



Australian Government
**Department of Employment
and Workplace Relations**

Inquiry on the Jobs and Skills Australia Bill 2022 [Provisions] and the Jobs and Skills Australia (National Skills Commissioner Repeal) Bill 2022 [Provisions]

Submission from the Department of
Employment and Workplace Relations to the
Senate Committee, Senate Education and
Employment Legislation Committee

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Introduction

The Department of Employment and Workplace Relations (DEWR) welcomes the opportunity to make a submission to the Senate Education and Employment Legislation Committee for the inquiry on the Jobs and Skills Australia Bill 2022 [Provisions] and the Jobs and Skills Australia (National Skills Commissioner Repeal) Bill 2022 [Provisions].

The Australian Government plays an important role in skills planning and policy development to ensure Australia's skills and education systems respond to current and emerging labour market and workforce needs and priorities.

The Government has committed to the establishment of Jobs and Skills Australia (JSA) in 2022 as a priority. The Jobs and Skills Australia Bill 2022 (the Bill) introduced on 27 July 2022, outlines that JSA will be a new statutory body, with clear and accountable responsibilities for researching workforce trends and providing advice about what skills are needed now and into the future.

The introduction of the Bill will enable essential work to start immediately while more extensive consultation on the permanent JSA arrangements are underway, including through the Jobs and Skills Summit. The Bill lays the groundwork for future legislation which will establish and outline the permanent JSA, including its full range of functions, structure, and governance arrangements.

The Bill seeks to establish JSA as an independent statutory body within DEWR. This new statutory body is in addition to the creation of a statutory office holder, the JSA Director. The director will be required to establish partnerships and collaborate with the other key stakeholders responsible for delivering Australia's future workforce, which is essential for Australia's growth and international competitiveness.

The Bill's requirement to consult with key partners including industry, business, unions, and providers and consider their input when providing advice to Ministers and Secretaries gives effect to the Government's commitment to tripartism.

Once established, JSA will also play an important role in helping to strengthen Australia's economy by leading research and analysis, undertaking workforce forecasting, and preparing capacity studies for emerging and growing industries. This will provide a greater understanding of current, emerging and future Australian workforce skills needs to inform Australia's employment, workforce, and skills and education system policy and program settings.

The introduction of the Jobs and Skills Australia (National Skills Commissioner Repeal) Bill 2022 will support the Jobs and Skills Australia Bill 2022 by providing for the repeal of the *National Skills Commissioner Act 2020*. The National Skills Commissioner role, established by the Act, will be abolished as a result.

DEWR consulted with other Commonwealth agencies to understand the intersection of the functions of JSA, and functions undertaken by those departments. DEWR also sought general feedback on the design, functions and governance of the interim agency and processes for working with Commonwealth agencies. Consultations have also occurred with several industry peak bodies and education and training provider representatives. This feedback has informed the development of the Bill.

The Bill preserves in legislation, the initial expectations and vision of the interim JSA. Setting out the initial set of functions, including providing advice to the Minister for Skills and Training and the Minister for Employment and Workplace Relations and the DEWR Secretary, primarily in relation to:

- Australia's current, emerging and future skills and training needs and priorities (including in relation to apprenticeships)
- Australia's current and emerging labour market, including advice on workforce needs and priorities
- the adequacy of the Australian system for providing VET, including training outcomes.

JSA will have a much broader and more strategic focus than the National Skills Commission (NSC). It will be embedded as a central piece of the skills and training system and ensure a collaborative system-wide approach to understanding employment and skills issues. The tripartite partnership with key stakeholders will be critical to ensuring a whole of economy view of labour market and skills needs and will help to ensure the training system delivers the skilled workers Australia needs to prosper.

In addition, JSA will continue the work begun by the NSC on research, data and analytics and its system review and advice functions. This includes, for example, continuing to develop the national VET Course Priority list, linked to the national Skills Priority list, to better inform decisions about where Government funding should be targeted to meet skills demand. It will also continue to inform the public through reporting and publications, including labour market insights and analysis for employment regions to inform responses to regional jobs and skills issues.

Through its research work, JSA will gather evidence and provide advice that allows government to target investment where it is needed most. It will inform employment, workforce and skills and training policy, and provide data to ensure government programs are targeting the right areas of the economy.

