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Jobs and Skills Australia Discussion Paper
Department of Employment and Workplace Relations
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Dear Director

RE: Jobs and Skills Australia Discussion Paper

The Australian Chamber of Commerce and Industry (ACCI) appreciates this opportunity to provide comment on the *Jobs and Skills Australia Discussion Paper*.

ACCI was very supportive of the creation of the interim Jobs and Skills Australia (JSA) and has been actively involved in consultations with the government and other stakeholders on its functions for its final form. We acknowledge the good work that began under the National Skills Commission, however we believe there were some shortcomings within that structure that JSA will hopefully give us an opportunity to address.

ACCI has two key outcomes it would like to see delivered by JSA, the first is a structural approach to workforce development planning and strategy that will not only identify workforce shortage issues, but also identify the gaps and opportunities in the existing systems, and where the two are aligned. This analysis should be done across vocational education and training (VET) and higher education. In addition, it is imperative from a business productivity and sustainability perspective that JSA undertake this analysis with a focus on Australia's migration program. This is particularly the case with respect to the skilled intake and the capacity of international students to more fully engage in Australia's labour market during and after their primary study.

It is vital to not only look at the demand but also the supply side and how the two interact. The other is for an industry voice in the system at every level. It is vital that under JSA there is a consolidation of labour market analysis and forecasting. This will ensure decisions regarding skills and training needs, skilled migration occupation lists, and employment policy and programmes are well informed. This will occur through data and evidence from state/territory and national levels and, most importantly, industry.

Last year ACCI issued a joint position with Ai Group and the Australian Council of Trade Unions (ACTU) on both the key structure and areas JSA should cover. The establishment of JSA will assist in improving the understanding of our national skills system and will ensure it meets Australia's current and future needs. For many years ACCI and our members have called for a dedicated labour market analysis to

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understand the current and future skill needs of the economy and development of subsequent policies to deliver those skills.

ACCI, in line with our joint position with Ai Group and the ACTU, believes JSA should be governed by a multi-disciplinary, independently chaired board in order to operate successfully. ACCI believes the creation of a board for JSA is of key importance; the Prime Minister and subsequent Government Ministers had envisioned the organisation being based on Infrastructure Australia (IA). We strongly support IA being used as the blueprint for the creation of JSA and believe this structure will allow JSA to develop in a manner previous iterations have been unable to achieve.

The board composition would be determined in consultation with National Skills Ministers. The composition of the board would reflect an equal balance of unions and employer groups, along with balanced jurisdictional representatives and appropriate expertise. In a further addition to our position, ACCI believes that a representative from the skills training sector with an understanding of training delivery from the provider perspective across a range of contexts is critical in the effective composition of the JSA board. There should be a commissioner and staff appointed and engaged to perform the functions of the organisation in concert with the relevant government department(s).

We further support the creation of specialist and representative sub-boards (reflecting the tripartite supervisory board composition) to be established for distinct work/priority areas of JSA as required and determined. This structure would ensure a whole-of-economy and nationwide perspective guides the strategic direction of the organisation.

Key roles of the supervisory board would include organisational oversight, review, strategic alignment, and ensuring the preparation of the National Skills Plan and Workforce Development Strategy for submission to ministers for approval. The expectation would be that each jurisdiction would administer its skills investment in accordance with the Plan. State and territory governments would continue to play the ultimate role of purchasing training in the public and private training markets under the National Agreement on Skills and Workforce Development.

A significant component that is currently missing from the proposed structure of JSA is the creation of a national apprenticeship advisory board sitting under JSA. There is a real imperative for the voices of industry to be front and centre in this policy area. The proposed board would provide valuable guidance for both the short- and longer-term structures of apprenticeships. The scope of the advice could also embrace apprentice pathway courses, including VET delivered at schools and pre-apprenticeships, which work best when tailored on an industry-by-industry approach. The board would also be well-positioned to examine any issues in the apprenticeship system that are creating barriers for take-up by either the employer or the job seeker. Should state and territory governments agree, the board could eventually oversee a national approach to apprenticeship qualifications and consider new industry requests for qualifications to be recognised for delivery as apprenticeships and traineeships.



