

14 April 2023

Committee Secretary
Senate Education and Employment Legislation Committee
Via online submission

Dear Committee Secretary

Thank you for the opportunity to comment on the Jobs and Skills Australia Amendment Bill 2023 [Provisions]. The Business Council of Australia (BCA) welcomes the Government's commitment to skills and training and the establishment of Jobs and Skills Australia (JSA) as a permanent body going forward.

Furthermore, we welcome the deep and genuine consultation that has been undertaken by the Government on this legislation, reflecting the earlier commitments to consult on the design on JSA's permanent form.

We believe that JSA's primary focus should be on developing Australia's human capital. It is needed to map out Australia's current and future workforce needs, as well as ensuring our skills, education and migration systems are well-placed to meet the challenge and provide employment opportunities for all Australians. A comprehensive and co-ordinated approach by government, informed by JSA will be key to meeting our future skills and workforce needs.

JSA's key task should be ensuring that we have a skills system that is capable of delivering Australians with the skills and competencies they need to be the engine room of a more dynamic and productive economy.

Consistent with the above, we believe that the permanent governance arrangements and functions for Jobs and Skills Australia should be established as a priority, with a JSA Commissioner, up to two Deputy Commissioners and a Ministerial Advisory Board, consistent with the legislation before the Parliament.

However, while we believe the legislation should be passed as soon as possible so that JSA can continue its important work, it could be improved in two key respects:

- Composition of Ministerial Advisory Board; and
- Ensuring JSA has the right functions.

Composition of the Ministerial Advisory Board

We welcome the establishment of JSA as a permanent body and, in particular, welcome the structure of a JSA Commissioner supported by up to two Deputy Commissioners and advised by the Ministerial Advisory Board. Our understanding is that the Advisory Board will not have any veto powers over the operations or advice prepared by JSA and will instead focus on advising on JSA's statutory functions,

its long-term strategic direction, and matters for its prioritisation. On this understanding, we welcome the role of the Advisory Board as outlined in the legislation.

We note the composition of the Board as outlined in the proposed legislation would see the appointment of two members representing the interests of the States and Territories, three members representing employee organisations, three members representing employer organisations and not more than four other independent members.

The interests of the states and territories are appropriately represented but it is unclear what the composition of the 'not more than four other members' of the Board might be. While the Explanatory Memorandum suggests that the four positions would not be available to representatives of employer or trade union groups, it is unclear if this refers to current representatives, or whether it also proscribes former members. Ensuring greater independence among these other four positions would improve the Bill.

Relatedly, we understand and welcome the Government's commitment to genuine tripartite consultation through JSA, represented by including three members representing employee organisations and three members representing employer organisations on the Advisory Board.

We would note, however, that given representatives from employer organisations represent the interests of the nine in ten jobs that are in the private sector (compared to one in eight employees represented by employee organisations), it would be worth considering whether there should be greater and more diverse employer representation on the Board, including key constituencies such as small employers in regional areas or, given the sectors growing importance, employers with digital expertise.

Ensuring JSA has the right functions

As noted above, the BCA believes that JSA's primary focus should be on developing Australia's human capital, by ensuring our skills, education and migration systems are well-placed to meet Australia's current and future workforce needs.

For this reason, we very much welcome the proposed amendments to Section 9 of the Act that will ensure a greater focus on taking into account our higher education and migration systems in meeting our human capital needs.

However, we do not believe JSA's scope should be expanded to matters that are not primarily designed to meeting these human capital needs and where there are alternate bodies already considering their matters.

For that reason, we do not support the inclusion of paragraph 9(1)(a) (viii) which would make one of JSA's functions to provide advice to the Minister or the Secretary in relation to "the impact of workplace arrangements, including insecure work, on economic and social outcomes".

While matters of workplace arrangements are of course an important issue, we would suggest that JSA's focus is in ensuring that the skills, education and migration systems are delivering an appropriate pipeline of workers to meet our current and future workforce needs. Matters of workplace arrangements should not be a focus of JSA, especially when there are other government bodies or departments, including the Fair Work Commission, that already have such responsibilities.

Furthermore, we would also note that the wording of the above amendment, seeking to advise on 'economic and social outcomes', is far broader than what JSA's role should be. To the extent that JSA

should take into account workplace arrangements, it should be limited to how it is related to its role in providing advice on skills and workforce needs. JSA's role should not be providing advice on broader economic and social outcomes.

The BCA looks forward to the Bill passing and working with JSA to help meet Australia's future skills and workforce needs.

Yours sincerely

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