Jobs and Skills Australia Bill 2022 – key legislation foundations

Functions

JSA core functions as set out in the Bill will include:

- providing advice to Government and Ministers on workforce needs and priorities, and skills and training needs and priorities; and advice on the adequacy of the Australian VET system
- use of data, information, and analysis to understand costs involved in delivering quality VET courses
- identifying opportunities to conduct workforce planning and forecasting, skills requirements in the labour market, and cross-industry workforce analysis
- information distribution to the public
- collecting, analysing, sharing and publishing data to inform policy and program delivery, including targeting employment services and career advice
- formalised consultation with stakeholders

JSA will prepare capacity studies to support the Government in planning and policy development to ensure Australia's skills and higher education systems are responsive to current and emerging labour market and workforce needs and priorities, as well as inform government investment in research and development and regional development opportunities.

JSA will undertake workforce forecasting, assess workforce skills requirements and undertake cross-industry workforce analysis. These functions may include the systematic identification, analysis and planning of future workforce needs to support industry and economic growth across the labour market.

JSA's workforce planning function, which was not a core function of the current NSC model, will support a nationally consistent picture of Australia's workforce needs and the factors contributing to workforce demand and supply imbalances across the labour market.

Amid historically low unemployment and rising demand for workers, a strengthened role in workforce planning will be critical to ensure Australia has the right skills at the right time. JSA's workforce planning function will bring focus and consistency to further strengthen and coordinate workforce planning activities across sectors, regions and cohorts. JSA will facilitate a more strategic and analytically consistent approach to better understand the workforce challenges and opportunities within Australia's labour market, adding rigour and objectivity to the dispersed workforce planning activities that currently occur across all levels of government and industry.

The workforce planning activities undertaken by JSA may take a range of forms, for example in-depth cross-sectoral labour market studies, capacity studies for emerging industries, and transition pathways analysis to assist industries and regions undergoing structural change. This work would build upon the existing research and analytics capability of the NSC and be informed by both detailed economic modelling and stakeholder consultation in line with the commitment to tripartism.

JSA's workforce planning, analysis and findings will provide important insights and evidence to assist industry, DEWR and other government agencies to identify, design and implement well-targeted policy, strategies and initiatives to address workforce challenges within and across sectors, and effectively support growth opportunities and government's workforce priorities.

By bringing together the many different workforce insights, JSA will support a more consistent picture of Australia's future workforce needs nationally and identify factors affecting workforce supply and demand.

Through JSA's analysis and findings, informed by stakeholder consultation, the Government will have a stronger understanding of the skills that are needed now, and which skills will be needed in the future. This will allow Government's education, training, and other investments to be targeted to measures that will help meet the immediate and future skills needs, providing pathways to employment for young people and people who are already in the workforce looking to upskill or change career path.

Workforce planning will help ensure that Australia's skilled workforce is developed and aligned with broader employment needs. This will help to drive economic growth and maintain Australia's international competitiveness as our major trading partners move towards advanced manufacturing, technology and clean energy industries.

Structure

The Bill will establish JSA as new statutory body. The Bill also establishes the position of the JSA Director. The Minister will initially appoint an interim JSA Director to lead JSA through its establishment and the performance of its initial set of functions.

The JSA Director will exercise their role independently while operating within DEWR. They will report to the Minister and use DEWR support functions like finance and human resources. DEWR departmental staff will be made available to undertake JSA's functions at the JSA Director's discretion.

The JSA Director will be required to lead JSA in the performance of its functions. The Minister may give the JSA Director directions about the way in which he/she carries out the functions of their role or the functions of JSA.

JSA will have separate branding and marketing to reflect its establishment as a new statutory body and will provide independent advice to DEWR portfolio Ministers.

Governance

JSA will be responsible for implementing the legislated requirement to genuinely consult (where appropriate) and work with state and territory governments and other key stakeholders including, for example, employer associations, unions, training providers and regional organisations. This tripartite approach is designed to ensure that JSA's advice matches and responds to the evolving demands of the economy, Australia's workforce and learners, and supports the training system to deliver the skilled workers Australia needs.

The final JSA model will give further effect to the Government's commitment to genuine tripartite partnership arrangements, helping to ensure Australia's training system responds to the evolving demands of the economy, and delivers the skilled workers Australia needs.