A biennial National Workforce Development Strategy needs to be embedded within the specific remit of JSA to examine in-depth Australia's current, emerging and future workforce skills needs. This will ensure decisions regarding skills and training needs, skilled migration occupation lists, and employment policies and programs are well-informed by data and evidence from all jurisdictions and industry. It should also consider the supply side of the system and make recommendations about the performance and adequacy of that supply in order to meet the demand. JSA should be used in consultation with industry to identify the most relevant and useful vocational training to be delivered to school students (both in terms of qualifications and quality of delivery) and identify the barriers to school-based apprenticeships and traineeships. This labour market analysis and forecasting should also inform our migration strategies based on current, emerging and future workforce needs.

We would like to see JSA undertake the role that was previously administered by the Australian Industry and Skills Committee (AISC). The Committee was responsible for overseeing the accredited training system, including the formal endorsement of training products, as well as advice on skills and training policy. These functions have gone to the Department of Workplace Relations for an interim period and they should eventually be incorporated into JSA. While the incorporation of the training package endorsement function into JSA is important, some of the broader systemic issues that were, to an extent, perpetuated by AISC need to be significantly improved before the training package development and approval process can be timely and effective for business.

We want to see the approval processes for training packages in vocational training be more responsive to fast-paced industry changes. JSA could play a key role in approving minor changes or rapid updates to training packages that can make them more responsive. We are strongly committed to JSA taking over this key function as this will provide an integrated approach to the supporting structures around VET.

Importantly, with the implementation of the Jobs and Skills Councils (JSCs), the work they will be undertaking directly correlates to the work of JSA. The JSCs are industry-owned entities that will undertake planning and workforce forecasting, and needs analysis, at the industry sector level. The broader role of JSCs is to bring together strategic leadership in particular sectors. The JSCs will be reviewing the very detailed needs for their industry and providing that information to JSA. There must be a formalised link between the JSCs and JSA, with the creation of an advisory body of the CEO, or nominated executive, from each of the JSCs. The JSCs should be engaged in the collective effort to produce a biennial National Workforce Development Strategy, as they will be best placed to provide key input into the plan for both VET and higher education.

The advisory function to the employment services side is where workforce participation needs to be strongly addressed. In particular, how Australia can better bring disadvantaged groups into the workforce such as women, over-55s, people with disability, youth, and First Nations people. Importantly, we are not just seeing a skills shortage in Australia, we are also seeing a labour shortage, so JSA's should also



address workforce participation. An element of this includes ensuring there is sufficient data available to see where the problems are, or where the opportunities may have been, that have not been taken advantage of. This will help inform how we might start to tailor action to improve workforce participation amongst diverse cohorts. Note this function should remain distinct from the direct running of employment services, which is in the province of the Department.

We see the National Careers Institute and the careers strategy coming in under JSA, as this will enable the forecasting and needs analysis to inform the careers side. It is fundamental to have an informed market as to where the jobs and opportunities are, so the careers side is very important. It is not our view that JSA would do this by itself. It would do it in combination with a total structure of looking at it; National Careers Institute would feed out information and inform the market, working with the states and territories on the careers side, and working with the JSCs, as part of an independent tripartite approach.

We see that the objectives for the permanent JSA, on top of those mentioned in the discussion paper, could include:

- Development of a five-year National Skills Plan and supplementary workforce development strategies
- Updating a national workforce development strategy on a regular basis to and identify workforce skill needs based on the provision of an ongoing, robust, evidence-based and independent picture of:
 - Current and future skills needs for Australia at a regional and national level
 - Migration needs
 - Investment in and outcomes from tertiary and VET education
- Provide advice to Australian governments on options to strengthen the VET system, including funding, to make it easier for students, training providers and employers to understand and access VET, and to ensure that workforce skill needs are met
- Increase transparency regarding the investment made in the VET system, across skill areas and cohorts in particular

ACCI believes the role of JSA is vital to drive the whole education and training system, and strengthen workforce planning by working together with employers, unions, and the training and education sector. We look forward to the commencement of the permanent, ongoing structure with industry voice and input represented at every level.