functions and believe JSA is the best body to carry them out. One concern however that arises from this comprehensive list of planning tasks is the likely difficulty that will be created if JSA attempts to pursue them all simultaneously, or in an unplanned sequence. Australia faces several critical skills issues, some of which have become urgent. It is critical that JSA tackles its planning tasks in a manner which best allows these issues to be addressed in

order of priority. It is our view that, in light of this, significant consideration will be needed regarding the prioritisation and sequencing of JSA's planning roles. We would suggest that the input of the Ministerial Advisory Board will be critical in making that determination.

The monitoring role of JSA

It is our view that JSA has an important role to play in monitoring compliance with, and the impact of, government programs such as the Australian Skills Guarantee which is not acknowledged in this Bill. The Australian Skills Guarantee (ASG), which will require a certain proportion of apprentices on projects, is an important part of the Government's skilling agenda. We believe that JSA, due to its links to industry and data-gathering capacity, is the body most suited to measuring compliance with the requirements of the ASG – as well as the impact of that program on apprentice numbers and skills shortages. Connected to this, JSA should also be responsible for the measurement of progress with regards to apprentice diversity targets – such as female apprentices and Aboriginal and Torres Strait Islander apprentices. Considerations should be given to how these responsibilities can be made more explicit in this Bill.

Resourcing of additional functions.

This Bill provides no additional funding for JSA on the basis that, as written in the Explanatory Memorandum, "Through the 2022- 23 Budget, the Government invested an additional \$12.9 million to support the establishment of Jobs and Skills Australia over three years to underpin the significant new consultation and engagement requirements for Jobs and Skills Australia." This funding was welcomed at the time as indicative of the Government's commitment to skills planning and remains so. This Bill however also lays out an ambitious suite of functions for the new body – many of which, by their nature, are of broad scope and have long timelines. While there are currently no concerns regarding the adequacy of JSA's funding, we would encourage the Government to maintain an open mind regarding future funding increases. If it proves necessary to provide JSA with additional funding in order to ensure it can fulfill its functions, this should be the subject of specific additional funding.

In Summary

As outlined above, this Bill requires the consideration and clarification of a number of issues prior to its passage, most importantly the selection, appointment, role and function of the 4 'other' board members. Assuming that these issues can be addressed, we see no reason why the Senate should not pass the Bill as soon as possible to ensure that Jobs and Skills Australia can begin to undertake the important work for which it is designed.

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