



# Jobs and Skills Australia Amendment Bill 2023

Submission

APRIL 2023



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**Australian Industry Group's submission to the Senate Education and Employment Committee's Inquiry into the Jobs and Skills Australia Amendment Bill 2023.**

## About Australian Industry Group

The Australian Industry Group (Ai Group) is a peak employer organisation representing traditional, innovative and emerging industry sectors. We are a truly national organisation, and in 2023 we celebrate our 150th year supporting Australian businesses.

Our vision is for thriving industries and a prosperous community. We offer our membership strong advocacy and an effective voice at all levels of government underpinned by our respected position of policy leadership and political non-partisanship.

With more than 250 staff and networks of relationships that extend beyond borders, we have the resources and the expertise to meet the changing needs of our membership. We provide the practical information, advice and assistance members need to run their businesses.

## Ai Group's Centre for Education and Training

The Centre explores new ideas to improve Australia's education and training ecosystem in line with contemporary and emerging skill needs. We incubate new concepts through project activity, often partnering with other bodies.

## Our response

Thank you for the invitation to provide input into the establishment of Jobs and Skills Australia (JSA). Ai Group is firmly committed to the successful establishment and operations of JSA. This new entity has the potential to drive a strategic and future facing agenda around workforce development and Australia's skilling system. The need to address skilling issues has never been more pressing, but we cannot focus only upon the immediate term. We need evidence-based policies and strategies designed to build a highly skilled inclusive workforce for decades to come.

Ai Group has previously welcomed the broadening of the remit of JSA to be economy-wide, thereby providing advice that includes both the vocational and higher education sector. Ai Group views the inclusion of the higher education system within advice provided by JSA as a positive and necessary step given the JSA's all-encompassing role on Australia's skills and training needs and workforce priorities. However, the JSA must ensure that its advice is data-driven and reflects a balance between the needs of the VET and higher education sectors.

Ai Group has always been of the view that Jobs and Skills Australia is best established as a statutory authority. This would enable appropriate independence from government and the



strengthening of the industry voice. This positioning would provide the opportunity for clear and strong leadership from JSA fitting for the challenges ahead. We do, however, note that the government has stated JSA, at least in its early stages, will be a statutory body.

The preferred tripartite approach to the establishment of Jobs and Skills Australia's Advisory body is strongly supported. This is an opportunity to assemble a high performing, deeply connected body with balanced representation to help drive strong outcomes for Jobs and Skills Australia. While it is proposed that this body be advisory rather than determinative, it needs to be given strong terms of reference and real challenges to contribute to. This opportunity to develop mutual commitment across a breadth of stakeholders to future facing solutions is rare and must be maximised.

We do, however, provide the following comment on aspects of the bill as presented.

1. *Relationship between Jobs and Skills Australia (JSA) and Jobs and Skills Councils (JSC)*

The education and training system is in the midst of important structural reform. Notably, the establishment of Jobs and Skills Australia, the focus of this legislation and the recent standing up of the Jobs and Skills Councils (JSC). Opportunities for structural alignment between entities is rare. We are firm in the view that a high level of collaboration and differentiation between JSA and the JSCs will be critical to a high performing education and training system. The system must have clarity about the role and scope of each entity. Importantly, the flow of information between the entities must be transparent and understood. These relationships must be two-way. While the current Amendment Bill makes reference to the JSCs we believe a more explicit referencing and clarification would be beneficial.

2. *Board composition (other 4 members)*

We note and concur with the role of the Ministerial Advisory Board in providing advice to both the Minister and the JSA Commissioner, but we also strongly assert that the JSA board is to be the 'voice for industry'. The composition of the board should ensure that this is always the case. We agree with the proposed composition re independent chair, three representatives from employer organisations, three representatives from employee organisations and two State and Territory representatives. However, we are concerned about the 'not more than four others'. With the industry voice principle firmly in mind, we are concerned that the size of this grouping may dilute this voice. The concept of independent experts can add great value to this board, yet the grouping remains too large or too open. Consideration could be given to reducing the size of this grouping or preventing the dominance of a 'single voice' through these board positions.

## **In summary**

The JSA has a sizable and important function to fulfill. Successful establishment will be critical to JSA achieving this ambition. As noted in the Amendment Bill, JSA has a number of planning priorities and output requirements – Jobs and Skills Report. All of these are of the utmost importance and flexibility may be required to ensure effective prioritisation, especially in early times. In addition, the JSA may require additional funding to expanded and deepen its work plan overtime. This should be an open consideration.

Ai Group is very supportive of the establishment of JSA, including a review at the two year mark. We look forward to the passage of this legislative amendment in order to commence the permanent governing and operational functions of JSA.



## **Australian Industry Group contact for this submission**

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The Australian Industry Group

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